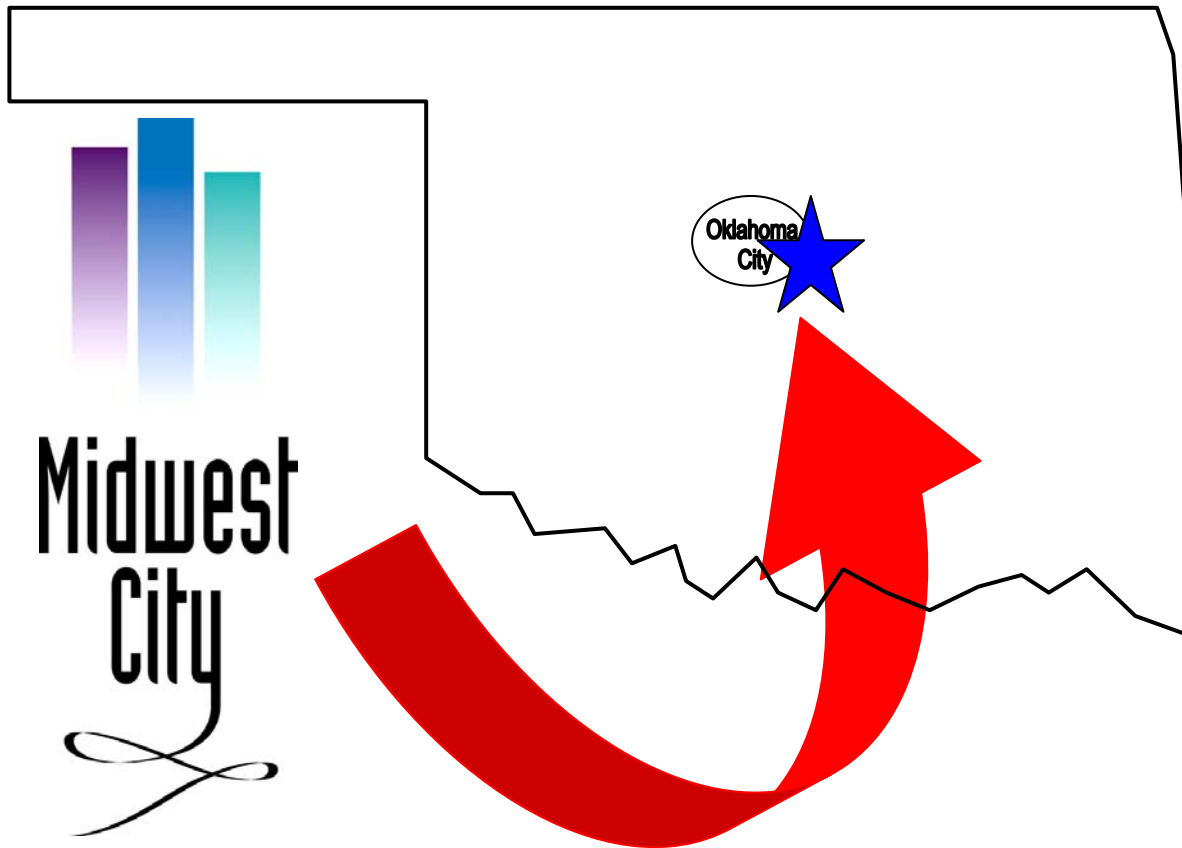


Special Incentive and Business Assistance Zones

Midwest City, Oklahoma



Produced by

**The Midwest City Chamber of Commerce
Economic Development Department**

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ENTERPRISE ZONES

(62 O. S. §§ 690.1 et seq.)

Enterprise Zones can be designated in either disadvantaged counties, cities or portions of cities. These zones provide extra incentives for business. Double the Investment / New Jobs Tax Credit is allowed, and low interest loans may be made available through enterprise district loan funds. Local communities may exempt local taxes for six years (instead of five) for qualifying businesses that are also in Incentive Districts (62 O.S. § 860). Small Linked Deposit Loans may be for longer terms (62 O.S. §§ 88. 1A et seq). The enterprise district management authorities created in some enterprise districts are empowered to establish venture capital loan programs and to solicit proposals from enterprises seeking to establish or expand facilities in the zones. By statute, funds for these programs would come from the issuance of general obligation bonds by the district involved. These loans can be for up to 100% of the estimated cost of the building and equipment.

The Oklahoma Local Development and Enterprise Zone Incentive Leverage Act

(62 O.S. §§ 840 et seq.)

