



Oklahoma Rapid Community Response Program Rules

Rules and Procedures

Program Description

The Oklahoma Rapid Community Response Program is designed to increase the demand for labor in South Central Oklahoma. Along with increasing the demand for labor, the program will also assist Oklahoma suppliers to find alternate customers, help the community with planning and marketing, and assist former Michelin employees through an entrepreneurship loan program. The Rapid Community Response Program was brought about by the announcement in October 2023 that Michelin would be scaling back their operations in Ardmore. Michelin agreed to allow withholding tax for the remaining two years of full operations to be captured by the State and earmarked for this incentive program. It is estimated that this will generate up to \$5 million for direct investment to be collected by the Oklahoma Development Finance Authority. The Oklahoma Department of Commerce and the Oklahoma Development Finance Authority will jointly administer the program.

Who May Participate?

To be eligible for participation in the Oklahoma Rapid Community Response Program, a business must meet all of the following requirements:

1. Must be a "for profit" business entity*;
2. The Project facility must be located in Oklahoma and the project requires a minimum capital expenditure of at least \$50,000;
3. Must currently have a minimum payroll at the project facility of at least \$312,500 per year. Employees must be direct employees of the applying entity. Payroll paid to a staffing firm does not qualify towards the payroll requirement;
4. Funds cannot have been spent toward the new project prior to the Company having received an award letter recommending approval of the new project from the Oklahoma Department of Commerce;
5. The new project must increase the demand for labor in South Central Oklahoma
6. The Project must meet all other eligibility requirements for participation in the Oklahoma Economic Development Pooled Finance Act set forth in 62 O.S. §891.1 et. Seq.

**note: a "for profit business" is an business entity engaged in a lawful business activity with the goal or expectation of selling goods, services or other property at a price greater than the actual costs incurred by the business*

How May a Business be Considered for Participation?

To be considered for participation in the program, the business shall submit an application for participation to the Oklahoma Department of Commerce through the application portal on the Oklahoma Department of Commerce website along with a scanned, signed copy of the Agreement for Potential Participation in the Oklahoma Rapid Community Response Program. These documents, as well as the rules and a link to access the portal can be found on the Oklahoma Department of Commerce Website at www.okcommerce.gov/rapid-community-response-program.

Once these applications have been received, qualifying businesses who are recommended for participation in the program shall receive an award letter from the Oklahoma Department of Commerce,



and their applications shall move forward in accordance with the procedures set forth in the Oklahoma Economic Development Pooled Finance Act. Businesses who do not meet the initial criteria for participation shall be notified by the Department that they do not qualify for the program.

We encourage any company who will increase the demand for labor in the South Central Oklahoma region to apply for these funds. While not an exhaustive list, generally industries such as manufacturing, professional services and IT industries may be more likely to provide a net benefit rate sufficient to receive an award letter from the Department of Commerce. A positive benefit to the state is a requirement for participation in the program.

Receipt of an award letter from The Department does NOT guarantee that the business or project will be qualified for the program. The business shall not be considered as having been accepted for the program, and is therefore not eligible to receive funding, until the business has executed a funding agreement with the Oklahoma Development Finance Authority.

Rules for Participation

Businesses who wish to participate in the program must meet all requirements set forth in the Oklahoma Economic Development Pooled Finance Act and must meet the criteria set forth in this document. For purposes of these rules, A project will be deemed to have begun when the company has expended financial resources toward the new project.

After signing a funding agreement with the Oklahoma Development Finance Authority, businesses who are approved for participation in this program must spend, and provide documentation to the Oklahoma Department of Commerce, of at least 10% of the estimated project costs toward the project within 180 days of executing the funding agreement. Failure to do so may cause the company's participation in the program to end without further notice.

In addition to providing documentation of spend to the Oklahoma Department of Commerce, businesses that are approved for participation in this program must provide quarterly updates of dollars spent and total employment to the Oklahoma Department of Commerce. The Oklahoma Development Finance Authority and the Oklahoma Tax Commission may request information. Reporting to any other entity is not required to participate in the Oklahoma Rapid Community Response Program.

Furthermore, Businesses who wish to participate cannot receive or continue to receive incentive payments pursuant to the Oklahoma Quality Jobs Program Act or claim any Investment Tax Credits otherwise authorized pursuant to Section 2357.4 of Title 62 of the Oklahoma Statutes during the period of time that any withholding taxes attributable to the payroll taxes of such entity are being paid to the Community Economic Development Pooled Finance Revolving Fund or in any manner being used for the payment of principal, interest or other costs associated with the Oklahoma Development Finance Authority.

Participating businesses that have a WARN Act layoff during the period of participation in the Oklahoma Rapid Community Response Program will cause the company's participation in the program to end without further notice.

Project Awards

Payment of awards given pursuant to the program shall be made from funds as specified in the Oklahoma Economic Development Pooled Finance Act and may be paid out to recipients by the Oklahoma Development Finance Authority monthly.

Projects awarded funds will be those projects both who meet the criteria in this document and where the net benefit rate of the project is sufficient to sustain an award of Twenty-Five Thousand Dollars (\$25,000)



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or more. Projects which do not qualify for an award of at least \$25,000 shall not be selected for participation in the program.

Project awards begin only after the entity has submitted documentation that it has spent 10% of the project costs after the date of approval. Project awards are not provided on an up-front basis and will not cover 100% of the proposed project costs. Projects will be eligible to receive back up to half of qualifying project expenses. Projects larger in size may also consider other incentive programs.

Availability of Funds

Payroll withholdings tax from a major employer in the South Central Oklahoma region has been dedicated to this program for distribution to qualifying entities under the Oklahoma Rapid Community Response Program. Withholdings tax from the applicant itself will supplement each award as well. Dedicated funds shall be distributed to qualifying entities for qualifying projects on a first come, first serve basis until the funds are exhausted. Once the funds are exhausted, further applications may be denied due to a lack of funding.

Questions?

For questions about the program or program eligibility, please contact Walter Baker at the Oklahoma Department of Commerce at (405) 815-5122 or by e-mail at: Walter.Baker@okcommerce.gov.