



# Special Public Works Fund

## Applicant's Handbook & Program Guidelines



Updated July 2012

## Introduction

The Oregon Business Development Department's Infrastructure Finance Authority (IFA) is pleased to provide the 2012 edition of the Special Public Works Fund (SPWF) Program Guidelines. The SPWF program is supported by Oregon State Lottery funds appropriated by the Legislature. It is the largest fund administered by the IFA and valued at more than \$280 million. The fund can be utilized to assist "municipalities" with the development of a wide spectrum of eligible infrastructure projects for improving economic prosperity and livability.

The purpose of these guidelines is to provide applicants and staff with a concise, easy to use reference for SPWF program information pertaining to project development, eligibility, the application process, and conditions for an award. The content is organized into two sections, SPWF Program Information and SPWF Process. The information included is as specific as possible, however it is difficult to foresee and address the variety of project circumstances that exist in communities. **Your IFA Regional Coordinator will always be the best resource for determining a solution to your project needs. Contact IFA at (503) 986-0123 to reach the coordinator for your area.**

This program document is based on current legislative statutes, administrative rules, and IFA policy and is subject to periodic revisions to meet evolving economic development needs or advance the priorities for program funding.

Suggestions and comments regarding the program guidelines handbook are always welcome. Please direct suggestions to:

Attention: SPWF Program and Policy Coordinator  
Infrastructure Finance Authority  
775 Summer St. NE, Suite 200  
Salem, OR 97301-1280

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**OREGON BUSINESS DEVELOPMENT DEPARTMENT  
INFRASTRUCTURE FINANCE AUTHORITY**

**Special Public Works Fund  
Applicant's Handbook and Program Guidelines**

**2012 Edition**

**SPWF PROGRAM INFORMATION**

**1. Program Purpose**

The Special Public Works Fund (SPWF) program was established by the Legislature in 1985 to provide funding for municipally-owned facilities that support economic and community development in Oregon. The program provides financing to local governments to construct, improve and repair public infrastructure and facilities that will support economic growth and create new jobs.

**2. Program Administration**

The Applicant's Handbook and Program Guidelines are published to give applicants guidance on project eligibility, project development, how to apply for funds, and how to administer projects financed by this program.

Current Oregon Revised Statutes (ORS) applicable to the SPWF program can be found in ORS 285B.410 to 285B.482 at: (<http://www.leg.state.or.us/ors/285b.html>).

The current Administrative Rules can be found in OAR 123, Division 42 at: ([http://arcweb.sos.state.or.us/pages/rules/oars\\_100/oar\\_123/123\\_tofc.html](http://arcweb.sos.state.or.us/pages/rules/oars_100/oar_123/123_tofc.html)).

The SPWF program is capitalized through 1) biennial appropriations from the Oregon Lottery Economic Development Fund by the Oregon State Legislature, 2) bond sales for dedicated project funds, 3) loan repayments and 4) interest earnings. The Special Public Works Fund is appropriated to and administered by the Oregon Business Development Department's Infrastructure Finance Authority (IFA).

Program funding is used primarily to make loans and is managed so that the fund provides a continuing source of financing. Grants may be given only when loans are not feasible due to the financial need of a municipality, or under circumstances of a project as specified by administrative rule. The level of loan or grant funding, if any, will be determined by the IFA on a case-by-case basis.

### **3. Definitions**

The definitions for administration of the Special Public Works Fund Program are listed in Oregon Administrative Rules 123-42-0020. (Please refer to **Appendix A**).

### **4. Project Development**

The IFA has Regional Coordinators to assist you with your project's development. Regional Coordinators are assigned to the different geographic areas of the state. Your Regional Coordinator can be identified at <http://www.orinfrastructure.org/map.php>. Please do not hesitate to contact your Regional Coordinator for help with project development activities. They can assist you with activities such as:

- A. Discussing a project concept to clarify eligibility criteria, identifying potential funding resources and avoiding any potential pitfalls in a proposal;
- B. Gathering information needed for preparation of a Project Notification and Intake Form;
- C. Setting up on-site meetings between applicants, the project engineer and other agency Representatives;
- D. Scheduling of a “One-Stop” Meeting to review potential financing scenarios for your proposed project.

It is important to involve funding agencies in the project planning process as early as possible.

The Project Notification and Intake Form (Intake) is used by IFA staff to help determine the most appropriate funding program(s) for each proposed project. Your Regional Coordinator will complete preparation of the Intake and will work in close collaboration with you to obtain the information necessary to do so. Completed Intakes are then circulated to appropriate IFA staff for project review advice or questions about the proposal. Once the IFA finds that the Intake provides sufficient information to determine that the potential project is eligible and ready-to-proceed, the Regional Coordinator will invite the prospective applicant to submit a complete application.

Project applicants are strongly encouraged to hold at least one public hearing on each proposal or funding request being considered as early in their project development process as practical. The results of a public meeting that show strong community and governing body support are important criteria in the SPWF project selection process. The hearing may be held in conjunction with a regularly scheduled meeting of the governing body, but must provide opportunity for public input. Notice of the hearing should briefly describe the purpose of the proposed project and the hearing, and be published or posted in accordance with local practice for notice of public hearings.

A “One Stop” meeting may be scheduled, if warranted, or upon request by the proponent. This meeting will provide broad funding perspective and multiple program eligibility considerations

and may include several federal and state agencies. Large or multi-phase projects that require funding from multiple sources are best suited for “One Stop” meetings. Meetings are generally held after the project proponent has completed a master plan or facilities plan and/or has estimated costs for final design and construction of the desired improvements. Potential funding scenarios utilizing the most suitable programs will be developed for review with project representatives for the community. Meetings are held in Salem on the second Tuesday of each month, and last about 1-1/2 hours for each project. Please contact the IFA Regional Coordinator that serves your region to schedule a “One Stop.”

Construction projects should be ready to proceed and be able to be completed within 36 months of receiving an executed financing contract. The municipality must document that a registered professional engineer has certified in an engineering report or engineering plan that the proposed project is feasible, is the most cost effective solution, and adequately serves the applicable land uses in both the short and long term. Project cost estimates must also be prepared by a qualified architect or engineer. Estimated costs should be projected to the amounts that are anticipated at the bid opening and start of construction dates.

Planning projects should be completed within 24 months of receiving an executed financing contract.

INTERESTED APPLICANTS SHOULD CONTACT THEIR REGIONAL COORDINATOR AT THE IFA FOR CONSULTATION AND PREPARATION OF A PROJECT INTAKE.

