



LAYTON CITY

INCENTIVES - 2020



INCENTIVES



LAYTON CITY INCENTIVES

- TAX INCREMENT FINANCING (TIF)
- FAST TRACK PERMITTING PROCESS

TAX INCREMENT FINANCING (TIF)

Redevelopment Areas or R.D.A.'s, are created for specific areas to encourage development by providing a financing mechanism for the reinvestment of new property tax generation, or tax increment.

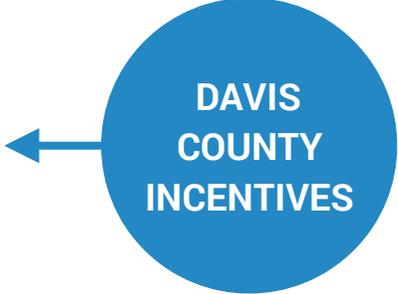
Each participating taxing entity agrees to contribute a specified amount of future growth in property tax revenue for a defined period of time. New development in an R.D.A. generates tax increment - the growth in new property tax vs. an established base value. Resulting tax increment is used to encourage specific development projects, facilitate making properties 'shovel ready', construct public infrastructure, etc.

The R.D.A. of Layton City currently manages two redevelopment areas - East Gate Economic Development Area and the South Main/South Fort Lane R.D.A.

FAST TRACK PERMITTING PROCESS

Layton City has a motivated and willing staff to assist developers and builders navigate the permitting process. With weekly development review meetings, responsive planning commission and city council, knowledgeable and flexible staff, Layton City commits to assisting developments to meet tight deadlines.

- INDUSTRIAL REVENUE BONDS (IRB)
- RECYCLING MARKET DEVELOPMENT ZONE (RMDZ)
- BUSINESS DEVELOPMENT LOAN FUND (BDF)
- DAVIS FUND FOR ECONOMIC DEVELOPMENT



DAVIS COUNTY INCENTIVES

INDUSTRIAL REVENUE BONDS

I.R.B. are available and issued through local government entities. There is a \$20 million cap per issue, and \$150 million total annual state allocation cap. Funds out be used for construction and/or equipment, or capital expenditures. They cannot be used for overhead costs.

RECYCLING MARKET DEVELOPMENT ZONE

Businesses that collect, process, distribute, or use recycled materials in their manufacturing processes can earn incentives by applying for a new zone. Incentives include: 5% state tax credit on equipment; 20% state tax credit of up to \$2,000 on eligible operating expenses; and technical assistance from state recycling economic development professionals.

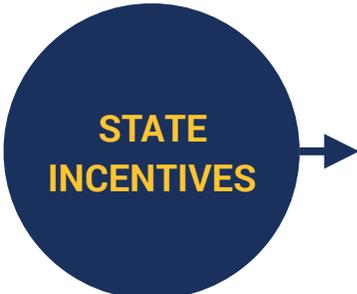
BUSINESS DEVELOPMENT LOAN FUND (BDF)

B.D.F. is a loan program run through the Davis Council of Governments. Ability to loan is based on the funding available at the time. Minimum amount is \$50,000, with the highest being \$1.2 million. The BDF works closely with banking and financial institutions to assist in partnership loans. Quick turnaround times, low origination fees, and flexible terms make B.D.F. loans attractive. They are full recourse loans requiring personal guarantees and collateral and are generally used for gap financing. Funds are available for companies that have difficulty obtaining traditional financing yet have revenues, are profitable, and present growth potential.

DAVIS FUND FOR ECONOMIC DEVELOPMENT

The Davis Fund for Economic Development is a small business loan program that creates jobs and helps grow the Davis County economy with financing options to viable but non-traditional businesses. It is managed by Davis County on behalf of the Davis County Council of Governments. Loan uses include: fixtures, furnishings, equipment, working capital, inventory, construction, and gap financing. Terms range between .5 and 7 years. Amortization is available up to 12 years with balloon payment options. Loan amounts range from \$50,000 to \$250,000 for new business, and up to \$500,000 for businesses older than 3 years.

