

First Reading: _____
Second Reading: _____

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHATTANOOGA CITY CODE, PART II, CHAPTER 11, BY THE ADDITION OF A NEW ARTICLE XVII ENTITLED "SMALL BUSINESS CONSTRUCTION MITIGATION GRANT PROGRAM" AND TO AMEND ORDINANCE NO. 12953, KNOWN AS "THE FISCAL YEAR 2015-2016 BUDGET ORDINANCE", SECTION 5(A) SO AS TO REAPPROPRIATE TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00) FROM THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT FOR USE IN THE SMALL BUSINESS CONSTRUCTION MITIGATION GRANT PROGRAM TO THE INDUSTRIAL DEVELOPMENT BOARD.

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, of the Chattanooga City Code be and is hereby amended by the addition of the following new Article XVII entitled, "Small Business Construction Mitigation Grants" as follows:

Sec. 11-457. Definitions.

The City Council and the Mayor recognize the importance of obtaining Small Business Construction Mitigation Grants which are considered useful for the Economic and Community Development of the City. It is established that these Grants shall be awarded by the Industrial Development Board for the City from funds allocated to the Department of Economic and Community Development under specific circumstances set forth in this Article utilizing the following definitions:

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.

"**Construction Mitigation Zone**" means the impacted geographic area as defined by the City of Chattanooga Department overseeing the construction project.

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

"**Fund**" means funds appropriated by the City to the Board for the purposes set out in this Article 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 Business.

"**Qualified Project Site**" means a singular physical location at which a Qualified 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 a Small Business Construction Mitigation Grant under this Article:

1. Is engaged in a for-profit service or manufacturing industry business enterprise that is not a Prohibited Business as defined herein; and
2. Employs fewer than one hundred (100) persons, regardless of the locale, who are compensated for working at least thirty (30) hours per week; and
3. Is located in a designated construction mitigation zone.

Sec. 11-458. Small Business Construction Mitigation Grants.

- A. The City Council may at its discretion make grants to the ECD which shall be distributed by the Board for Small Business Construction Mitigation Grant program created by this Article. The Small Business Construction Mitigation Grants are intended to encourage economic development by business enterprises within the boundaries of the City and to encourage and support these business enterprises as set out below.

- B. The Board shall make the Small Business Construction Mitigation Grants to Qualified Businesses consistent with this article 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.
- C. 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 maintaining and growing a business impacted by a construction project, 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.
- D. The total amount awarded by the IDB to Qualified Businesses under this Chapter shall not exceed the total amounts in the Fund.
- E. The Small Business Construction Mitigation Grants awarded to a Qualified Business during any given year shall not exceed the amount of one thousand dollars (\$1,000), unless otherwise determined by the Board with assistance from the ECD.
- F. Any grant made in accordance with the provisions of this section will be memorialized by written agreement between the Board and the Qualified Business.
- G. In conjunction with the Board, the ECD shall be responsible for administering the Small Business Construction Mitigation 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 Article. Upon adoption, such rules shall be filed with the Clerk.
- H. The ECD shall provide written notice to the Chattanooga City Council within thirty (30) days of each Small Business Construction Mitigation Grant made pursuant to this chapter.

SECTION 2. BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, That there be and is hereby approved an amendment to Ordinance No. 12953 Section 5(a) to reappropriate \$25,000.00 from the Fiscal Year 2015/2016 Annual Budget to the ECD for use in the Small Business Construction Mitigation Grant Program to the IDB.

SECTION 3. BE IT FURTHER ORDAINED, That this Ordinance shall take effect immediately after passage on second reading as provided by law.

Passed on second and final reading:_____

CHAIRPERSON

APPROVED:____ DISAPPROVED:____

MAYOR

PAN/VLM/mem