Please refer to the Oregon Business Development Department-Infrastructure Finance Authority’s Web site (<http://www.orinfrastructure.org>) or the QR code (at right) for Regional Coordinator contact information and assistance.



## 5. Eligible Applicants

An eligible applicant is defined and referred to as a municipality. The following entities are defined in the ORS as a “Municipality” and are eligible to apply:

- Cities
- Counties
- Ports incorporated under ORS 777.005 to 777.725 and 777.915 to 777.953 and under 778.010
- Domestic water supply districts organized under ORS chapter 264
- Sanitary districts organized under ORS 450.005 to 450.245
- Sanitary authority, water authority or joint water and sanitary authority organized under ORS 450.600 to 450.989
- County service districts organized under ORS chapter 451
- Tribal Councils of Indian Tribes in Oregon
- Airport district organized under ORS Chapter 838
- **A district as defined in ORS 198.010** (see **Appendix B** for the specific list)

## 6. **Eligible Activities**

A. A “**Development project**” may include acquisition, improvement, construction, demolition, or redevelopment of **municipally-owned** utilities, buildings, land, transportation facilities, or other facilities that assist the economic and community development of the municipality. The following are considered eligible development project facilities and program activities:

1. Public transportation facilities including public depots, public parking, public docks, public wharves, railroads, railroad spurs or sidings when publicly owned, operated and maintained, and airport facilities;
2. Roads including streets, highways, throughways or alleys; road-related structures that are in the right-of-way such as tunnels, culverts or similar structures, and structures that provide for continuity of the right-of-way, such as bridges;
3. Sewage treatment facilities including all facilities necessary for collecting, pumping, treating and disposing of sanitary or storm sewage;
4. Solid waste disposal sites as defined by ORS 459.005;
5. Water supply systems including all facilities necessary for tapping natural sources of domestic and industrial water, the transmission, treatment, storage, and distribution of system water to the point of sale to any public or private entity for domestic, municipal, and industrial water supply service;
6. The acquisition of real property directly related to or necessary for the proposed development project, including rights-of-way, easements, and facility sites;
7. The purchase of off-site property for purposes directly related to the project, such as wetland mitigation;
8. The acquisition, reconstruction, rehabilitation, operation or maintenance of an abandoned railroad line or railroad line that has been designated as subject to abandonment within a three-year period pursuant to federal law and regulations;
9. Preliminary and final engineering, surveying, architectural, and other support activities necessary for implementation of a development project defined in this section;
10. Financing costs including capitalized interest and construction contingencies, as approved by the IFA;
11. Direct project management expenses that are directly related to a project and incurred by the municipality solely to support or manage the eligible project;
12. Other necessary services that support construction, including property acquisition, disposition and clearance, engineering plans and specifications, architectural plans, working drawings, and as built drawings, mapping and construction inspections;

13. Those public facilities that are essential to support continuing and expanded economic development activity;
14. The IFA may authorize reimbursement for certain **pre-award expenses** such as preliminary engineering and architectural work, surveying, soil testing, and similar costs. Costs must be necessary to allow the project to proceed and are limited to those incurred within **12 months** of the award date to be eligible for reimbursement. Expenses must also meet all programmatic eligibility requirements, be requested in the application for funding, and be authorized by the IFA. Pre-award expenses for Planning Project activities are **not** eligible for reimbursement.

**Please note:** Pre-award expenses are the responsibility of the municipality and can only be reimbursed if authorized by award and only if a contract is successfully entered into between the state and the municipality. Contact the Regional Coordinator for additional information regarding pre-award expenses and the detailed policy criteria.

- B. A “**Planning project**” related to a potential development project or industrial site certification or development may include the following eligible activities:
  1. Preliminary, final or construction engineering;
  2. A survey, site investigation, or environmental action;
  3. A financial, technical or other feasibility report, study or plan;
  4. An activity that the IFA determines to be necessary or useful for a potential development project.
- C. An “**Emergency project**” means a development project resulting from an emergency to which federal disaster relief has been committed.
  1. Funding up to the amount required for the local match for federal disaster relief assistance committed to a project is an eligible program activity.

## 7. **Ineligible Activities**

- A. Assistance to facilities that are or will be privately owned;
- B. Assistance to projects that primarily focus on relocating businesses or economic activity from one part of the state to another, except in cases where the business or economic activity would otherwise locate outside of Oregon;
- C. Routine or ongoing expenses of the municipality;

- D. Purchase of general purpose motor vehicles and other equipment, not directly related to the development project;
- E. Project operating and maintenance expenses;
- F. Pre-award expenses not authorized by the IFA (See Item 6.A.14. above.).

## **8. Project Priority and Procedure**

- A. The intent of the Special Public Works Fund is to provide financial assistance necessary to enable municipalities to construct, improve and repair facilities essential for supporting continuing and expanded economic activity. Project proposals will be evaluated to ensure that priority for funding assistance is given to those projects that will stimulate industrial growth and commercial enterprise, and promote employment opportunities in Oregon. When determining a development project's overall eligibility, the IFA will **consider the following criteria for prioritizing projects for funding**, including but not limited to:
  1. Projects that help create or retain permanent jobs;
  2. Projects for which a municipality has documented a strong likelihood of creating construction jobs or otherwise promoting or contributing to economic and community development;
  3. Projects to develop or replace essential community facilities;
  4. Projects for which a municipality has documented substantial local commitment to the project's success;
  5. Projects for which a municipality has documented how the benefits of the project will be preserved over the project life;
- B. The following **procedure** may be applied in determining the eligibility of a proposal and whether to proceed with inviting an application for SPWF financing:
  1. The IFA will review project concepts and /or project information contained in the **project intake** form;
  2. Proposed projects that the IFA determines to be eligible, meet the IFA Board **approved prioritization criteria**, are a high priority and address the goals of the program will be advanced to the next step. A proposed project that is not advanced will be referred to other possible funding source(s) or referred back to the proposing municipality for further project development;
  3. **High priority projects** will be funded on a funds available basis.

## **9. Types of Financial Assistance Available**

A. Program funding is used **primarily to provide loans** to municipalities for projects. The level of loan or grant funding, if any, will be determined by the IFA on a **case-by-case basis**. A financing package may include direct loans, interim loans subject to permanent bond loan financing and/or grants. Determination of the final amount of financing and the loan/grant/bond-loan mix will include consideration of:

1. The financial feasibility and reasonable cost estimate for the project;
2. The individual credit strength of the applicant;
3. The ability of the applicant to afford annual payments on loans from enterprise funds or other sources;
4. Whether the project meets other minimum program criteria to be eligible for a grant;
5. Maximizing the use of available resources while maintaining the desired credit standards of the fund;
6. Future beneficiaries of the project; and, other applicable issues.