INCENTIVES



STATE INCENTIVES

- **INDUSTRIAL ASSISTANCE FUND (IAF)**
- **ECONOMIC DEVELOPMENT TAX INCREMENT FINANCING (EDTIF)**

ECONOMIC DEVELOPMENT TAX INCREMENT FINANCING (EDTIF)

A post-performance refundable tax credit based on a percentage of 'new state revenue' generated by a new project, including the payroll tax of the new employees, corporate income tax, and sales tax.

Incentive is based on the number of new employees, wage level of new jobs (125% of the county average wage), capital investment in the project, purchases from local suppliers, location of the project, and the industry type. Preference is given to the state's cluster centers - aviation and aerospace, defense and homeland security, life sciences, outdoor products and recreation, energy and natural resources, financial services, and composite materials. A local incentive and creation of an Economic Development Zone at the project site are requirements for this incentive type.

INDUSTRIAL ASSISTANCE FUND (IAF)

A post-performance grant for the creation of high-paying jobs in Utah. Companies expanding in or relocating to the state may apply for incentive grants from the I.A.F. The I.A.F. is a discretionary fund allocated by the state legislature to help encourage job growth. Incentives are paid on a post-performance basis after job creation in yearly increments. Jobs must be retained over the life of the project. The length of the grant is typically 5 years, with an incentive range of \$1,000-\$3,000 per new job. Three categories or classifications:

- 1. Urban:** Creating at least 50 jobs paying 125% of the county average wage
- 2. Corporate headquarters:** Relocation to Utah in which Utah is competing against other states for the project
- 3. Economic opportunities:** Relocating or expanding in Utah; ability to expend funds on employees, contractors, vendors, and others proportionate to funding received. The I.A.F. funding ratio is 2:1 for 5 years and displays the ability to repay the loan through new business growth.

- **CUSTOM FIT STATE TRAINING:** Custom fit training provides flexible, customized training to Davis County businesses. This unique program offers the benefit of state-of-the-art training and development, customized to meet specific needs, at an affordable cost.
 - **FUNDING:** Up to 40% of training costs may be paid for your company
 - **CUSTOMIZATION:** Training is customized to meet your organization's needs
 - **ECONOMIC DEVELOPMENT:** Your company assisted with sustaining growth for betterment of Davis and Morgan counties
 - **FLEXIBILITY:** Training can be held at multiple desired locations
 - **QUALITY:** State-of-the-art training and development provided by world-class instructors



DAVIS TECHNICAL COLLEGE



WEBER STATE UNIVERSITY

- **SHORT TERM INTENSIVE TRAINING:** Short Term Intensive Training (STIT) is a state-funded program that allows businesses the opportunity to improve their workforce development by offering customized training courses for the organization's individual training needs. STIT serves organizations that need short-term, non-credit training.