Enterprises locating within an Enterprise Zone and an incentive district may qualify for state matches of local sales tax exemptions and ad valorem tax exemptions. The state match on local sales tax exemptions is in the form of a state sales tax reimbursement, and income tax credits are provided as a match on qualifying ad valorem exemptions. These local and state incentives are available for up to six years, however, an enterprise cannot receive more than \$200,000 aggregate value in state payments and credits in any year.

There are also aggregate eligibility limitations based on county population. Counties with less than 100,000 population can qualify up to \$20 million of aggregate investment for state matches. In no county can more than \$40 million of investment be eligible for the state incentive match. Investment must be made prior to 2004 for existing zones/ districts. Investment must be made before 2005 for districts created between July 1, 2000 and July 1, 2003. Tax credits may be carried forward 10 years.

Contact the Oklahoma Department of Commerce at (800) 588-5959 or Jeff Wallace at (405) 815-5184, email: info@odoc.state.ok.us , website: www.locateok.com , for updates and specific zone information.

The Oklahoma Department of Commerce has designated specific areas in Midwest City as “Enterprise Zones” qualify based on census track data received from the US Census Bureau. This data indicates that 30% of individuals in the track areas are at or below the poverty level or per capita income is 15% or more below the state per capita income.

Midwest City Census Tracts that qualify as an Enterprise Zone - 1076.01, 1076.04, 1076.06, 1077.04, 1080.03, 1080.08, 1080.09, 1080.10, 1080.11.

SEE MAP FOR DESIGNATED AREAS

HUBZones

A "HUBZone" is an area that is located in one or more of the following:

- A qualified census tract (as defined in section 42(d)(5)(C)(i)(1) of the Internal Revenue Code of 1986);
- A qualified "non-metropolitan county" that is: not located in a metropolitan statistical area (as defined in section 143(k)(2)(B) of the Internal Revenue Code of 1986), and
 - in which the median household income is less than 80 percent of the non-metropolitan State median household income, or
 - that based on the most recent data available from the Secretary of Labor, has an unemployment rate that is not less than 140 percent of the statewide average unemployment rate for the State in which the county is located;
- Lands within the external boundaries of an Indian reservation.

Who We Are

The HUBzone Empowerment Contracting program provides federal contracting opportunities for qualified small businesses located in distressed areas. Fostering the growth of these federal contractors as viable businesses, for the long term, helps to empower communities, create jobs, and attract private investment.

Program History

The HUBZone Empowerment Contracting program was enacted into law as part of the Small Business Reauthorization Act of 1997. The program falls under the auspices of the U.S. Small Business Administration. The program encourages economic development in historically underutilized business zones - "HUBZones" - through the establishment of preferences.

SBA's Hubzone program is in line with the efforts of both the Administration and Congress to promote economic development and employment growth in distressed areas by providing access to more Federal contracting opportunities.

How the HUBZone Program Works

- The U.S. Small Business Administration (SBA) regulates and implements the program,
- determines which businesses are eligible to receive HUBZone contracts,
- maintains a listing of qualified HUBZone small businesses Federal agencies can use to locate vendors,
- adjudicates protests of eligibility to receive HUBZone contracts, and
- reports to the Congress on the program's impact on employment and investment in HUBZone areas.

Publication of Final Rule

The [final rule](#) for the HUBZone Empowerment Contracting Program was published on June 11, 1998. The interim Federal Acquisition Regulation (FAR) FAC 97-10, FAR Case 97-307 was published on December 18, 1998 to give effect to the contracting component of the program on January 4, 1999. The comment period for the FAR expired on February 18, 1999. The final rule is expected to be published in mid to late April.

Eligibility

A small business meets **all** of the following criteria to qualify for the Hubzone program:

- it **must** be located in a "historically underutilized business zone,"
- it **must** be owned and controlled by one or more U.S. Citizens, and
- at least 35% of its employees **must** reside in a HUB Zone.

Historically Underutilized Business Zone

A "HUBZone" is an area that is located in one or more of the following:

- a qualified census tract (as defined in section 42(d)(5)(C)(i)(I) of the Internal Revenue Code of 1986);
- a qualified "non-metropolitan county" (as defined in section 143(k)(2)(B) of the Internal Revenue Code of 1986) with a median household income of less than 80 percent of the State median household income or with an unemployment rate of not less than 140 percent of the statewide average, based on U.S. Department of Labor recent data; or
- lands within the boundaries of federally recognized Indian reservations.

Types of HUBZone Contracts

A **competitive** HUBZone contract can be awarded if the contracting officer has a reasonable expectation that at least two qualified HUBZone small businesses will submit offers and that the contract can be awarded at a fair market price.

