

CHATTANOOGA RENEWAL COMMUNITY

Application for a Commercial Revitalization Deduction

Chattanooga's Renewal Community (RC) Program is an innovative and successful economic development program that creates the opportunity for growth and revitalization in distressed portions of our community. The intent of the program is to create jobs by attracting the investment necessary for sustainable economic and community development. The RC provides federal tax incentives to individuals who invest in, conduct business in, and/or hire residents from the designated RC areas.

What is a Commercial Revitalization Deduction?

Each year of the RC designation, Chattanooga receives \$12 million in federal tax incentives to award to property owners who construct or do substantial rehabilitation to commercial, industrial or mixed-use (retail/rental housing) buildings in the RC.

This incentive – or Commercial Revitalization Deduction (CRD) – allows a taxpayer to take an accelerated deduction of qualifying building and rehabilitation expenses. The standard IRS deduction for commercial buildings is 39 years. With a CRD, a property owner can deduct 50% of qualifying expenses the first year a building is placed in service or 100% of qualifying expenses pro rata over 10 years.

The CRD is available to buildings placed in service before January 1, 2010. You may apply for a CRD in advance of the project's completion, but no later than the year the building is placed in service. In addition, you must receive approval from Chattanooga's CRD Selection Committee and the State of Tennessee to take advantage of this tax savings. This is the official application form for approval.

Priority consideration for the CRD will be given to building projects that create permanent, full-time jobs; offer above-average wages; place buildings into service that have not been in use; and impact the overall economic stability of a community. To determine if the expenses for your building project are eligible for this deduction, consult your tax professional and IRS Publication 954.

Is your building project in the RC?

Chattanooga's RC is located in portions of communities with zip codes 37402, 37403, 37404, 37405, 37406, 37407, 37408, 37409 and 37410. To verify that your business or property is in the RC, go to the Address Locator at http://egis.hud.gov/egis/cpd/rcezec/ezec_open.htm or call the RC Office.

For more information about the CRD and other incentives, contact H. Maria Noel, Renewal Community Manager, at (423) 425-3776 or via email at noel_m@theenterprisctr.org.

Commercial Revitalization Deduction (CRD) Application

A. APPLICANT/OWNERSHIP ENTITY *(This is the entity to whom the CRD may be awarded):*

Company Name: _____

Street Address: _____

City: _____ State: _____ Zip Code: _____

Contact Person: _____ Title: _____

Office Phone: (____) _____ Mobile: (____) _____

E-Mail: _____ Web Site: _____

Business License: State of _____ License # _____ Date Issued _____

Type of Entity: Limited Partnership ____ General Partnership ____ Limited Liability Partnership ____
Limited Liability Corporation ____ S Corporation ____

Proprietor's Social Security # or Federal Tax ID # _____

Industry of Applicant: _____ New to Hamilton County? (Y / N)

B. PROJECT/BUILDING INFORMATION

Address: _____ Zip Code: _____

Briefly describe project: _____

Date of purchase: _____ Current zoning: _____ Zoning change required? (Y / N)

Project start date: _____ Estimated project end date (mo/yr): _____

Public works review complete? (Y / N) Date completed: _____ Changes required? (Y / N)

Describe changes required: _____

Is site currently in use for business purposes? (Y / N) If not, how long vacant? _____

Intended end use: Commercial ____ Mixed Use (Retail/Rental Housing) ____ Industrial ____

Any space to be leased for business uses? (Y / N) Must submit Schedule D: Lease/Tenant Information

Any known end user business(es) new to Hamilton County (either as lessee or owner-occupied)? (Y / N)

Have you applied for other incentives (i.e., historic tax credits)? (Y / N) Age of Building: _____

Check all that apply:

Purchase Expenses ____ Rehab Expenses ____ New Construction Expenses ____

Frame ____ Masonry ____ Other (describe) _____

C. PROJECT BUDGET

Purchase Cost

- A. Land _____
- B. Building _____
- C. Professional Fees _____
- D. TOTAL (a-c) _____

Project Improvements

	<u>Labor</u>	<u>Materials</u>	<u>Total</u>
E. Professional <i>(architect, engineer, etc.)</i>	_____	_____	_____
F. Site Prep <i>(demolition, excavation, etc.)</i>	_____	_____	_____
G. Structural <i>(framing, windows, roofing, etc.)</i>	_____	_____	_____
H. Mechanical/Electrical	_____	_____	_____
I. Plumbing/HVAC	_____	_____	_____
J. Finishes <i>(light fixtures, flooring, etc.)</i>	_____	_____	_____
K. Other (specify)	_____	_____	_____
	_____	_____	_____
L. TOTAL (e - k)	_____	_____	_____
M. GRAND TOTAL (d - k)		\$ _____	
N. TOTAL CRD REQUESTED		\$ _____	

D. EMPLOYMENT INFORMATION

Current # **Permanent** jobs employed by business(es) at the project site (non-construction): _____

Estimated # **Permanent** new jobs to be employed at the project site each year (post-construction):

_____ / _____ / _____ / _____ / _____ / _____
 Yr 1 2 3 4 5 5-Year Total

Estimated Hourly Wage for New Jobs (include any benefits):

\$ _____ / \$ _____ / \$ _____ / \$ _____ / \$ _____ / \$ _____
 Yr 1 2 3 4 5 5-Year Average

Estimated Total Payroll for New Jobs (include any benefits):

\$ _____ / \$ _____ / \$ _____ / \$ _____ / \$ _____ / \$ _____
 Yr 1 2 3 4 5 5-Yr Cumulative Total

The information contained in this application and the attachments are true and accurate to the best of my knowledge.

