

First Reading: _____
Second Reading: _____

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHATTANOOGA CITY CODE,
PART II, CHAPTER 11, BY ADDING ARTICLE XVII
ENTITLED, "INNOVATION DISTRICT GRANTS".

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY
OF CHATTANOOGA, TENNESSEE:

SECTION 1. That Chattanooga City Code, Part II, Chapter 11, is hereby amended by
adding Article XVII as follows:

ARTICLE XVII. – INNOVATION DISTRICT GRANTS

Sec. 11-457. Definitions.

"**Board**" means the Industrial Development Board of the City of Chattanooga,
Tennessee.

"**City**" means the City of Chattanooga, Tennessee.

"**City Council**" means the duly elected Council of the City of Chattanooga, Tennessee.

"**Clerk**" means Clerk of the City Council for the City of Chattanooga, Tennessee.

"**ECD**" means the City's Department of Economic and Community Development.

"**Full-time job**" means a job provided by a Qualified Business at a Qualified Project Site
at which the person employed in such job is compensated for working at least thirty (30) hours
per week at the Qualified Project Site.

"**Fund**" means funds appropriated by the City to the Board for the purposes set out in this
chapter or such other funds as from time to time may become available to the Board.

“Innovation District” means that geographic area in the downtown of Chattanooga which is approximately a quarter mile walk radius from the intersection of M.L. King Blvd. and Georgia Avenue and is intended to be a catalytic mix of start-up businesses, business incubators and accelerators alongside innovation economy generators & amenities - available in a dense, walkable urban core. See attached map marked as Exhibit A for exact definition.

“Prohibited Business” means those businesses whose primary source of revenue at the Qualified Project Site is derived from the sale or delivery of services directly to consumers in the adult entertainment, financial services, nightclubs, tattoo parlors, body piercing shops, cash advance branch banking, check cashing, title loan, pawnshops, and businesses operating from residential property.

“Qualified Project” means property located within the boundaries of the City occupied by a Qualified Small Business.

“Qualified Project Site” means a singular physical location at which a Qualified Small Business operates a non-prohibited business.

"Qualified Business" means an entity, including subsidiaries and parent organizations of the same that meets all of the following criteria at the time of application for an Innovation District Business Economic Development Incentive grant under this chapter:

1. Is engaged in a for-profit service or manufacturing industry business enterprise that is not a Prohibited Business as defined herein; and
2. Creates a minimum of twenty-five (25) new full-time jobs at a Qualified Project Site.
3. Employs persons who are compensated for working at least thirty (30) hours per week.

Sec. 11-458. Innovation District business economic development incentive grants.

1. The City may at its discretion make grants to the Board for the Innovation District economic development incentive grant program created by this chapter. The Innovation District economic development incentive grants are intended to encourage economic development by business enterprises within the boundaries of the Innovation District within the City and to encourage and incentivize these business enterprises as set out below.

2. The Board shall make Innovation District economic development incentive grants to Qualified Businesses consistent with this chapter and the rules and regulations of the IDB subject to the availability of funding approved for the program by the City through the City’s operating budget ordinance or from such other sources of funds as from time to time may become available to the Board.

3. The Board shall only authorize the use of the Fund to reimburse a Qualified Business for all or part of its documented expenditures related to the acquisition, preparation or occupancy of office space and other facilities with the Innovation District of the City, costs of moving to or relocating within or to the Innovation District of the City, costs associated with initial or on-going training of employees located at the Qualified Project Site, or other such costs or expenses that are consistent with the rules and regulations of the IDB or as are approved by the Board from time to time.

4. The total amount awarded by the IDB to Qualified Businesses under this Chapter shall not exceed the total amounts in the Fund.

5. The Innovation District economic development incentive grant awarded to a Qualified Small Business during any given year shall be determined by multiplying the number of new full-time jobs created at the Qualified Project Site during the preceding year by the amount of two hundred fifty dollars (\$250.00). The IDB may also make an additional award per each new full-time job created at the Qualified Project Site during the preceding year based on criteria created and established by the rules and regulations of the IDB. This additional award shall be used by the IDB to encourage and incentivize these business enterprises related to various polices and initiatives of the City and City Council as determined by the Board

6. Any grant made in accordance with the provisions of this section will be memorialized by written agreement between the Board and the Qualified Business.

In conjunction with the Board, the ECD shall be responsible for administering the Innovation District economic development incentive grant program. The Board, with assistance from the ECD and its discretion based upon the totality of circumstances to award or not award, shall adopt rules consistent with this chapter for the administration of the program created by this chapter. Upon adoption, such rules shall be filed with the Clerk.