**The IFA may offer an alternative mix or a lower amount of assistance than that requested. The IFA may also investigate or recommend other sources of funds for all or part of a proposed project.**

B. Loans may be **funded directly from available program resources or through the sale of revenue bonds**. The Oregon Bond Bank has been established to leverage loan funds through the sale of state of Oregon revenue bonds. The bond proceeds will be loaned to the applicant. Revenue bond financing can offer applicants low interest rates and financing terms consistent with the nature of the project. The Applicant will be charged a fee of 0.83% of the loan amount.

## **10. Loan Information, Rates and Terms**

- A. The **maximum loan amount** for a project will be **based primarily on the IFA's financial and credit analysis** of the municipality's capacity to repay. **Projects that the IFA determines are not financially feasible or loans that cannot be adequately secured, will not be funded.**
- B. The **maximum loan amount is \$10,000,000**. Awards for loan funding of \$3,000,000 and above must be approved by the Infrastructure Finance Authority Board.

- C. The loan will be a full faith and credit obligation, which is payable from any taxes that the municipality may levy within the limitations of Article XI, Sections 11 and 11b, of the Oregon Constitution and all legally available funds of the municipality.
- D. Specific revenues of the municipality may be required to be pledged as security, including revenues of the project, special assessment revenues, and other collateral.
- E. If repayment of a loan substantially depends on revenues the municipality will receive from a lessee or payments from a benefiting business, the IFA will assess the financial capacity of the payer, the adequacy of the security, the financial instrument(s) requiring such payments to the municipality, and any liens, pledge(s), or assignments of collateral from the payer to the municipality. The IFA may require an assignment of such revenue and collateral from the municipality.
- F. If repayment of the loan substantially depends on a pledge of tax increment revenues from an urban renewal agency to the borrowing municipality, the IFA's financial analysis will extend to the financial feasibility of the projected revenues and the financial and legal adequacy of the proposed pledge of tax increment revenue.
- G. When the IFA makes an "Interim" loan to finance **temporary project financing**, all of the following apply:
  - 1. The Municipality must receive an **award** from the IFA **before construction** begins;
  - 2. The award will consist of a loan only, and will not exceed the cost of the project;
  - 3. The repayment terms of the loan can include **deferred repayment** of principal and/or interest for the term of the loan.
- H. A "**Development project**" may receive loan funding as follows:
  - 1. The **term of a loan** is limited to the usable life of the contracted project, or 25 years from the year of project completion, whichever is less. Exceptions consistent with statutory restrictions may be considered;
  - 2. The **interest rate for direct loans** is set by the IFA. Interest rates are determined on a quarterly basis based on market conditions for bonds with similar terms and credit characteristics. Rates are also reviewed each month for a potential decline. The interest rate extended to the borrower will be either the quarterly rate or the rate determined on a monthly basis, whichever is lower at the time of an award;
  - 3. **Below market interest rates and extended terms** may be considered as subsidies for communities that are below the statewide median household income, and will have effective utility system user rates at the end of construction that are greater than the local community affordability rate. Please consult with the Regional Coordinator to determine how this subsidy may apply to your community;

4. The **interest rate** on a state revenue **bond loan** will be equal to the **coupon rates on the bonds**. Until the state revenue bonds are sold, the municipality will pay interest on the outstanding principal balance of the loan at the rate established by the IFA.
- I. A “**Planning project**,” as defined in section 6. B. of this Handbook may be eligible for loan assistance as a stand-alone project. These loan awards will also be based on availability of funds, financial analysis of the municipality's ability to repay, and prudent fund management.

## **11. Grant Information and Eligibility**

The IFA will **determine the amount of grant for an eligible project on a case-by-case basis** in accordance with the standards in the administrative rules and adopted policy. The standards may include the award of grants as a financial incentive to accomplish the goals of the Special Public Works Fund, to address special circumstances of a project, or to address the financial need of the applicant. The following criteria are used to determine overall project eligibility:

- A. A “**Development project**” that qualifies as a “Firm Business Commitment” project may be eligible to receive a grant. The amount of grant will be based on the number of eligible commercial and industrial jobs proposed to be created or retained with the potential of up to \$5,000 for each job created or retained. The maximum grant amount allowed by administrative rule for a development project is \$500,000 per project or 85% of allowable project costs, whichever is less. The maximum grant will be awarded only in special circumstances described in the IFA’s policy. In addition to the criteria and process contained in policies on grant and loan funding, the IFA will apply the following minimum criteria:
  1. The IFA's **financial analysis** determines that the municipality's **borrowing capacity is insufficient** to support the amount of the loan requested for the project;
  2. **Jobs will be created or retained** as a result of the **grant** being awarded;
  3. The eligible jobs created or retained as a result of the project are those created and retained by businesses selling **goods or services in markets for which national or international competition exists**;
  4. The IFA has received confirmation that the **firm business commitment** or the eligible commercial **jobs project will not occur, or that the jobs will be lost**, if the municipality does not receive a grant.
- B. A “**Planning project**” conducted for the purpose of developing industrial lands, including industrial site certification, is eligible for a grant of up to \$60,000 per site, per biennium, or 85% of the allowable planning project cost, whichever is less;
- C. An “**Emergency project**” may be eligible for a grant not to exceed \$500,000 per project, or the amount of the federally required local match, whichever is less.

