ECONOMIC DEVELOPMENT INCENTIVE POLICY

TOWN OF BROWNSBURG, INDIANA

LAST UPDATED:
FEBRUARY 2015 – TOWN COUNCIL RESOLUTION NO. 2015-10 (SECTIONS 1,3,4,5 AND 6)
MARCH 2015 – TOWN COUNCIL RESOLUTION NO. 2015-20 (SECTION 2)

TABLE OF CONTENTS

Executive Summary 3

Real and Personal Property Tax Abatement 6
- Overview
- Length of Abatement
- Examples of Tax Abatement Schedules
- Compliance with Town Code
- Requirements for Tax Abatement Applications
- Requirements and Criteria
- Annual Monitoring to Determine Compliance

Business Loan Program 14
- Overview
- Loan Structure & Terms
- Interest Rates
- Collateral
- Personal Guarantees
- UCC Filing
- Eligibility Requirements
- Requirements for Loans
- Evaluation, Recommendation, and Public Process
- Annual Monitoring to Determine Compliance
- Loan Options and Alternatives

Façade Improvement Grant 19
- Overview of TIF Statute
- Eligibility Requirements
- Program Requirements
- Requirements for Grant and Public Process
- Additional Program Requirements
- Monitoring to Determine Compliance

Utility Connection Fee Assistance 24
- Overview
- Requirements for Utility Fee Assistance
- Evaluation, Recommendation, and Public Process

Training/Educational Grant 25
- Overview
- Eligibility
- Evaluation, Recommendation, and Public Process
- Monitoring to Determine Compliance

Tenant Lease Assistance Incentive Program 27
- Overview
- Terms and Definitions
- Landlord Requirements
- Applicant Business Requirements
- Approved Tenant Requirements
- Possible Rental Assistance
- Evaluation, Recommendation, and Public Process
- Early Termination of Incentive Program

Exhibits 31

EXECUTIVE SUMMARY

It is the policy of the Town of Brownsburg ("Town") to make available economic development incentives to qualified businesses seeking to start, relocate, and expand their business operations within the corporate limits of the Town. This Economic Development Incentive Policy (the "Policy") is designed to provide clear direction to those businesses expanding or relocating about the types and levels of incentives offered by the Town. The purpose of these incentives is to encourage, support, and stimulate private sector investment, economic growth and job creation in the Town. Moreover, this Policy establishes a consistent manner for the Town's participation in the development of business activity, which will have a significant and positive effect on the economic health of the community.

Economic Development Incentives under this Policy are also governed by applicable Indiana laws. Therefore, in the event there are any inconsistencies between this Policy and the applicable law, the applicable law shall control. The Town reserves the right to accept or reject any application submitted under this Policy, as determined in its sole discretion. The Town also reserves the right to modify this Policy with or without notice, at any time as determined in its sole discretion.

The size and scope of potential incentives will be based on a number of factors, including but not limited to, the location of the site; the amount of capital investment in the project; the number of full-time equivalent jobs; and the quality of jobs created and retained. Another factor will be the availability of yearly budgeted funds to support these various incentives. A major component of the incentive Policy is to create high quality jobs that will enhance and further stimulate the local economy. The Town reserves the right to change, modify, deviate from, or to not adhere to any of the following sections dependent upon the specific project that is being considered and what is determined by the Town to be in its best interests. This Policy is intended to guide the economic development efforts of the community and as such, each proposed project will be examined and reviewed based upon its merit, benefit for the community and need, as determined by the Town in its sole discretion.

This Policy consists of the following available economic development incentives:

1. **Real and Personal Property Tax Abatement**—Tax abatement is a tool used by local government to attract private investment and job creation and retention by exempting for a specified period of time all or a portion of the new or increased assessed value resulting from new investment from the property tax roll.

2. **Business Loan Program**—The Town may offer business loans to businesses or developers for the cost of acquisition, construction, or installation of economic development or pollution control facilities, including land, machinery, or equipment.

3. **Façade Improvement Grant**—This program would allow businesses residing within certain areas of Town (TIF Districts) to obtain funding for improving the exterior of their commercial buildings.

4. **Utility Connection Fee Assistance**—Qualified businesses may receive reimbursement for a portion of certain utility connection fees, such as water or sewer availability fees, associated with their new facility or expansion.

5. **Training/Educational Grant**—This program provides funding assistance to businesses that value, support, and invest in their employees through the provision of skill enhancement and educational opportunities.

6. **Tenant Lease Assistance Incentive Program**—Lease payment assistance may be provided to attract new businesses and to assist in retaining expanding businesses that occupy leased space within the Town.