A **sole source** HUBZone contract can be awarded if the contracting officer does not have a reasonable expectation that two or more qualified HUBZone small businesses will submit offers, determines that the qualified HUBZone small business is responsible, and determines that the contract can be awarded at a fair price. The government estimate cannot exceed \$5 million for manufacturing requirements or \$3 million for all other requirements.

A **full and open competition** contract can be awarded with a price evaluation preference. The offer of the HUBZone small business will be considered lower than the offer of a non-HUBZone/non-small business-providing that the offer of the HUBZone small business is not more than 10 percent higher.

Goaling

The Small Business Reauthorization Act of 1997 increases the overall government wide procurement goal for small business from 20% to 23%. The statute sets the goal for HUBZone contracts as follows: 1999 - 1%; 2000 - 1 ½ %; 2001 - 2%; 2002 - 2 ½ %; 2003; and each year thereafter - 3%.

Affected Federal Agencies

Until September 30, 2000, the HUBZone Empowerment Contracting Program applies only to the procurements of the following Federal agencies: U.S. Department of Defense (DOD), U.S. Department of Agriculture (USDA), U.S. Department of Health and Human Services (HHS), U.S. Department of Transportation (DOT), U.S. Department of Energy (DOE), U.S. Department of Housing and Urban Development (HUD), U.S. Environmental Protection Agency (EPA), U.S. National Aeronautics and Space Administration (NASA), U.S. General Services Administration (GSA), and U.S. Department of Veterans Affairs (VA).

Last Modified: March 18, 1999

SEE MAP FOR DESIGNATED AREAS

CDFI (Dept. of the Treasury)

NEW MARKET TAX CREDIT PROGRAM

About CDFI

The **Community Development Financial Institutions** (CDFI) Fund was created to expand the availability of credit, investment capital, and financial services in distressed urban and rural communities. The Fund was authorized by the Riegle Community Development and Regulatory Improvement Act of 1994, as a bipartisan initiative. By stimulating the creation and expansion of diverse community development financial institutions (CDFIs) and by providing incentives to traditional banks and thrifts, the Fund's investments work toward building private markets, creating healthy local tax revenues, and empowering residents. The CDFI Fund provides relatively small infusions of capital to institutions that serve distressed communities and low-income individuals. The Fund's activities leverage private-sector investments from banks, foundations, and other funding sources. Since the Fund's creation, it has made more than \$534 million in awards to community development organizations and financial institutions. CDFIs are specialized financial institutions that work in market niches that have not been adequately served by traditional financial institutions. These CDFIs provide a wide range of financial products and services, including mortgage financing for first-time home-buyers, financing for needed community facilities, commercial loans and investments to start or expand small businesses, loans to rehabilitate rental housing, and financial services needed by low-income households and local businesses. In addition, these institutions provide services that help ensure that credit is used effectively, such as technical assistance to small businesses and credit counseling to consumers. CDFIs include community development banks, credit unions, loan funds, venture capital funds, and microenterprise loan funds, among others.

NMTC Program Brief:

Under the NMTC Program, an organization that has been certified as Community Development Entity (CDE) may apply to the CDFI Fund for an allocation of tax credits, which it can offer to its taxable investors to cover a portion of their equity investments into the CDE. To be certified as a CDE, an organization must, among other things, demonstrate that it is accountable to residents of eligible Low Income Communities in its service area. CDEs that receive allocations of tax credits will be required to demonstrate that the proceeds from tax credit transactions are used to support businesses operating in eligible Low-Income Communities. A CDE may obtain data and map(s) via this website to assist in identifying qualifying Low-Income Communities in its service area.

The national New Market Tax Credit Program web site is: <http://www.cdfifund.gov/programs/nmtc/>

SEE MAP FOR DESIGNATED AREAS

OKLAHOMA

Allocatee: MetaFund Corporation

Headquarters: Oklahoma City, OK

Allocation Amount: \$50 million

Principal Activities: The Allocatee will utilize its NMTC allocation to make equity and “near-equity” investments and loans to companies in any stage of the business life-cycle (from start-up through traditional small business and commercial lending). The organization believes the NMTC Program will enable it to expand the volume of its activities and the types of products and services it offers, better target its transactions to particularly economically distressed areas, and reduce the investee’s cost of funds.

Service Area: MetaFund will focus its activities on the state of Oklahoma. An estimated 50% of its activities will be targeted to urban areas, 35% will be targeted to rural areas, and 15% will be targeted to suburban areas.

Contact Person: Tom Loy (405) 949-0001 tloy@metafund.org

Allocatee: REI New Markets Investment, LLC – a subsidiary of Rural Enterprises of Oklahoma, Inc.