## SPWF PROCESS

### 12. Application Information

- A. This **Applicant's Handbook** describes IFA's application procedures to assist an applicant's understanding of the development project and planning project application processes. Intakes are completed by the Regional Coordinator for circulation within the IFA to help staff determine the most appropriate funding program(s) for each proposed project. An application will not be accepted until the IFA has made a preliminary determination of eligibility and authorized its submission.
- B. A “**General Application**” form and an “**Application Supplement**” must be completed for all project proposals. Separate supplements have been developed for use with the two distinct project types - Development and Planning projects. The Regional Coordinator will inform the applicant and provide the appropriate supplement to use at the time an application is invited.
- C. Applications for projects with overlapping municipal boundaries must be accompanied by an **intergovernmental cooperation agreement** setting out the duties and obligations of each entity.
- D. Applications may be invited and subsequently **accepted year-round**.
- E. An application must be **signed by the municipality's highest elected official or a properly authorized official**. Documentation that verifies the official's authorization to sign on behalf of the applicant such as a resolution, ordinance, order, governing body meeting minutes, or charter must be submitted with the application.
- F. An application must include the **general application, appropriate supplement, and all applicable attachments specified in the supplement** at the time it is delivered to the Infrastructure Finance Authority.
- G. A development project/construction application must contain all the following information:
  1. A brief description of the **purpose of the proposed project**, including the problem or opportunity the applicant is facing that creates need for the project;
  2. A brief description of the **proposed solution** or response to the problem/opportunity, including major alternatives that were considered by the applicant;
  3. A detailed **project description** that clearly describes all proposed project work to be accomplished;

4. A **detailed project budget** listing the individual project budget line items with the requested amounts by IFA funding sources and non-IFA sources, including the status of availability of all non-IFA sources that are needed to complete the project;
5. The **project work plan**, listing the significant project activity milestones by estimated start and completion dates;
6. **Detailed maps** showing the location of the project, including tax lots/parcels, zoning designations, road widths, etc;
7. The **study conducted to determine the feasibility** of the project, or any preliminary architectural /engineering/planning work that has been completed for the proposed facility/improvements. The study must include discussion of the most cost effective solution, an estimate of project costs, a construction schedule, and plan for paying operation, maintenance, and replacement costs. Feasibility documents must be stamped and signed by a professional architect/engineer who is registered or licensed in the state of Oregon for their specialty;
8. **Plans and specifications** for the project if available;
9. Documentation from the city or county planning agency that indicates the **project is consistent with the acknowledged local comprehensive plan and land use regulations**. This information must include, where applicable, identification of any land use related requirements that will affect the project's readiness to proceed immediately upon award of funding assistance and execution of an award contract;
10. If the applicant will own the facility and another entity will operate the facility, attach an **executed copy of the operating agreement** between the parties;
11. For Firm Business Commitment projects: A **“Job Creation/Retention and Average Wages” form (Attachment L of the application)** for each of the businesses that are committed to creating or retaining jobs if the development project occurs. A letter from each business with a description of factors such as the nature of the business, significance of the project to economic growth, baseline employment levels, employee benefits provided, and the need for and timing of the new jobs is recommended to assist in the determination of the potential grant eligibility in a funding award for the project;
12. A copy of the **municipality’s adopted budget** for the current fiscal year, and the projected fiscal year when applicable;
13. A list of the **ten largest tax payers** in the applicant’s jurisdiction, their type of business, total taxes, and current assessed value (Attachment F of the application);

14. A schedule of **pro forma revenues and expenditures** for the applicable fund(s) that will be pledged to repay the loan for each of the next five years and any underlying assumptions used (Attachment G of the application);
- H. The IFA's review of individual project applications will include, whenever possible, **a site visit to verify application information** and to gain a thorough understanding of the project.

### **13. Development Project Application Review Criteria**

- A. The IFA must find that the amount of Special Public Works Fund assistance needed for the project is the **minimum amount necessary** to enable the project to proceed and be completed, based on the financial need of the applicant and special circumstances of the project. **No more than 85% of the total project cost will be financed by a SPWF grant. (Grants may be 100% of the 25% local match for an Emergency Project).**
- B. Applications are evaluated on overall **project and engineering feasibility, and financial strength** of the applicant. The IFA will assess an applicant's ability to service debt given its current financial condition and debt structure, the economic diversity and stability of the local economy, and the management capacity of the applicant.
- C. To award SPWF assistance, the IFA must:
  1. Determine that the proposed **project is feasible and other funds needed** to complete the project are available and committed to the project. If a portion of the non-SPWF funds needed to complete the project is not available at the time an award is made, the award will be conditional on securing the other needed funds;
  2. Assess the **credit quality** of the applicant and determine if there are sufficient resources to repay the loan. The applicant must also certify to this effect. For revenue-backed projects, project feasibility must include an evaluation of potential earnings or revenue to be generated by the project and debt service coverage. If a project involves the general obligation guarantee of an applicant, the analysis must include an evaluation of the taxing powers of the jurisdiction;
  3. Determine that the existing **infrastructure is inadequate** to support the projected demand (future capacity) or now **prevents industrial and/or commercial development** from occurring. The proposed project must be of sound design, the most cost effective solution and must adequately serve the applicable land uses in the short and long term;
  4. Award financing within the limits specified in OAR Section 123-042-0026 to maximize the use of available resources and maintain the credit standards of the SPWF program. In doing so, the IFA will use reasonable and prudent standards for evaluating applications that first consider the use of bond financing and second, a direct loan. If a **financial analysis** determines the municipality's borrowing capacity

is insufficient to support the amount of loan requested for the project, the IFA may consider awarding a grant. If the project is not eligible for a grant, loans that cannot be adequately secured will not be funded;

5. Determine that the **project complies with statewide planning goals** and is compatible with applicable acknowledged city and county comprehensive plans and land use regulations;
6. Determine that a **high probability exists for industrial or eligible commercial** development of the properties served by the project;
7. Determine that **SPWF funding is or will be available** for the project;
8. Determine that the **applicant is willing and able** to enter into a contract with the IFA for repayment, and either **has sufficient administrative ability** to undertake and complete the project or is able to obtain those administrative services.

D. The IFA will require **security pledges for all approved loan financing**. The form and amount of security will be consistent with the nature of the project and the credit strength of the applicant. The security may include pledges of utility revenues or other revenue funds, or payments from benefitted properties.

E. If the IFA determines that the applicant and/or the proposed project do not meet the requirements of this section, the **IFA will require further documentation** from the applicant or **may reject the application**.

#### **14. Planning Project Application Review Criteria**

To award Special Public Works Fund planning assistance as either loans and/or grants, the planning project must be **related to a potential development project**.

A. For planning loans the IFA must find that:

1. The applicant has sufficient resources to **repay the loan**;
2. The project addresses one or more of the **priority criteria** listed in Section 8 of these guidelines;
3. The applicant has certified that the proposed project is feasible and the most cost effective solution;
4. The applicant has ensured that **additional resources needed to complete the project are available** or will be made available. If the additional resources are not available at the time of award, then the award will be made conditional upon securing the additional resources;
5. The applicant has, or has demonstrated the ability to secure, the **administrative capacity** to undertake and complete the project;

6. The applicant has certified that it will **comply with all state laws**, regulations and requirements applicable to the planning project and this program;
7. The project is **ready to proceed** upon the award of SPWF funding and the execution of an award contract between the state and the applicant.