As part of the application process for any of the available incentives identified herein, the Town will require, as determined necessary and/or applicable based on the proposed project and/or applicant, certain application and related due diligence documents on such forms as determined by the Town in its sole discretion, including, but not limited to, financial statements of individual owners, tax returns for businesses and/or individual owners for prior tax years, authorization for a credit bureau report to be completed by the Town, a completed application form, current financial statements of the applicant, current business plan, other financial information of the applicant confirming that there are no bankruptcies, judgments, unpaid tax liens, and/or other forms of default, confirmation that the applicant is in good standing with the Indiana Secretary of State and professional business references for the applicant.

If the applicant is approved by the Town for eligibility of an incentive under this Policy, the Town will require, as determined necessary in its sole discretion, an applicant to enter into a formal written agreement with the Town outlining the applicant's obligations and commitments to abide by the requirements of the applicable program and/or incentive. This requirement may also include such other written security documents or other agreements as determined necessary by the Town based on the applicant's application, the amount of the incentive and such other factors as considered appropriate by the Town.

Applicants should note that materials submitted to the Town as well as supporting documents will be subject to Indiana's Public Access Laws—the Open Door Law and Access to Public Records Act. Information provided in the applications by the applicant can be disclosed. Therefore, any concerns over the provision of application information should be discussed with the Town prior to application submission.

Applicants awarded Town of Brownsburg economic development incentives may be asked to provide support for the Town's economic development marketing campaigns. Activities include, but are not necessarily limited to:

- provide a testimonial that addresses how the business is impacted and/or how it will benefit from the financial assistance;
- provide photographs of the business interior/exterior, business processes and products, employees, and the like; and
- participate in Town-organized photo shoots of the business interior/exterior, business processes and products, employees, and the like.

Remaining part of page intentionally left blank.

1.0 REAL AND PERSONAL PROPERTY TAX ABATEMENT

1.1 Overview. According to Indiana State Law (see IC 6-1.1-12.1), the Town of Brownsburg has the option of granting property tax abatement on both real property and personal property, such as manufacturing equipment and machinery. Tax abatement is a tool used by local government to attract private investment and job creation by exempting all or a portion of the new or increased assessed value resulting from new investment from the property tax roll. Real property abatements can be granted for new construction, rehabilitation, and buildings vacant for more than one year with the abatement limited to the increase in assessed value attributable to the new construction, rehabilitation, or occupancy. Personal property tax abatements can be granted to any manufacturing equipment (new or used) that has not previously been taxed in Indiana. Personal property such as laboratory equipment and computers used in experimental research and development laboratories are also eligible for tax abatement. As a general rule, tax abatement is limited to business investment outside of a Tax Increment Financing (TIF) District.

1.2 Length of Abatement. A tax abatement can be granted for periods between one to 10 years; the abatement schedule can be flexibly structured. Typically, with each succeeding year in the abatement schedule, the share of the previously exempted assessed value that is taxable increases. In most cases, the granting of tax abatement will reduce the amount of property taxes paid by the owner by approximately 50 percent over the full abatement period. A typical 10-year abatement schedule is shown in Section 1.3 below.

1.3 Examples of Tax Abatement Schedules.

A possible schedule for 10-year real property abatement is as follows:

Real Property
Year 1 – 100% exempt
Year 2 – 95% exempt
Year 3 – 80% exempt
Year 4 – 65% exempt
Year 5 – 50% exempt
Year 6 – 40% exempt
Year 7 – 30% exempt
Year 8 – 20% exempt
Year 9 – 10% exempt
Year 10 – 5% exempt
Year 11 – first year of full property tax payment

A possible schedule for 5-year personal property abatement is as follows:

Personal Property
Year 1 – 100% exempt
Year 2 – 80% exempt
Year 3 – 60% exempt
Year 4 – 40% exempt
Year 5 – 20% exempt
Year 6 – first year of full property tax payment

Generally the Town will consider a tax abatement according to Table 1 below. Note, however, that the length of abatement shall never exceed the expected life of the asset. As a point of reference, an abatement on personal property such as machinery or equipment, or under the vacant building provision, rarely will exceed 3 to 5 years. A vacant building tax abatement may follow the following schedule Scenario 1 unless the property has previously received an abatement in which case Scenario 2 or similar reduced schedule may be utilized:

Vacant Building—Scenario 1
Year 1 – 75% exempt
Year 2 – 50% exempt
Year 3 – 25% exempt
Year 4 – first full year of full property tax payment

Vacant Building—Scenario 2
Year 1 – 50% exempt
Year 2 – 30% exempt
Year 3 – 10% exempt
Year 4 – first full year of full property tax payment

Table 1

Capital Investment	Minimum Jobs Created/ Retained	Length of Abatement (years)
Up to $250,000	5	3-5
$ 500,000	10	3-5
$ 1,000,000	15	5
$ 2,500,000	25	7
$ 5,000,000	50	10

1.4 Compliance with Town Code. Participation in an abatement or incentive agreement does not remove any obligation of the receiving company to satisfy all codes and

ordinances of the Town or any other affected taxing jurisdiction that may be in effect and applicable at the time the project is implemented.