Headquarters: Durant, OK

Allocation Amount: \$80 million

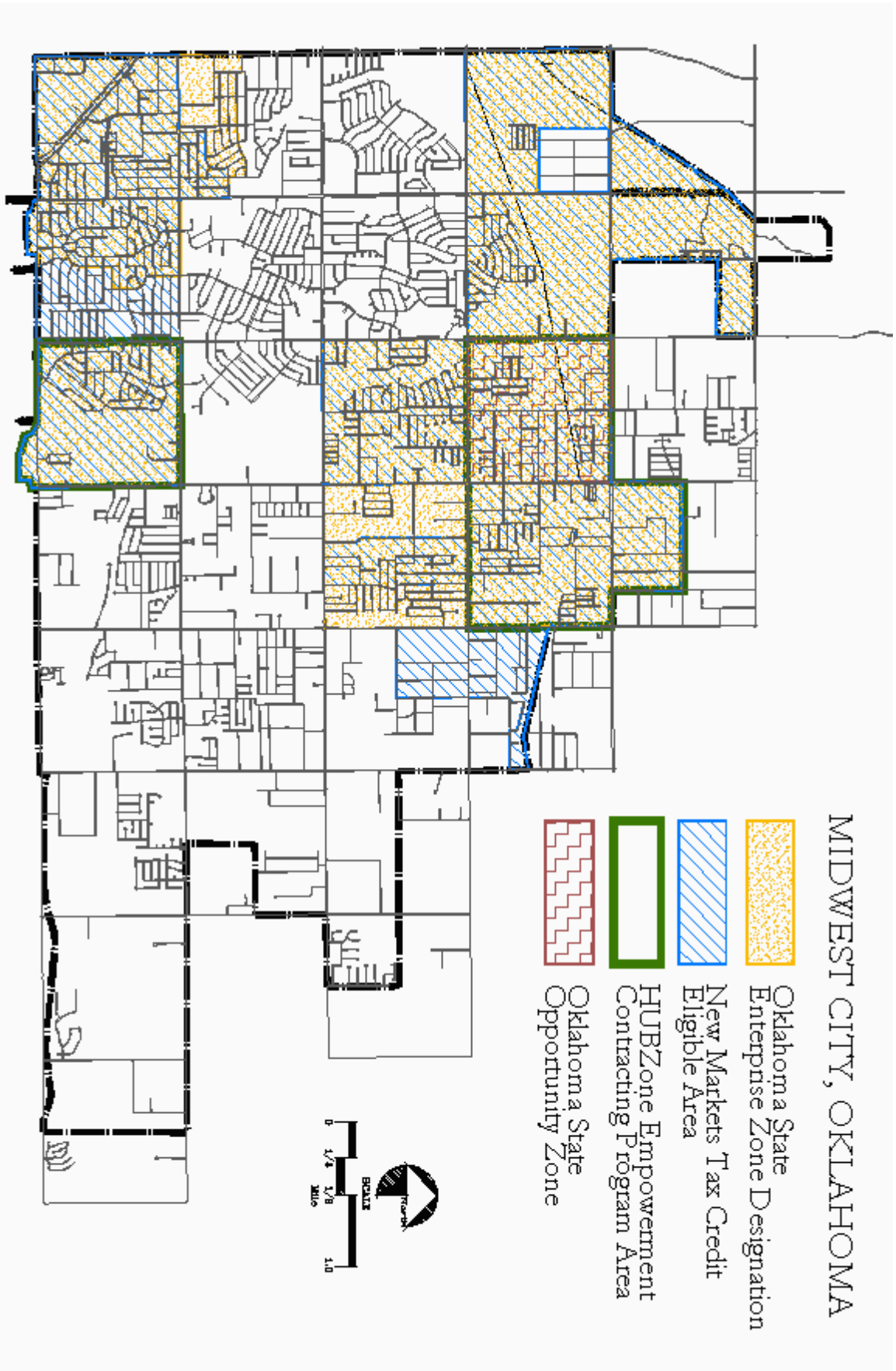
Principal Activities: REI will use its NMTC allocation to support: 1) a gap-financing loan product for small businesses; 2) a traditional debt financing product for businesses that can’t access bank financing; and 3) an equity fund for investments in start-up and expanding businesses. The Allocatee indicates that it would not have been able to offer an equity product without the availability of the NMTC allocation.

Service Area: REI will serve the entire state of Oklahoma. An estimated 67% of its activities will be targeted to rural areas, 18% will be targeted to urban areas, and 15% will be targeted to suburban areas.

Contact Person: Kenny Simpson (580) 924-5094 kennysimpson@ruralenterprises.com

SPECIAL INCENTIVE DISTRICT MAP

Interstate 40 - Tinker Air Force Base





FOR MORE INFORMATION CONTACT:

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