B. **A planning project conducted for the purpose of developing industrial lands**, including planning for industrial site certification, is eligible for a grant. In addition to the determinations listed in items 2 through 7 above, this type of planning project must meet the following criteria:

1. The land is **zoned “industrial,”**
2. The project site meets **marketability standards** adopted by the IFA which indicate a high probability exists for industrial or commercial development, or both, for properties served by the planning project. The application should describe what site and community advantages are present, and describe recent inquiries and private interest in developing the land served by the project;
3. There is a **local marketing effort** or capability among persons in the local area to market the community and the project benefit area;
4. The amount of SPWF funds needed for the planning project is the **minimum amount necessary** to enable the project to proceed and be completed, and that **no more than 85% of the total project** will be financed by an SPWF **grant**.

## **15. Notice of Decision**

The IFA will notify applicants of the decision regarding individual applications as follows:

- A. **Planning project loan and grant applications:** Approximately 30 days following receipt of a complete application;
- B. **Development project applications:** Approximately 45 days following receipt of a complete application.

## **16. Contract Administration**

- A. The SPWF award will be contingent on the IFA’s receipt of the following:
  1. Adequate documentation to evidence that the debt of the recipient and the security pledged by the recipient is valid and binding, including an SPWF **contract signed by the highest elected** or appointed official of the recipient. This document must be returned to the IFA within 60 days of receipt by the recipient;

2. Documentation that all **other funds** necessary to undertake and complete the project have been committed and **are available** prior to issuance of the funding contract;
3. Adequate documentation to **support the expected economic benefits** represented in an application, *e.g.*, letter from business providing firm business commitment; marketability criteria for planning project; listing of specific manufacturing or commercial businesses that will likely see growth/expansion at the site; number and type of inquiries regarding an industrial site that will become developable after served by new infrastructure; details of the lack of existing infrastructure capacity; Urban Renewal District objectives; etc.

B. The IFA will award funds by entering into a SPWF contract with the recipient. The contract will include, but will not be limited to, provisions regarding the following requirements:

1. An agreement that the recipient will **proceed expeditiously to complete** the project as approved by the IFA. The required completion will typically be **within three years** from the date of execution of the contract for a development project, and **within two years** from the date of execution of the contract for a planning project;
2. Recipients must certify that a **registered professional engineer will be responsible for design and construction** of the project. Recipients will ensure that any professional service providers retained for their professional expertise are **certified, licensed, or registered as appropriate, in the state of Oregon** for their specialty;
3. A **plan for repayment** that is evidenced by pledged resources, including assessments, user fees, fund revenues, or the general fund of the recipient. The recipient will **make loan payments promptly** when due, subject to any remedies set out in the contract;
4. If any portion of the assistance is in the form of a loan or the purchase of a bond of a municipality, a provision granting the IFA **a lien on, or a security interest in**, the collateral as determined by the IFA to be necessary to secure repayment of the loan or bond;
5. For a development project, the contracted **project must remain in municipal ownership** for the life of the loan. If this condition is not met, any grant must be immediately repaid, unless otherwise allowed by the IFA and agreed to in writing by the IFA and the Recipient;
6. For a planning project that includes industrial zoned land, the land involved in the **project must remain zoned as industrial** and not be converted to another use for at least five years after completion of the project. If this condition is not met, the grant must be immediately repaid, unless otherwise allowed by the IFA and agreed to in writing by the IFA and the Recipient;

7. For a development project, **recipients must notify the IFA prior to the sale or transfer of all or part of the SPWF financed project**. Upon sale of such assets, the outstanding balance of the SPWF award must be repaid, unless the IFA agrees otherwise in writing;
8. For **firm business commitment** projects: All jobs associated with the project must be created or retained **within two years following completion of the project**. The jobs must be maintained for a minimum of four consecutive calendar quarters within the two year period. The **Job creation/retention calculations and verification** will be documented with either: **a)** reporting from the Oregon Employment Department of quarterly hours worked by employees of the associated business or **b)** if unavailable from the Employment Department, the benefitted business will certify hours worked with accompanying payroll information. This form of documentation will be used by the IFA to establish the number of existing full-time equivalent jobs at the time of the funding application (“Base FTE”), and again at the end of the job maintenance period;
9. Businesses that provide a **firm business commitment** for job creation identified in the funding application or SPWF contract must execute a **First Source Hiring Agreement** for new job hires with a local job provider or the Oregon Employment Department. The IFA shall receive a copy of the appropriate agreement from the municipality before grant funds will be dispersed;
10. SPWF funds awarded to a project will be disbursed on an expense reimbursement basis as needed to pay for eligible project costs. The time between drawdown by the recipient and payment of funds to their contractors must be as brief as is administratively feasible. **SPWF grant funds included in a firm business commitment award are typically drawn down before SPWF loan funds**, as they are an incentive for job creation/retention;
11. The recipient shall maintain **accounts and records** for all activities associated with a funded project. The IFA shall be entitled to monitor the recipient’s records to verify compliance with the SPWF contract;
12. For a construction project, **post a sign, provided by the IFA, at the project site** or, if more than one site is included in the project, at a site visible to the general public stating that the project is being funded by lottery proceeds;
13. A provision that for a period of up to six (6) years after project completion, the IFA may request that the municipality, at its own expense, submit data on the **economic development benefits of the project**, including but not limited to, information on new or retained jobs resulting from the project, and other information necessary to evaluate the success and economic impact of the project.

## **17. Other Program Information**

- A. Funding decisions will be based on **applicable rules in place at the time of the award**.
- B. Municipalities may apply for projects located inside their jurisdiction that are also **within the jurisdiction of another municipality** (e.g., a county application for a project within a city's boundaries) provided that an **intergovernmental cooperation agreement** is signed by both municipalities and a copy accompanies the application.
- C. A municipality **may not apply** for a project where the infrastructure to be constructed or improved is **owned and operated by another eligible municipality**.
- D. Recipients of SPWF awards must comply with **all applicable state laws**, regulations and requirements, such as Oregon Prevailing Wage Rates, municipal audit law, and procurement regulations. Recipients shall follow standard construction practices, such as bonding of engineers and contractors, requiring errors and omissions insurance, inspection during construction, testing and obtaining as-built drawings.
- E. Each applicant for a construction project must certify that he has adopted or will adopt, during the project period, a **program for ongoing operation, maintenance and repair** of the facility or system, which is acceptable to the IFA.
- F. If applicable, the recipient must install **meters** on all new water service connections from any distribution lines included in the funded project.
- G. The **contract for a loan or grant shall be authorized by an ordinance**, order or resolution adopted by the governing body of the municipality in accordance with the municipality's requirements for public notice and authorizing debt.
- H. The **disbursement** of SPWF funds **will occur in relative proportion** to the percentage that the SPWF award represents to the total project cost unless an alternate sequence or pace of disbursement is approved in advance by the IFA Regional Coordinator.
- I. **Recipients must be timely in keeping their IFA Regional Coordinator well informed of the progress of activities and any significant changes to a project. Amendments to the funding contract may be required** when there are changes to the project's cost, budget, scope-of-work, location, purpose, or time frame for completion. The state's Bond Bank Trustee must also approve amendments for bond related projects. **Failure to gain prior approval for amendments** could result in ineligible expenses, a delay in reimbursement, or other appropriate levels of remedy.