1.5 Requirements for Tax Abatement Applications. The following is a list of the items and documents that must be submitted to the Town of Brownsburg along with a completed application (Exhibit 1.1) before an abatement of any kind or duration will be considered. The complete application package is found at Exhibit 1. These items include, but are not limited to, the following:

1.5.1 ***Completed Statement of Benefits (SB-1/RE) form*** for real estate (Exhibit 1.2) and/or (SB-1/PP) for manufacturing equipment (Exhibit 1.3) must be completed, signed and dated by applicant. If applying for SB-1/PP (Personal Property) a listing of personal property must be completed and attached. This listing should contain the following information:

- Description of Investment
- Cost/Value of Investment
- Accrual Date of Investment
- Type of Investment (i.e. Manufacturing, Research & Development, Logistics/Distribution, or IT Equipment)

1.5.2 $500 non-refundable filing fee payable to the Town of Brownsburg for each abatement requested.

1.5.3 A legal description must be attached to application. If the property is not a platted lot, the description must be a complete metes and bounds legal description. To obtain a copy of the official legal description for the deed of the property purchased, applicants may retrieve the source document(s) from the Hendricks County Recorder's Office. Metes and bounds legal descriptions may either be a part of the deed or the applicant will need to source the project to a surveyor for completion.

1.5.4 Area map with location highlighted, preferably utilizing the Town's Beacon GIS system.

1.5.5 Representative from the requesting company must be present at the Economic Development Commission meeting which typically occurs on the 3rd Thursday of each month at 5:00 p.m.

1.5.6 Signed Tax Abatement Agreement (Exhibit 1.6).

1.6 Requirements and Criteria. Effective management of a tax abatement program requires four distinct tasks. The first is the establishment of local policy, including eligibility requirements, and the design of contact and information processing procedures, which are outlined in this document. The second task is the development of consistent evaluation processes, local recommendation guidelines, and the public approval/denial procedure. The third task is to assure that the appropriate post approval work is completed, and the final task is to monitor performance and establish a procedure for determining the continuation or termination of the tax abatement.

1.6.1 ***Eligibility requirements.*** State legislation requires that in order to be eligible for tax abatement, a property must be characterized as undesirable for normal development and designated as an economic revitalization area. A complete tax abatement application, including a statement of benefits form, must be submitted prior to filing for building permits or the purchase of new equipment. The complete application package is found at Exhibit 1. Failure to do this suggests that the developer or firm is prepared to complete the project without the granting of tax abatement and thus fails to meet a basic "but for" test. The following are the basic eligibility requirements that must be satisfied prior to abatement consideration by the Town:

1.6.1.1 **<u>Minimum Requirements</u>.** In order to be eligible to receive a tax abatement or incentive the applicant must meet the following minimum qualifications:

- Applicant must be reasonably expected to increase the appraised value of the property in the amounts as stated in Paragraph 5 below; and

- Must be expected to prevent the loss of full-time employment, retain or create employment for a number of full-time jobs as described in Table 1 that is reasonably required in order to operate the facility in an efficient manner; provided that this employment qualification shall take effect proportionate to the number of years abated (i.e. 1/5 of employment targets should be reached in year 1 of a 5-year abatement) through the remaining term of the agreement; and

- Must not be expected to solely or primarily have the effect of transferring employment from one part of the Town to another. A case can be made for retaining existing jobs while also adding new full-time equivalent positions where that petitioner can demonstrate interest and viable locations in other communities; and

- Must be necessary because capacity cannot be provided efficiently utilizing existing improved property when reasonable allowance is made for necessary improvements.

- Table 1 shows minimum tax abatement criteria to be considered in both dollar value of capital investment and in minimum numbers of new or retained full-time equivalent jobs.

The Town reserves the right to change, modify, deviate from, or to not adhere to any of the preceding minimum requirements for investment and employment dependent upon the specific project that is being considered.

1.6.1.2 **General Criteria.** All applications should meet the following general criteria before being considered for a tax abatement or incentive.

