

First Reading: \_\_\_\_\_  
Second Reading: \_\_\_\_\_

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE AMENDING CHATTANOOGA CITY CODE,  
PART II, CHAPTER 11, ARTICLE XVI, SECTION 11-456,  
RELATIVE TO THE SMALL BUSINESS INCENTIVE GRANT  
PROGRAM.

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

SECTION 1. That Part II, Chattanooga City Code, Chapter 11, Article XVI, Section 11-456, of the Chattanooga City Code is hereby amended by adding the following new chapter, Small Business Incentive Grant Program as follows:

**Definitions:**

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

"**City**" means 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 Small 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.

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

"**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 Small 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 a Small 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 five (5) new full-time jobs at a Qualified Project Site within a contiguous twelve (12) month period.
3. Employs fewer than one hundred (100) persons, regardless of the locale, who are compensated for working at least thirty (30) hours per week.

**A. Small business economic development incentive grants:**

1. The City may at its discretion make grants to the Board for the small business economic development incentive grant program created by this chapter. The small business economic development incentive grants are intended to encourage economic development by small business enterprises within the boundaries of the City and to encourage and incentivize these small business enterprises as set out below.
2. The Board shall make small business economic development incentive grants to Qualified Small 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 Small Business for all or part of its documented expenditures related to the acquisition, preparation or occupancy of office space and other facilities with the City, costs of moving to or relocating within or to 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 Small Businesses under this Chapter shall not exceed the total amounts in the Fund.
  5. The small business 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 five hundred dollars (\$500). This amount will be multiplied at a rate equal to the percentage of the average wage as compared to 100 percent of the average wage of the Chattanooga Hamilton County metropolitan statistical area as last published by the US Department of Labor, Bureau of Labor Statistics. 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 small business enterprises related to various polices and initiatives of the City and City Council as determined by the Board
  6. The maximum annual payment to any Qualified Small Business in any given year shall be ten thousand dollars (\$10,000), unless otherwise determined by the Board with assistance from the ECD.
  7. Any grant made in accordance with the provisions of this section will be memorialized by written agreement between the Board and the Qualified Small Business.
- B. In conjunction with the Board, the ECD shall be responsible for administering the small business 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.
- C. The ECD shall provide written notice to the Chattanooga City Council within thirty (30) days of each small business 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