## **18. Remedies**

SPWF financing is documented by a Financial Assistance Contract executed by the applicant and the IFA. This contract details the terms and conditions under which financial assistance is provided. In the event an applicant fails to comply with these terms and conditions, the **IFA may seek appropriate legal remedies**.

## **19. Exceptions and Appeals**

Applications that do not conform in every respect to these Program Guidelines are typically not considered. Applicants will be notified of this status and will be given reasonable time and opportunity to provide supplemental information or correct the application as necessary to bring it into conformance. The **Executive Director of the IFA may waive non-statutory requirements** of the program if it is demonstrated such a waiver would serve to further the goals and objectives of the program.

The Executive Director of the IFA will consider appeals of the IFA's funding decisions. Only the municipality may appeal. **An appeal must be submitted in writing** to the Executive Director within 30 days of the event or action that is being appealed. A project that would have been funded but because of a technical error in the IFA's review was not, will be funded as soon as sufficient funds become available, provided the project is still viable. The Executive Director's decision is final.

## **Appendix A**

### **Special Public Works Fund Definitions**

#### **Oregon Administrative Rules (OAR) 123-042-0020**

##### **Definitions**

For the purposes of these rules additional definitions may be found in Procedural Rules, OAR 123-001. As used in this OAR 123 division 42 the following terms have the meanings set forth below, unless the context clearly indicates otherwise.

- (1) "Authority" means the Infrastructure Finance Authority within the Oregon Business Development Department.
- (2) "Award" means the authority's determination that the project is eligible for funding and that the authority has identified the specified funding type and amount for the activities described in the staff recommendation.
- (3) "Award date" means the date of the final authority management signature approving the award.
- (4) "Board" means the Oregon Infrastructure Finance Authority Board.
- (5) "Commission" means the Oregon Business Development Commission.
- (6) "Development project" means a project for the acquisition, improvement, construction, demolition, or redevelopment of municipally owned utilities, buildings, land, transportation facilities or other facilities that assist the economic and community development of the municipality, including but not limited to the following type of projects:
  - (a) Transportation projects;
  - (b) Utility system projects;
  - (c) Buildings, lands, or other facility projects including planning project activities that are necessary or useful as determined by the authority.
- (7) "Direct project management costs" means expenses directly related to a project that are incurred by a municipality solely to support or manage a project eligible for assistance under ORS 285B.410 to 285B.482. Direct project management costs do not include routine or ongoing expenses of the municipality.
- (8) "Eligible commercial jobs project" means a project that creates or retains jobs that are created or retained by businesses selling goods or services in markets for which national or international competition exists.

- (9) "Emergency project" means a development project resulting from an emergency as defined in ORS 401.025 to which federal disaster relief has been committed.
- (10) "Essential Community Facilities" means municipally owned or operated facilities that provide or support services vital to public health and safety, including, but not limited to police and fire protection, medical treatment, public utilities, transportation, and auxiliary shelter facilities.
- (11) "Executive Director" means the administrator of the Infrastructure Finance Authority.
- (12) "Firm business commitment project" means a project in response to a specific business development, expansion or retention proposal where assistance is necessary to enable the proposal to proceed and where permanent, full-time equivalent jobs will be created or retained. The project shall support industrial development and eligible commercial jobs and be consistent with local comprehensive plans and implementing ordinances.
- (13) "Fund" means the Special Public Works Fund created by ORS 285B.455.
- (14) "Marine facility" has the meaning given that term in ORS 285B.410 (7).
- (15) "Municipality" means an Oregon city, or county, the Port of Portland created by ORS 778.010, a county service district organized under ORS Chapter 451, a district as defined in 198.010, a tribal council of a federally recognized Indian tribe in this state, or an airport district organized under ORS 838, but does not include an ORS 190 entity.
- (16) "Planning project" means:
  - (a) A project related to a potential development project for preliminary, final or construction engineering;
  - (b) A survey, site investigation or environmental action related to a potential development project;
  - (c) A financial, technical or other feasibility report, study or plan related to a potential development project; or
  - (d) An activity that the authority determines to be necessary or useful in planning for a potential development project.
- (17) "Project" means a development, planning or emergency project.
- (18) "State revenue bond loan" means a loan funded in whole or part through the sale of state revenue bonds issued by the State of Oregon at the request of the Authority that are payable from specific revenue sources pledged by a municipality and are not a pledge of the full faith and credit of the State of Oregon.
- (19) "Temporary project financing" means non permanent financing, including short term and bridge financing used to finance eligible acquisition, pre-construction and construction costs.

## Appendix B

### **Districts Defined In ORS 198.010 Are Included in SPWF Definition of Municipality**

In addition to districts specifically stated in the Eligible Applicants section of this Handbook, “district” means any one of the following:

- (1) A people’s utility district organized under ORS chapter 261.
- (2) A domestic water supply district organized under ORS chapter 264.
- (3) A cemetery maintenance district organized under ORS chapter 265.
- (4) A park and recreation district organized under ORS chapter 266.
- (5) A mass transit district organized under ORS 267.010 to 267.390.
- (6) A metropolitan service district organized under ORS chapter 268.
- (7) A special road district organized under ORS 371.305 to 371.360.
- (8) A road assessment district organized under ORS 371.405 to 371.535.
- (9) A highway lighting district organized under ORS chapter 372.
- (10) A health district organized under ORS 440.305 to 440.410.
- (11) A sanitary district organized under ORS 450.005 to 450.245.
- (12) A sanitary authority, water authority or joint water and sanitary authority organized under ORS 450.600 to 450.989.
- (13) A vector control district organized under ORS 452.020 to 452.170.
- (14) A rural fire protection district organized under ORS chapter 478.
- (15) An irrigation district organized under ORS chapter 545.
- (16) A drainage district organized under ORS chapter 547.
- (17) A water improvement district organized under ORS chapter 552.
- (18) A water control district organized under ORS chapter 553.
- (19) A weather modification district organized under ORS 558.200 to 558.440.
- (20) A port organized under ORS 777.005 to 777.725 and 777.915 to 777.953.
- (21) A geothermal heating district organized under ORS chapter 523.
- (22) A transportation district organized under ORS 267.510 to 267.650.
- (23) A library district organized under ORS 357.216 to 357.286.
- (24) A 9-1-1 communications district organized under ORS 403.300 to 403.380.
- (25) A heritage district organized under ORS 358.442 to 358.474.
- (26) A radio and data district organized under ORS 403.500 to 403.542.