- The proposed project expands the local tax base.

- The proposed project creates and/or retains permanent, full-time employment opportunities.

- The proposed project makes a contribution to enhancing further economic development by utilizing local goods and services in construction and procurement activities.

- The proposed project will not result in any unreasonable aesthetic and/or environmental concerns or conditions.

- No construction has commenced at the time the application is approved.

- The project should not have any of the following objections:

    - There would be substantial adverse affect on the provision of government service or tax base.
    - Planned or potential use of the property would constitute a hazard to public safety.
    - Planned or potential use of the property would give adverse impacts to adjacent properties.
    - Any violation of laws of the United States, State of Indiana, or ordinances of the Town would occur.
    - Give unfair competitive advantages for one business over another similar and competing local business.

1.6.1.3 **<u>Specific Criteria</u>.** If the proposed project in the application meets the general criteria, then abatement may be considered. Factors to be considered in determining the portion of the increased value to be abated and the duration of the abatement agreement or the type of incentive given include, but are not limited to:

- Employment Impact
  - How many permanent full-time jobs will be bought to the Town?
  - What types of jobs will be created?
  - What will the total annual payroll be?
  - What amount of County Option Income Tax (COIT) and Economic Development Income Tax (EDIT) will be generated?

- Fiscal Impact
  - How much real and personal property value will be added to the tax rolls? (Factoring in the planned abatement)
  - How will this project affect existing businesses and/or facilities?
  - How much other revenue will be generated for the Town in such areas as food and beverage tax, utility revenues including usage fees and connection fees, stormwater fees, building permit fees and occupancy permit fees, etc.?
  - What infrastructure construction would be required by the Town to facilitate the project and if so, how is it to be funded?
  - What is the total annual operating budget of this facility projected to be?
  - Is the proposed facility located in a Tax Increment Finance (TIF) District? If so, the Policy of the Town of Brownsburg is to not offer tax abatement unless the employment impact and tax impacts are significant.

- Community Impact
  - What impact would the project have on the local housing market?
  - What environmental impact, if any, will be created by the project?
  - How compatible is the project with the Town's comprehensive plan?
  - How does the proposed project further the goals and objectives of the community as expressed in the Town’s Economic Development Strategic Plan?

1.6.2 ***Exclusions and Additional Conditions.*** State law precludes the granting of tax abatement for certain specific uses including golf courses, massage parlors, tennis clubs, skating facilities, hot tub facilities, race tracks, package liquor stores and retail facilities in a town that are not in an economic development target area. Local communities may impose additional conditions that must be met prior to the granting of tax abatement which include wage levels, industry type, compliance with zoning, support by other local officials (particularly those representing affected taxing units), and consistency with prior tax abatement recommendations.

1.6.3 ***Evaluation, Recommendation, and Public Process.*** If the tax abatement application meets all statutory requirements and suitably meets the local criteria as determined by the Town, staff will prepare a preliminary resolution recommending approval by the Economic Development Commission (EDC). When an application fails to meet state or local criteria, staff typically discourages official submission of the application to the decision-making board/commission. Once approved by the EDC, a declaratory resolution that includes staff recommendation and an abatement schedule is presented to Town Council. If the declaratory resolution is approved, then a final or confirmatory hearing is usually held in conjunction with a public hearing within 30 days of the declaratory resolution. These resolutions must also include a description of the boundaries of the economic revitalization area, the statement of benefits, and a designation as an economic revitalization area.

1.6.4 **Post Approval Requirement.** After a tax abatement has been approved, construction has been completed, and the new assessed value has been determined, the local assessor will send Form 11 (notice of change in assessed value) to the property owner/abated party. The property owner has 30 days from the mailing date of Form 11 to complete Form 322 and return it to the Hendricks County Auditor and Department of Local Government Finance. After the initial filing of Form 322, it must be resubmitted each year between March 1 and April 15 until the abatement expires.

1.7 **Annual Monitoring to Determine Compliance.** Within 75 days after the end of each year of tax abatement, the property owner must file a Compliance of Benefits form (CF-1; Exhibit 1.4) with the county auditor and the Town. Town staff will review the form, along with any other documentation as may be requested by the Town to determine if the abated party has complied with the commitments contained in the statement of benefits. The Town may request such additional documentation as it determines necessary to complete its review and determination of compliance. The EDC and Town Council will review the final documentation submitted by the property owner, after it has been reviewed by Town staff, and will approve, modify, or deny the property owner's continued participation in the abatement. If the abated party has failed to comply with the statement of benefit commitments the EDC and Town Council will

determine what action it will take regarding the abatement, which may include, but not be limited to, the decision to reduce, terminate or otherwise modify the abatement. If this decision is made, the Town will notify the property owner and establish a date, time, and place for a hearing to consider modification, reduction or termination of the remainder of the abatement.

