



LUZERNE COUNTY'S EMPLOYMENT INCENTIVE LOAN PROGRAM

OBJECTIVE: The goal of the Luzerne County's Employment Incentive Loan Program is to create improved employment opportunities while strengthening our labor market through job training opportunities. The program is designed to attract new business to the area, as well as strengthen existing businesses, that will lead to the creation of quality employment opportunities that will lead to higher earning opportunities and enable lesser skilled members of the work force to successfully benefit from these employment opportunities through job training.

ELIGIBILITY: In order to receive a loan under this program, the business must demonstrate a positive direct impact on the community in which it is located, on residents of that community, or on the local and/or regional economy. The applicant must demonstrate a need for assistance through the program, and commit to creating employment opportunities that meet the job creation incentives listed below.

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

- One (1) permanent, full time equivalent job must be created for every \$35,000 borrowed from the County. A majority (51% or more) of the jobs must be taken by or made available to persons from low/moderate income families. Note: Each unskilled person hired and trained to qualify as a skilled person will count as a low/mod job.
- 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.
- Employer must evidence the intent to utilize a training program linked with any local workforce development program that will train employees to the skill level needed to advance to the job incentive wage level within a reasonably defined time frame following conclusion of the training period. 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. Said entry level salary must be upgraded to not less than the job incentive wage level upon completion of job training or within the time frame proposed by the company during the application process and approved by the County. Job incentive wage level is defined as 2 ½ times the Pennsylvania minimum wage. Entry level salaries for employees not requiring training shall not be less than the job incentive wage level. All wage scale standards are exclusive of employee benefits.
- Failure to meet the job creation requirements within a 3 year period following preliminary approval, or to comply with the job incentive wage requirements, may result in a penalty.

ELIGIBLE ACTIVITIES: Funding will be provided for land and/or building acquisition; construction/renovation activities; purchase of machinery and equipment which is an integral structural fixture of the business; and professional and financial fees. Funding may also be obtained for working capital by manufacturing firms.

PROGRAM FINANCING: Loan funds are available for eligible businesses at an interest rate of 0% for terms of 7 or 15 years, with a minimum loan amount of \$50,000 and a maximum loan amount of \$1,000,000.00. The County can potentially finance up to 50% of the eligible project costs. Monthly repayments of principal will be required for the term of the loan. County funds will be secured by a letter of credit from a financial institution.

PROGRAM MECHANICS: The applicant submits the completed application to the County with evidence of matching funds. **Also, evidence of the ability to secure a letter of credit from a lending institution in the amount requested must be submitted with the loan application.** There will be a minimum of 30 days for the Office of Community Development to determine if the project is eligible, to ensure availability of funds, and to hold a public meeting. The loan will then be submitted to the Luzerne County Council for consideration. Contingent upon approval by the County Council at a public meeting, a preliminary approval letter will be issued to the applicant, which must be executed and returned to the County. A loan agreement will then be prepared; however, **a loan closing will not be scheduled until the environmental review process is completed. Prior to the release of funds evidence of actual expenses incurred for eligible activities (i.e. invoices, bills of sale, cancelled checks, payroll registers, etc.) must be submitted to this Office. All expenses submitted must be incurred after the date of preliminary approval.** County funds will not be made available until a loan closing has been held.

All projects utilizing County funds for construction activities must comply with Federal Labor Standards, including the Davis-Bacon Act. Projects utilizing County funds for acquisition activities will require compliance with County acquisition procedures. Specifics of these requirements will be made available by the County's BDLP Loan Counselor.

FEES: A processing fee of 0.5% of the total County funding (not to exceed \$1,000) will be required from the applicant. Of this amount, \$150 is due at the time of execution of the preliminary approval letter, with the balance due at the loan closing.

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:

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