## Appendix C

 <b>POLICY</b>	NUMBER OBDD.112	EFFECTIVE DATE 9/1/2009
	SUPERSEDES: New	
	REFERENCE: ORS 285A.050, ORS 657.665(4)(h)	
SUBJECT: <b>Job Creation &amp; Retention Policy</b>	APPROVED SIGNATURE	

**Purpose:** To methodically apply job creation and retention calculations across the Oregon Business Development Department (OBDD).

**Definitions:**

**FTE Job:** One full-time equivalent job is equal to 1820 hours worked per year. “Hours worked” does not include vacation time, sick leave or any other paid time where no work is performed.<sup>1</sup>

**Base FTE Jobs:** For each proposed project, the number of full-time equivalent (FTE) jobs existing in Oregon at the time of application, which are associated with the proposed project:

- a. If business does not have any Oregon employees, Base FTE is 0;
- b. If business will expand at its current Oregon site, Base FTE includes jobs at the current site;
- c. If business will move all or a part of its current Oregon business, Base FTE includes jobs that will move to the proposed site.

The one-year period used to determine Base FTE will be the four calendar quarters preceding the application. However, if the business started operations during the twelve month period and does not have a full twelve months of payroll preceding the application, the Base FTE will be calculated using a pro-rata of 1820 hours, based on the number of months the business operated during the four quarters.

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<sup>1</sup> This definition was developed to be consistent with the data collected by the Oregon Employment Department for the Oregon Quarterly Reports and Form 132 (for Unemployment Insurance Tax). The 1820 figure represents 35 hours per week and was developed in coordination with the Oregon Employment Department. The 1820 figure assumes 6.5 weeks (260 hours) of paid and unpaid leave each year out of a total 2080 hours (40 hours x 52 weeks) per year. The 6.5 weeks of paid and unpaid leave consists of: 2.5 weeks of vacation, 1.5 weeks of sick leave, 1.5 weeks of holidays, and 1 week of other leave (such as family leave).

## FTE Job Creation

Proposed: is calculated as follows at the time of the application for the business which is anticipated to directly benefit from a project for which the Department has made a commitment and the new jobs will be a direct result of the project:

Estimated number of FTE Jobs associated with the project

- Base FTE Jobs

= Number of FTE Jobs Proposed to be Created

## FTE Job Creation

Actual: is calculated as follows for those businesses, which directly benefit from the project for which the Department has provided funding:

Number of current FTE Jobs associated with the project

- Base FTE Jobs

= Number of FTE Jobs Created

## FTE Job Retention

Proposed: is the number of Base FTE Jobs which the business anticipates would be lost in Oregon if the project to be awarded funding from the Department is not completed. This information (# of Base FTE which would be lost) is either: 1) obtained from the business; 2) a determination from the Business Development Officer or a Business Finance Officer at the time of application.

## FTE Job Retention

Actual: is calculated as follows for those businesses which directly benefit from the project for which the Department has provided funding and, at the time of application, anticipated that some or all of its Base FTE Jobs would be lost if the project was not completed:

Number of current FTE Jobs associated with the project

- Base FTE Jobs

= Number of FTE Jobs Created

If the Number of FTE Jobs Created is greater than or equal to 0, the actual number of FTE Jobs Retained is equal to "FTE Job Retention Proposed".

If the Number of FTE Jobs Created is less than 0, the actual number of FTE Jobs Retained is equal to the number of current FTE Jobs associated with the project or the "FTE Job Retention Proposed", whichever is less.

Average Wage: is calculated as follows:

$$\begin{aligned} & \text{Total wages paid to employees during one-year period} \\ \div & \text{ Total FTE Jobs during same one-year period} \\ = & \text{ Average Wage} \end{aligned}$$

“Total wages” includes payments made to an individual for their personal services and the cash value of all compensation paid to that individual in any medium other than cash. Examples: salaries, hourly pay, piece rate, or payments by the job; vacation, sick, holiday, disability, and guaranteed wage payments; commissions, dividends, distributions, bonuses, gifts, fees, prizes, and tips. There are some exceptions to this, which are identified in the “Oregon Unemployment Insurance Tax” section of the *Oregon Combined Payroll Tax Report 2003*.

Employee(s): is defined as:

- a. a person who is paid through a business’ normal payroll system;
- b. a person for whom FICA and state and federal income taxes are deducted from his/her gross wages, which are then forwarded to the appropriate agencies by the business on behalf of the person;
- c. a person for whom the business pays state and federal unemployment insurance; and
- d. a person for whom the business contributes to FICA

An exception to the employee definition is allowed if the business uses a leasing agent for its workers and the terms of the leasing agreement are such that hiring decisions are made by the business and for all purposes the worker is an “employee” of the business. For purposes of this policy, these leased workers are called “Other Workers.”

The following are NOT considered Employees:

- a. a person hired through a temporary agency; or
- b. a person acting as an independent contractor.

**Policy:** All job creation and job retention calculation and verification will be in accordance with this policy.

**Data Collection:** Information on jobs and wages will be collected from either a) Employment Department, or b) Business Certification with accompanying payroll information. It will apply to any funding source that proposes to create or retain jobs, even though jobs may not be required as a contractual condition. All programs (e.g. SRF, OBDF, CAP, CEF, IDRDB and EDLF) are required to collect at the time of application:

- 1) the location of the business and the project location;
- 2) the Business Identification Number and;
- 3) proposed jobs to be created and proposed jobs to be retained.

At the time of application, if a business already exists in Oregon, program staff need to request a report from Employment Department for the previous four quarters to establish the business's Base FTE Jobs.