 Authorized Signature

 Title

 Date

SCHEDULE A: FINANCIAL SERVICES SUPPORT

Accountant's Name: _____ Phone: (____) _____

Firm: _____ Address: _____

City: _____ State: _____ Zip: _____

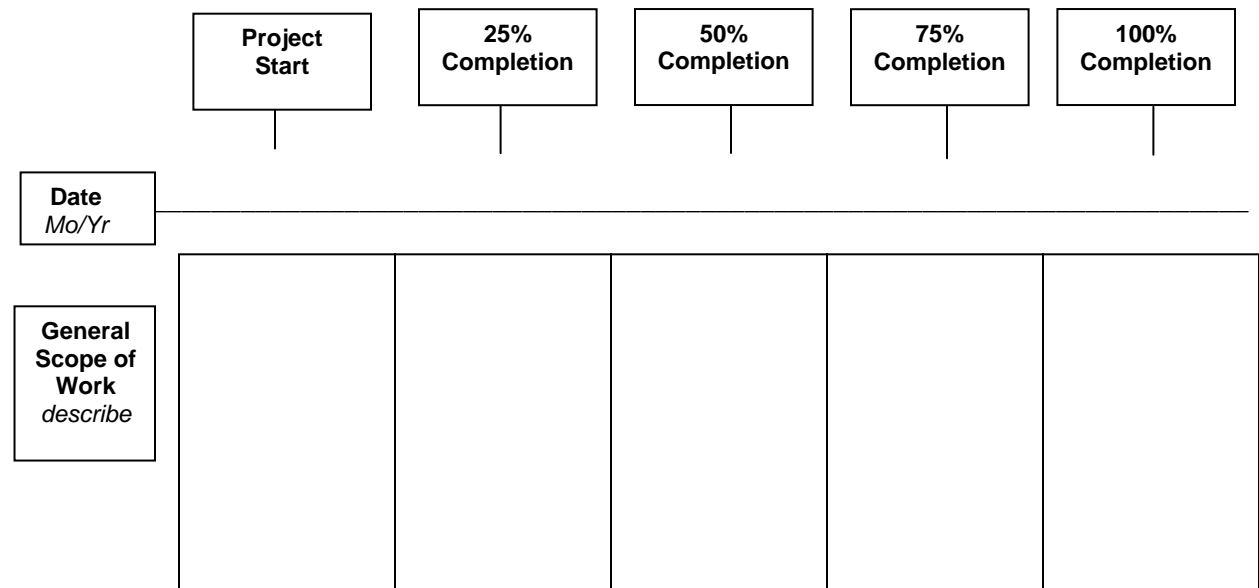
Banking/Assets for Project – Property Lien Holders or Asset Verification *(continue list on back if needed)*

Company Name	Primary Contact	Phone	Amount

SCHEDULE B: CONTRACTOR DATA *List all information with confirmed contracts only for the project.*

	Company Name	Primary Contact	Phone	City/State
Developer	_____	_____	_____	_____
Architect	_____	_____	_____	_____
Engineering	_____	_____	_____	_____
Contractor	_____	_____	_____	_____
Electrical	_____	_____	_____	_____
Plumbing	_____	_____	_____	_____
Others	_____	_____	_____	_____

SCHEDULE C: PROJECT TIMELINE



SCHEDULE D: LEASEE/TENANT INFORMATION

- Total Square Footage of Building (before construction/rehab): _____
- Total Square Footage of Building (after construction/rehab): _____
- Expected Square Footage for Business Use (after construction/rehab): _____

Confirmed Tenants *(list any owner occupants here also)*

Business Name	Current # Employees in Hamilton County	Est. Hourly Wage	# Existing Employees to move to project site	Business Address employees will be moving from (Street, City, State, Zip)	Est. # New Employees to be at new site	Est. Hourly Wage of new employees	Lease Contact (Name / Phone #)	Length of Lease (# Mo.)
		\$				\$		
		\$				\$		
		\$				\$		
		\$				\$		
		\$				\$		
		\$				\$		
		\$				\$		

Prospective Tenants

Business Name	Current # Employees In Hamilton County	Est. Hourly Wage	# Existing Employees to move to project site	Business Address employees will be moving from (Street, City, State, Zip)	Est. # New Employees to be at new site	Est. Hourly Wage of new employees	Lease Contact (Name / Phone #)	Length of Lease (# Mo.)
		\$				\$		
		\$				\$		
		\$				\$		
		\$				\$		
		\$				\$		
		\$				\$		
		\$				\$		

SCHEDULE E: BONUS POINT *(Optional)*

In addition to a project description, you may submit a written explanation of economic or business benefits expected to result from your project.

Additional consideration by the CRD Selection Committee may be determined by the following:

- Business expansion and recruitment initiatives that create value added opportunities for future development in the Renewal Community
- Projects related to certain industry types or business sectors that are consistent with the City's overall economic development strategy
- Location of project in an area of extreme distress or a community targeted for development by the City
- Project's overall vision, direction, development efforts and intended goals are consistent with those of community based organizations
- Special consideration given to completed projects that employ RC residents and/or disadvantaged Chattanoogaans