



LUZERNE COUNTY

INDUSTRIAL/BUSINESS PARK INCENTIVE PROGRAM

OBJECTIVE: The goal of the Industrial/Business Park Incentive Program is to create new quality employment opportunities, while promoting the sale of land in County industrial/business parks. The program is designed to offer financial incentives to attract businesses creating quality employment opportunities to eligible Luzerne County industrial/business park sites owned by an Industrial Development Corporation (IDC). To be eligible for this incentive, both the business and the IDC must meet the criteria established below:

PROGRAM FINANCING: The business will be eligible to receive a \$1,000 grant for every job meeting the Job Creation Requirements listed below, up to \$200,000. Said funding will be derived from the County, through the IDC in the form of a reduction in the purchase price of the land for the eligible grant amount.

BUSINESS QUALIFICATIONS/CONDITIONS:

- The business must be locating or expanding within a County industrial business park that is owned by the IDC and carries a lien from an existing Business Development Loan from the County.
- The business must purchase the site from the IDC or commit to a lease of at least 10 years with a developer who purchases the site from the IDC.
- The business must meet the job creation requirements listed below.
- The business must commit to remaining in the area for a minimum of **10** years and to achieve job creation goals within 3 years.
- Participation in this program does not preclude a business from seeking other County economic development financing programs as long as job creation requirements are satisfied.

JOB CREATION REQUIREMENTS: To be eligible for this financing, the business must meet all of the following criteria:

- Total job creation must provide at least 50 jobs that will be made available locally. Jobs filled by employees transferring here from other company locations will not be counted as job creation. (The 50 job minimum for small businesses having less than 50 employees may be waived, contingent upon the business meeting all other program criteria. Such waivers will be considered on a case-by-case basis based upon the merit of the project with regard to benefit to Luzerne County and its residents.)
- At least 90% of the jobs being created must meet the County's quality job definition of 2½ times the Pennsylvania minimum wage. (Exclusive of employee benefits.)
- If 90% of the jobs being created do not meet the quality job standard immediately, the employer has 18 months from approval to train employees to the skill level needed to advance to the

quality job wage level. As part of the agreement with the County the employer must evidence the intent to utilize a training program linked with a local workforce development program. Employer based training programs will be considered contingent upon their providing ample opportunity for lesser skilled/unskilled workers to participate. Entry level salaries for employees entering into the training program must not be less than \$9.00 per hour.

- Employer must agree to provide the IDC with all required documentation to demonstrate compliance with the above.
- Employer is required to demonstrate proof that 100% of the grant is invested in the site or to offset business expenses associated with the project.

IDC REQUIREMENTS/CONDITIONS:

- The County will forgive repayment of the Business Development Loan securing the project site for an amount equal to the eligible grant to the business. IDC will reduce sales price of land to the business for an amount equal to the County's forgiveness.
- The applicable per acre repayment will not be required at the time of sale of land. The outstanding loan balance will be reduced by 50% of the grant amount upon sale of the land. One-tenth of the remaining grant amount will be deducted from the loan balance for each subsequent year for the next 10 years. Said forgiveness is contingent upon the business' continuing to operate within the park over the 10 year term, and compliance with all job creation requirements stipulated above. If the business ceases operation prior to the termination of the 10 year commitment, no further forgiveness will occur. The IDC may, at its discretion, require security from the company to guarantee repayment for failure to comply with the 5 year requirement.
- If the employer is acquiring the site through a "turn key" development via a private developer, the developer will be required to reduce the turn key purchase price by the amount of the grant. Copies of settlement statements will be required to document the transaction.
- If the job creation requirements associated with the original loan to the IDC have not been satisfied, the standard BDLP job creation language must be included in the sales agreement and job creation efforts will be applied toward the loan goal. Monitoring of job creation efforts by the County will occur. In the event job creation efforts have previously been satisfied, it will be the responsibility of the IDC to certify to the County that job creation requirements were satisfied.
- IDC forgiveness will also be conditioned upon the following:
 - Submission of appropriate documentation to enable the County to determine qualification of the project for this incentive funding
 - Forgiveness will not violate HUD mandated sanctions in the loan agreement
 - No other terms or conditions of the loan agreement will be violated
 - In the event the business ceases operation within the park before the 10 year term expires, the IDC may petition the County for forgiveness of the balance of the loan if they feel extenuating circumstances lead to the failure of the business to fulfill the commitment. Said requests will be considered by the Council on a case-by-case basis.

REQUIRED PRE-APPROVAL DOCUMENTATION: The following documentation must be submitted by the IDC for review by the Luzerne County Council to determine eligibility of project for this funding incentive:

- Letter requesting release of mortgage on project site and waiver of applicable per acre repayment. Letter must include the following:
 - Statement of Need for Request
 - Description of project, Job titles/salaries (it is understood that much of this information is confidential; data submitted to the state for funding consideration will be sufficient and

held in confidence. The name of the company, if not yet released, may be omitted, however, it will be required prior to actual release of mortgage. The County must be apprised of restrictions regarding public disclosure of the project.

- OCD Loan Number(s) linked to project site
 - Acreage to be sold, lot #, etc.
 - Evidence of standard sale price for acreage/and proposed new selling price (actual final sales agreement will be required upon execution)
 - List prior requests for County forgiveness within park/remaining sellable acres
 - A copy of the mortgage release must be attached.
- The County may, under the advice of legal counsel, request a note from the IDC for the grant amount, in accordance with the forgiveness terms contained herein, at the time of release of mortgage.

OCD REVIEW PROCESS: Within 5 business days of receipt of information, the OCD will review the request for compliance with the above requirements, and advise the Council of their findings. If the request is determined to meet the requirements of the policy the OCD will request that it be placed on the agenda for approval at a public Council meeting. The OCD and the Luzerne County Council will utilize as much discretion as possible in the public meeting process to apprise citizens of the nature of the request without divulging confidential information that could be detrimental to finalizing the sale of land.

COUNCIL APPROVAL: If approved by the Luzerne County Council, a letter of commitment will be provided to the IDC/business. The actual release of mortgage will be executed at the time of the sale of the land by the IDC to the business and upon receipt of the required note from the IDC.

MBE/WBE: It is the policy of the Luzerne County Office of Community Development to encourage applications from minority and women owned businesses. All businesses receiving funding through the Luzerne County Office of Community Development are encouraged to utilize the services of minority and/or women owned businesses.

EQUAL EMPLOYMENT OPPORTUNITY: No business receiving funding through the Luzerne County Office of Community Development shall discriminate against any individual because of race, color, religion, sex, national origin, age, disability, or familial status.

FOR FURTHER INFORMATION CONTACT:

Luzerne County Office of Community Development
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