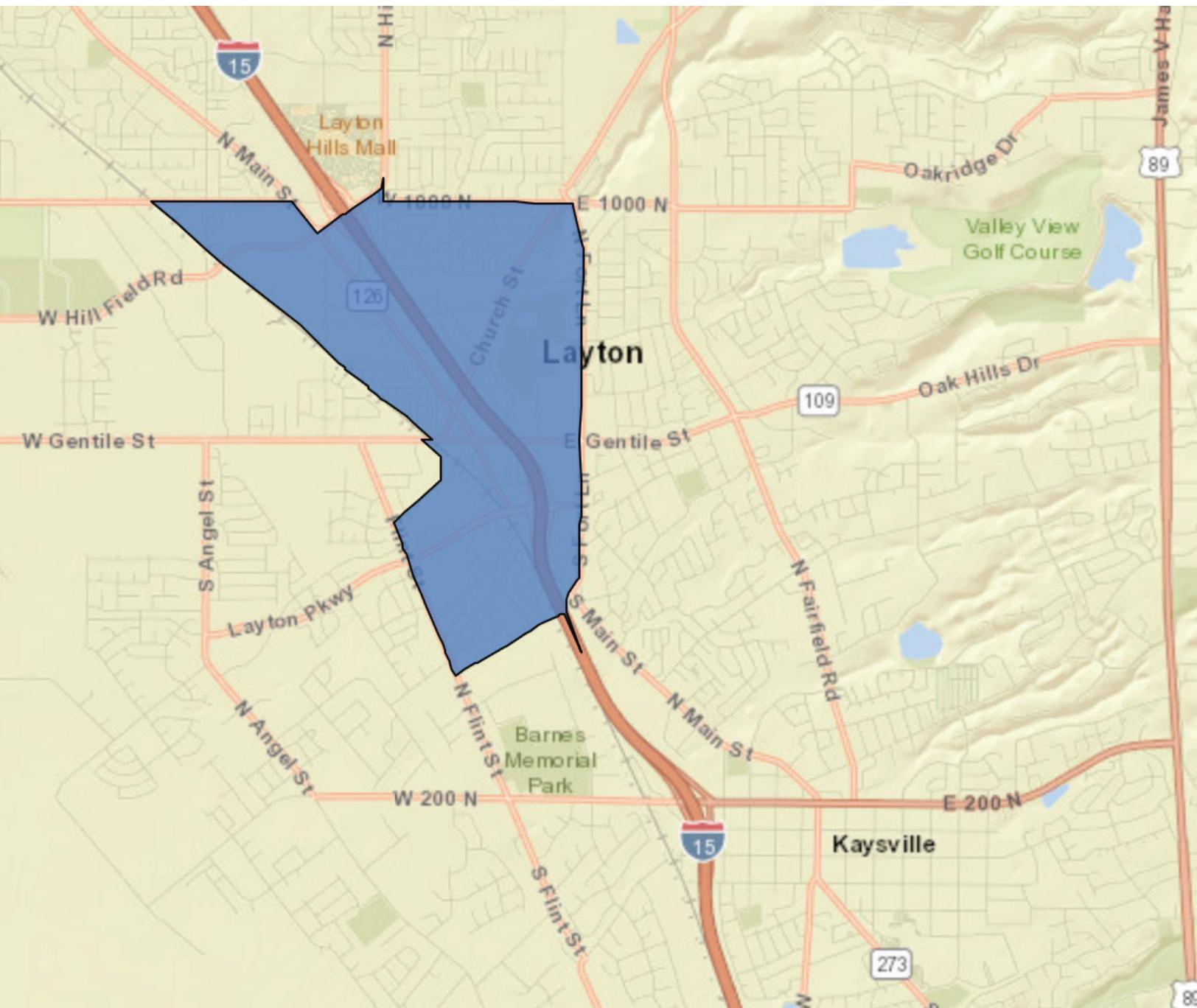
For more information, contact Kathy Rivera - 801-626-8040; krivera@weber.edu

OPPORTUNITY ZONES

OPPORTUNITY ZONES are a new community development program established by Congress in the Tax Cut and Jobs Act of 2017 to encourage long-term investments in low-income and urban communities nationwide. These zones are an economic development tool - that is, they are designed to spur economic development and job creation in our distressed communities.

Layton's opportunity zone provide the following incentives:

- A temporary tax deferral for capital gains reinvested in an Opportunity Fund. The deferred gain must be recognized on the earlier of the date on which the opportunity zone investment is sold or December 31, 2026.
- A step-up in basis for capital gains reinvested in an Opportunity Fund. The basis of the original investment is increased by 10% if the investment in the qualified opportunity zone fund is held by the taxpayer for at least 5 years, and by an additional 5% if held for at least 7 years, excluding up to 15% of the original gain from taxation.
- A permanent exclusion from taxable income of capital gains from the sale or exchange of an investment in a qualified opportunity zone fund, if the investment is held for at least 10 years. (Note: this exclusion applies to the gains accrued from an investment in an Opportunity Fund, not the original gains).



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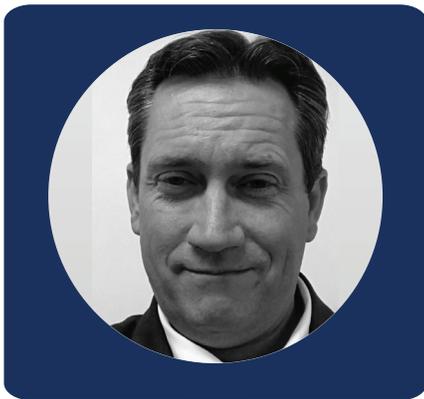
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