

PROGRAM: The Local Economic Development Act **Community**

AGENCY: Local Governments

DESCRIPTION: The Local Economic Development Act (LEDA) allows communities the option of offering local government aid to qualifying business entities for economic development projects.

STRUCTURE:

- One of LEDA's advantages is that it allows municipalities and counties to enter into joint powers agreements to plan and support regional economic development projects.
- The source of public money used to fund economic development projects can come from up to 5% of the annual General Fund (GF) expenditures of the local government in that fiscal year. OR
- New revenue can be generated through the imposition of the Local Options Gross Receipts Tax (LOGRT) specifically designed for economic development projects.
- Local government revenues dedicated for funding economic development projects are deposited into a separate account. Separate accounts for each individual project are also established.
- Process: After a local government creates and adopts an economic development plan, a qualifying entity is required to submit a project application including all information the local government deems necessary.
 - Projects are approved by ordinance, and the local government may negotiate with a qualifying business on the type or amount of assistance that will be provided for the economic development project.
 - The local government also has the power to enact an ordinance terminating the economic development plan and any projects, but only if the ordinance satisfies existing contracts and the rights of the parties arising from those contracts.

QUALIFICATIONS/CRITERIA:

- Economic development projects must create new job opportunities and result in facilities to support new or expanding businesses.
- Development plans or ordinances adopting plans must include safeguards including specific ways local government will recover costs, land, buildings, or other thing of value if the business quits, leaves area, or otherwise fails to live up to contractual or implied obligations.
- For assistance, contact a regional representative.