

Stillwater Chamber of Commerce Workforce Incentive Program

Operational Guidelines:

Objective: **The Workforce Incentive Program** is to attract primary employment opportunities to the Stillwater, Oklahoma, area by offering cash incentive payments to qualifying companies on a performance basis.

The Stillwater Chamber of Commerce (the Chamber) serves as the community's leading economic development organization and administrator of the **Workforce Incentive Program**, which is funded jointly by nine public and private sector entities.

All incentive payments of this program will be provided to qualified companies according to the terms specified in a fully executed contract with the Chamber. Cash incentives for creating permanent quality jobs are one-time payments generally ranging from \$1,500 to \$3,000 per new job, based on the total economic impact to the Stillwater community. The Stillwater Economic Development Authority ("SEDA") will also consider the application with the possibility of matching the Chamber's payment.

Evaluation Criteria:

Incentives are offered on the merits of the proposed new business or expansion of an existing company on a case-by-case basis, with consideration of:

- 1) The Projected number of full-time employment to be created,
- 2) Taxable Wages and benefits of the new positions,
- 3) The community's employment need in related skill classifications,
- 4) The project's total capital investment,
- 5) Real property to be used and any related site issues or infrastructure requirements,
- 6) The potential impact on the local environment, social services, and quality of life.

Business Classifications and Standards:

- **Manufacturing:** A target of 90% of the manufactured products of a participating company must be consumed or exported out of Payne County. Research, product development, and testing is also permitted.
- **Corporate Headquarters:** A target of 90% of revenues must be derived from transactions originating outside Payne County. "Back office" operations and customer service activities may be included.
- **Services:** A target of 90% of revenues must be derived from transactions originating out Payne County.
- **Warehousing and Distribution:** A target of 90% of goods distributed must be transported out of Payne County.
- **Transportation:** Freight or passenger transportation services. A target of 90% of revenue must be derived from interstate commerce/travel and only office staff would qualify for incentive payments.
- **Prohibited Uses of Incentive Funds:**
 - Retail
 - Restaurants
 - Local services
 - Equity investments
 - Start-up businesses
 - Non-profit organizations
 - Charitable contributions

Payroll Requirements:

- **Employment Threshold:** The company's operations must be located in the Stillwater, Oklahoma, area and create a minimum of 10 new jobs within the first 24-months of the contract period to qualify. The activities and functions for which the jobs being created must not have existed during the previous 12 months.

- **Payroll Threshold:** A qualified job being created generally requires a minimum average annual wage of \$38,900 or \$18.70 per hour on a full-time basis (Stillwater's most recently published average wage). New jobs and wages will be documented through quarterly reporting to the Oklahoma Employment Security Commission beginning with the first quarter after the company enters the program.
- **Residency Requirement:** New employment positions must be located within the company's Stillwater facility and at least 80% of newly hired employees must reside in Payne County.
- **Health Insurance Coverage:** Businesses should offer basic health insurance coverage to all employees working 30 hours or more per week, whose wages are included in the qualified payroll. The employer should contribute at least 50% of the employee's premium cost and employees must be allowed access to the coverage within 60 days of initial employment date.

Required Documentation for Application:

- **New Hire Summary:** An Itemization of the proposed new hires by job title and average wage for each year of participation. Only new direct jobs and their taxable wages are eligible. Company owner(s) or primary share holder(s) are not eligible to be claimed for incentive payments.
- **OES-3 Reports:** The four most recent OES-3 quarterly reports that have been filed with the Oklahoma Employment Security Commission, including the total number of employees on the payroll of a business during that time period.
- **Major Medical Employee Health Plan:** A current copy of the company's health benefits plan and documentation indicating the percentage paid by the employee, the waiting period before the plan is offered, and any other qualifications for health insurance coverage.
- **Company Background:** A description of their product/service descriptions, a business plan with the projected employment growth, a list of other affiliated locations, a corporate organizational chart, annual gross sales, and capital investments during the previous 3 years.
- **Registration to do business in Oklahoma** with the Oklahoma Tax Commission and Oklahoma Employment Security Commission. A "Certificate of Good Standing" is required from the Secretary of State's Office.

Approval Process:

Immediately following receipt of an application and required documentation, the Chamber's program administrators will prepare a final cost/benefit analysis to determine the per employee payroll that will be qualified for future payments to the company within the scope of its proposed project. The local economic impact goal is a cost/benefit ratio of 1:5.

The application is then presented to the Chamber for consideration and possible approval. No other parties or entities are authorized to approve or decline an application for the Chamber incentive funds. At the discretion of the applicant, the proposal will also be presented to "SEDA" for its consideration of a match of the Chamber's payment, subject to its guidelines.

The Chamber retains the right to consider other factors related to a proposed project and make exceptions to these "Operational Guidelines" at its sole discretion.

Once an application is approved by the Chamber, a written incentive offer is issued to the company for acceptance. An authorized officer must execute and deliver the original contract to the Chamber prior to hiring any new employees whose wages will be claimed for benefits. No offers to any employer are binding until a contract has been executed. Claims for incentive payments are processed once each quarter and the Chamber will provide all forms for reporting during the contract period.

Repayment Required for Cancellation of New Jobs: Incentive payments for newly created jobs require a minimum of 2-years initial employment period. Repayment is required if each job that is eliminated within 2 years of each reported start date.

Advance Payment Option: In some cases, it may be necessary to provide a loan advance on future incentive payments. For creditworthy applicants, an "interest-free loan" could be arranged based on their anticipated incentive proceeds. Credits toward the loan balance would be issued as new jobs are created and reported in quarterly OESC reports.

Confidentiality of Proprietary Information: The Chamber makes every effort to maintain complete confidentiality of a company's proprietary information during the negotiation and application process. However, the Chamber is not responsible for any proprietary information that may be disclosed in public meetings or documents filed with any governmental entity by an applicant while pursuing an operating permit, building permit, or zoning change.

Corporate Citizenship and Community Involvement: Companies must maintain a membership in good standing with the Chamber while participating in this program. The Chamber is committed to full compliance with all applicable federal and state laws and requires the same commitment of all employers participating in this program.