**Multiple Location Business Data:** FTE Jobs for a business having multiple Oregon locations will be calculated as follows:

**Base FTE:** Worker counts for location of project (12 months) divided by worker counts for all locations (12 months) = project location's % of worker counts

Project location's % of worker counts x total hours in 12-month period = project location's total hours

Project location's total hours divided by 1820 = FTE for project location

**Actual FTE:** Repeat above process for the applicable period of time and then subtract Base FTE.

**Average Wage:** Total Wages for 12-month period x project location's % of worker counts divided by FTE for Project location

**Documentation:** Any project where job retention is proposed must have supporting documentation, consisting of:

- a. The business identifies how many of its Base FTE it estimates would be lost from Oregon if the proposed project is not completed; or
- b. Business Development Officer or Business Finance Officer documents in an email, letter, or memo, that based on their business judgment they believe..."without the state's assistance in financing the project, the jobs will be lost from Oregon"

*Note: In order to be considered "retained", the jobs would need to be anticipated to be lost from Oregon. The Department only uses state funds to retain jobs in Oregon. We will only relocate companies in Oregon to retain jobs.*

**Other Workers:** When a business uses Other Workers, data on hours worked and wages are not available from Oregon Employment Department an alternative method must be used.

Data collection must be gathered semiannually for a five year period starting after the award date or board approval date. (i.e., business certification w/payroll record verification).

The business will identify its leasing agent for approval by OBDD prior to reporting hours worked and wages paid.

**OED Records:** OBDD will administer, control and monitor access and use of records obtained from the Oregon Employment Department. Each OBDD employee will sign a "Commitment to Confidentiality", which will be placed in their personnel file. The Agency will provide training and confidentiality procedures to employees authorized to access confidential records containing Oregon Employment Department employment data.

**Performance Measure Methodology:** The Strategy Analyst will obtain information on number of hours worked by employees and wage data from the Oregon Employment Department semi-annually.

*Funding Sources:* Strategic Reserve Fund (SRF); Industry Sector Outreach (ISO); Business Finance programs (CAP, CEF, OBDF, IDRB, EDLF); and any other funding source which proposes to create jobs even though jobs may not be required as a contractual condition.

**Performance Reporting:** Employment Department reports must be collected semi annually for each business for five years from the award date or board approval date. The department will report every fiscal year the jobs that are created and retained within that fiscal year (doesn't matter if the project is open/closed or if the loan has been paid). For jobs created, the department will be reporting on the jobs that were actually created within that fiscal year for a five-year period. For jobs retained, the department will continue reporting them for each year in the five-year period.

The department will submit batch requests semi-annually to the Employment Department. These requests will start at the date of award or the board approval date and continue for five years. OBDD will compile the information into a summary report (i.e., rolled-up with no individual company results to protect confidentiality) on a semi-annual basis to report to the Commission. The department will include information from other workers based on business certified payroll records.



**PROCEDURE**  
**Job Reports**

**Effective Date:**

Number:OBDD.002PR

Procedure: The following procedure governs the process of Oregon Business Development Department in capturing Baseline job reports

**Baseline Report Procedure:**

1) Program Staff will submit request which includes Business name, location, and a Oregon Business Identification Number (BIN). If a BIN is not available, the Program Staff must include justification as to why a BIN cannot be obtained. Justification will be submitted to either the Business Development Officer Manager, BITD Administrator or Business Services Manager for approval. Once approved, a request may proceed without a BIN. Requests that do not have a BIN or an approved justification will go back to the Program Staff for additional information before processing.

In the event that a BDO wants a pre-deal approval for a potential deal without a BIN, the BDO must submit that request through Program staff to BITD Manager, Deputy Director and Director for preliminary review and approval pending jobs verification.

Program Staff will enter information into the job report (spread sheet used to collect jobs data for all department projects) when the BIN has been identified or when they receive approval from BITD Manager, Business Development Officer Manager or Business Services Manager to proceed without a BIN.

2) Every Tuesday requests for job verifications will be submitted by Strategy Analyst to OED. OED has 48 hours to complete job verifications per agreement.

When there is a legitimate instance that necessitates a request being made to OED outside of a Tuesday request, Program staff will obtain approval to process the requests from BITD Administrator or Policy and Planning Division Administrator.

3) Strategy Analyst will notify Program Staff report is available through data warehouse.

## Baseline Job Reports Procedure Matrix

	<b>Pre-Award/Loan Approval</b>	<b>Responsible Staff</b>
1.	Input company name, bin # <sup>2</sup> , location and deal number from portfolio if applicable, on the spreadsheet located in f:\user\job report requests\jobs report request master	Program Staff
2.	Every Tuesday prepare baseline report and send to Employment Department	Strategy Analyst
3.	Receive baseline report (previous 8 quarters) from Employment Department (within 48 hours) and send information to database administrator	Strategy Analyst
4.	Upload information into the Data Warehouse	Database Administrator
	<b>Post Award/Loan Approval</b>	
1.	Input information into appropriate program spreadsheet <ul style="list-style-type: none"> <li>a. project number</li> <li>b. company name/location</li> <li>c. bin number</li> <li>d. award amount/loan amount</li> <li>e. base year ended</li> <li>f. base FTE</li> <li>g. notes if applicable (ex: multiple locations and which location; whether the company uses leased employees, etc.)</li> </ul>	Program Staff

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<sup>2</sup> If a company doesn't have a Bin # put the company name and location in the same spreadsheet mentioned above on the Companies without Bin# worksheet.

## **Appendix B: Target Methodology**

The methodology used to create the targets was to pull a sample group of businesses from the Employment Department and analyze how many jobs are created within each year after receiving funding from the department. After analyzing the data, on average the job creation for the businesses that the agency assists is:

25% in the 1<sup>st</sup> year  
30% in the 2<sup>nd</sup> year  
25% in the 3<sup>rd</sup> year  
15% in the 4<sup>th</sup> year  
5% in the 5<sup>th</sup> year

Then by taking the above listed percentages and multiplying them by the proposed job creation for each project is how you break out the target job creation. For example if company X proposes to create 500 jobs then the first year would be 125, the second year would be 150, the third year would be 125, the fourth year would be 75 and the fifth year would be 25.

When calculating future jobs to be created, the department uses a cost per job figure by program. The cost per job figure is calculated by using the current biennium and dividing the proposed jobs created by the dollars awarded. Then divide the cost per job figure with the dollar amount that has not been expended. After obtaining that figure you use the above percentages to calculate out how many jobs will be created within the five year period.

This methodology will be updated on a annual basis.