The ECD shall provide written notice to the Chattanooga City Council within thirty (30) days of each Innovation District economic development incentive grant made pursuant to this chapter.

SECTION 2. BE IT FURTHER ORDAINED, That this Ordinance shall take effect two (2) weeks from and after its passage.

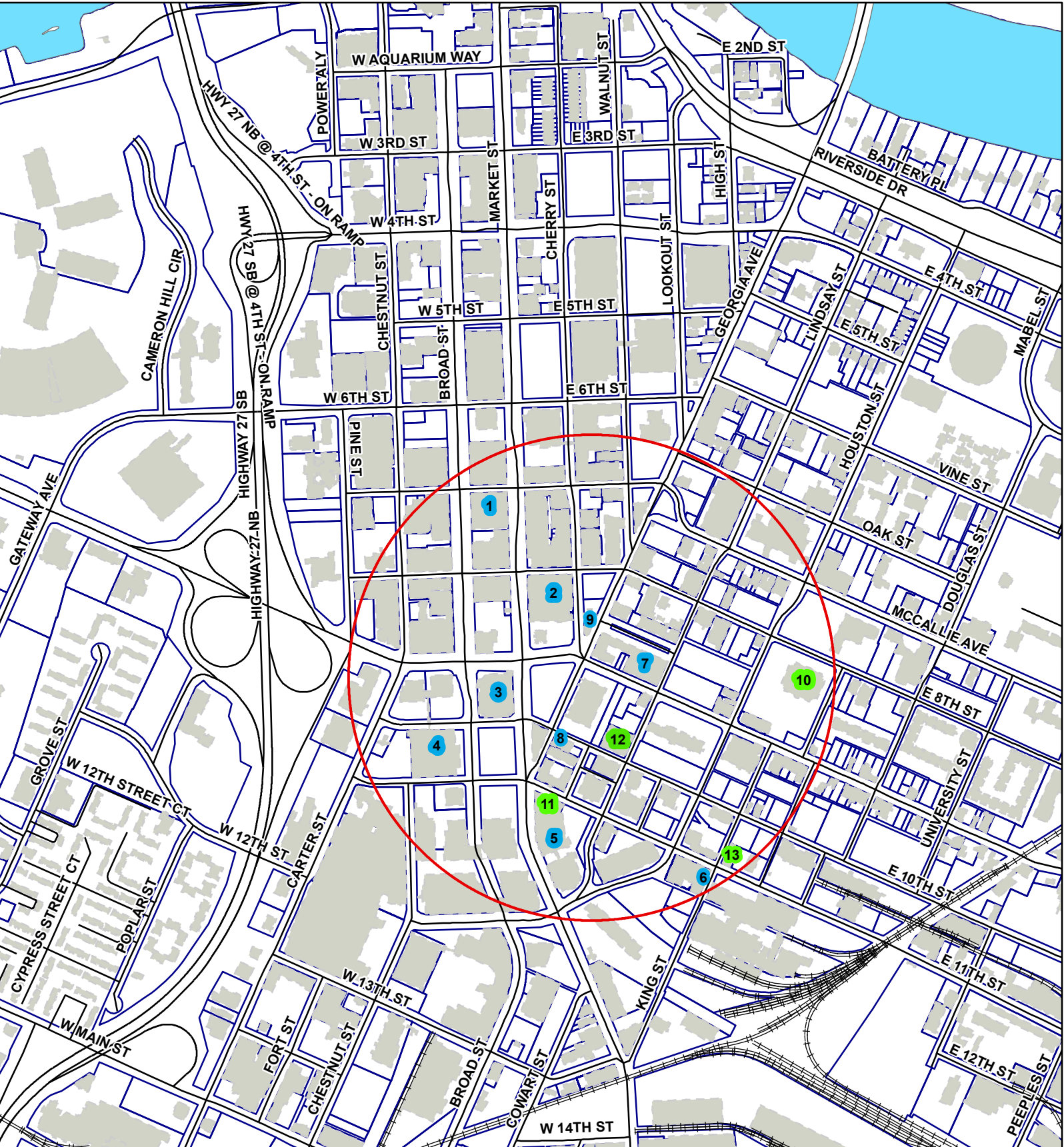
Passed on second and final reading:_____

CHAIRPERSON

APPROVED:____ DISAPPROVED:____

MAYOR

NAW/mem/Version 3



Chattanooga Downtown Innovation District



Legend

- Existing Innovation Economy Generators
- Potential Innovation Economy Generators



EXHIBIT A

This information has been filed with the City of Chattanooga and is not known to be correct or accurate. The City of Chattanooga accepts no responsibility as to the reliability of the information.