

ECONOMIC INCENTIVE GUIDELINES

Economic Incentive Guidelines: Awards are offered as an incentive to undertake a project. Therefore, the project should not begin, and expenses should not be incurred, before funding awards have been announced. Expenses incurred prior to submission of a proposal should not be included in project budgets, nor should expenses that will be incurred after submission of a proposal but prior to an award announcement. The amount of an award from ESD is based on a number of factors including, but not limited to, the project's alignment with the contents of this RFP, state and regional priorities, as well as the potential for direct and indirect job creation, direct and indirect fiscal benefit to the state and local governments, overall economic activity, community development and private investment. Generally, applicants should not apply for, nor will be considered for, more than forty percent (40%) of the financing for any particular project based on the eligible total project cost.

ESD requires that the Applicant contribute a minimum of ten percent (10%) of the total project cost in the form of equity contributed after the Applicant's acceptance of ESD's incentive proposal. Equity is defined as cash injected into the project by the Applicant or by investors and should be auditable through the Applicant's financial statements or accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project or grants from a government source.