OCALA

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Small Business Investment Program

Administered by
The Revitalization Strategies Department

Approved by City Council 04/01/2014

CITY OF OCALA
SMALL BUSINESS INVESTMENT PROGRAM

Purpose:

The purpose of the Small Business Investment Program is to create economic growth within the Ocala city limits and utility service areas through both the attraction of new business and encouragement of existing business to grow and expand. This program is intended for small businesses (minimum 5 employees, maximum 50 employees) that exhibit the need for financial assistance of up to $25,000.

Under this program the City may, on a case-by-case basis, provide financial assistance to or on behalf of a company where a positive return on investment to the City and/or the community can be determined. The City may also create, by addenda to this program, other short-term special recurring or non-recurring economic sustainability programs to address specific economic needs and issues; and may do so city-wide or on a site or area specific basis.

Assistance may include, but is not limited to: the waiving, crediting, or payment of fees; reduced rent on city-owned property; grants; capital improvements; required infrastructure improvements; and grant matching funds among others.

Authorization:

This program is established under the City's Economic Investment Program and is authorized under Sections 166.021 (8) (b) (c) Florida Statutes. Applicants desiring confidentiality must provide a letter requesting "that any and all documents, records, reports, correspondence, conversations, applications, data and other sources of information concerning our business plans, interests, or intention be kept confidential as authorized under Section 288.075, Florida Statutes".

The Program will:

1) Provide financial assistance to business owners on a reimbursement basis only;
2) Encourage creation of new to City of Ocala jobs;
3) Attract new businesses;
4) Encourage existing businesses to expand or use additional City services;
5) Base the award on number of jobs created and wage level with consideration given to capital investment.
6) Not be combined with other City of Ocala Economic Investment Programs.

Eligibility Requirements:

1) Company must be classified in one of the State of Florida Qualified Targeted Industries and/or be located within one of the City's Business Assistance Targeted Locations.
2) Create a minimum of five (5) new jobs within a 3-year period paying a minimum of 125% of the average Marion County wage.
3) Make capital investments in building construction, building renovations and/or machinery and equipment (the value of real property purchases and/or leases is excluded).
4) All work done must be in accordance with the City of Ocala Code of Ordinances and all required permits must be obtained.
5) Only work begun **after** approval will be eligible for award consideration. Work in progress or performed before approval will not be eligible
6) Applicants will agree to make the required investment and to retain the agreed upon number of jobs at the committed wage level and business location for five years.
7) Recipients will enter into an agreement to keep all jobs and improvements in place for five years. The recipient must pay a pro rata share of the City proceeds invested in the project for the number of months remaining if the required conditions are not maintained. For example: if $15,000 is reimbursed and improvements are replaced or removed during the 33rd month of the 60 month period, the recipient pays the City back $6,750. Calculated as follows: 60 months - 33 months = 27 months remaining; 27 months divided by 60 months = 45% which is the pro rata percentage. Multiply the reimbursed amount by the pro rata percentage to calculate the payback amount ($15,000 x 45% = $6,750).

Criteria:

In addition to the number of jobs created and wage level, consideration of financial assistance may be dependent upon a determination that a net positive return on investment in terms of expanding the ad valorem tax base, utility revenue, and/or other revenue streams vital to building and maintaining the City's and/or community's financial strength will be achieved.

In general, funds are <u>not</u> available for companies which have been in business less than three years (unless the parent-subsidiary relationship enhances the viability of the company or unless the company has graduated from the Ocala/Marion County Chamber and Economic Partnership Power Plant Business Incubator within the past 12 months); the company ceases operation at the project location; the company, parent, or subsidiary is not current in all ad valorem tax payments, other tax obligations, fees and charges; or the company has financial or legal issues such that the ability of the company to meet its obligations is in doubt.

Process:

The application process is administered by the ***Revitalization Strategies Department****. Interested parties must contact (352) 629-8312 to discuss the proposed project prior to application submittal.*

Only completed eligible applications will be processed for funding consideration which is contingent on City Council approval. The estimated timeframe from receipt of **completed** application to award consideration is four weeks (not including execution of required documents). The process may be delayed if the applicant does not respond to requests for information in a timely manner.

Steps

1. **Company makes initial contact with the City**
   (If the project is eligible an application will be provided)

2. **Company returns completed application to the City**
   (Additional information may be requested)

3. **City prepares return on investment calculation**
   (If appropriate return is determined application is processed)

4. **City Council approval or denial**
   (The City Manager has the authority to approve agreements of $10,000 or less. Agreements greater than $10,000 will require City Council authority to approve or deny an application. The City may stipulate additional terms and conditions in a binding agreement with the successful applicant)