1.7.1 Annual Employment Audit. As part of the annual compliance monitoring, within 75 days after the end of each year of tax abatement, the property owner must file with the Town a copy of their most recently submitted quarterly report or return, such as the UC-5, Federal Form 940 or 941, or other similar report. . Information protected from disclosure, such as employee social security numbers, may be redacted prior to submission to the Town. Town staff will review the form, along with any other documentation as may be requested to determine if the abated party has complied with the commitments for full-time equivalent employment. The EDC and Town Council will review the final documentation according to Section 1.7 above.

Remaining part of page intentionally left blank.

2.0 BUSINESS LOAN PROGRAM

2.1 **Overview.** As indicated in Indiana State Law (see I.C. 36-7-11.9, 12, and 14) the Town of Brownsburg may issue direct loans to users or developers for the cost of acquisition, construction, or installation of economic development or pollution control facilities, including land, machinery, or equipment, with the loans to be secured by the pledge of one or more taxable or tax-exempt bonds or other secured or unsecured debt obligations of the users or developers. Loans are funded through the Indiana's local Economic Development Income Tax (EDIT), or Fund 404 and/or through such other means determined reasonable by the Town based on the specific application.

2.2 **Loan Structure & Terms.** Loans are structured based on the capital cost of the project and on the number of new full-time equivalent (FTE) jobs created and retained. The loan term will typically be 10 years. However, the term will never exceed the life of the asset being collateralized. The Town may loan up to $20,000 per full-time equivalent (FTE) job created, if wages equal the regional wage average for its classification. The Town may loan up to $25,000 per job created if wages equal 105 percent of the regional wage average for its classification. In addition to jobs created, positions retained may also be a considering factor. The wage requirement is determined by comparing company payroll reports to wage information provided by the Hendricks County Economic Development Partnership (HCEDP). The Town is generally not a primary funding source, and therefore serves only as a gap financier. As such, a Town loan generally will not exceed 20 percent of the total cost of the project. Table 2 below summarizes how loan amounts are generally determined.

Table 2

Jobs Created and Retained at 100% of County Average Wage	Maximum Loan Amount	Jobs Created and Retained at 105% of County Average Wage	Maximum Loan Amount
5	$ 100,000	5	$ 125,000
10	$ 200,000	10	$ 250,000
15	$ 300,000	15	$ 375,000
20	$ 400,000	20	$ 500,000
50	$ 1,000,000	50	$ 1,250,000
100	$ 2,000,000	100	$ 2,500,000

The Town reserves the right to change, modify, deviate from or to not adhere to any of the preceding minimum requirements for investment and employment dependent upon the specific project that is being considered.

2.3 **Interest Rates.** Interest rates for the program will be determined by the EDC on a case by case basis, and do not have prepayment penalty.

2.4 **Collateral**. The Town requires under the loan program a security interest on the assets financed with the loan proceeds. Collateral may include business assets, stocks, bonds, certificates of deposits, personal assets and such other assets determined necessary by the Town for its security for the loan. The value of the loan collateral should be equal or greater than the amount of the loan.

2.5 **Personal Guarantees.** Personal guarantees are required from the owners. Personal assets may be required to serve as additional collateral and can be listed on Exhibit 2.4, Schedule of Collateral.

2.6 **UCC Filing.** The Town shall record UCC Filings/statements, mortgages and such other instruments to perfect its security interests under the terms of the loan with the State of Indiana's Secretary of State to notice the Town's interest in the collateral.

2.7 **Eligibility Requirements.** State legislation requires that loans are applied only to the "cost of acquisition, construction, or installation of economic development facilities, including land, machinery, or equipment." Per the statute, economic development facilities must create or retain opportunities for gainful employment or create business opportunities.

2.8 **Requirements for Loans.** The following is a list of the items and documents that must be provided to the Town of Brownsburg before a loan application of any kind will be considered. The complete application package with all pertinent exhibits is found at Exhibit 2. These items include, but are not limited to, the following:

2.8.1 Businesses must have applied for financing through a financial institution prior to making an application with the Town of Brownsburg, and applicant may be required to provide evidence of such application to the Town.

2.8.2 Completed application package, found at Exhibit 2.

2.8.3 A $500 non-refundable application fee payable to the Town of Brownsburg.

2.8.4 A $250 closing fee due upon receipt of the Town's commitment letter with a schedule for closing. Additional applicant fees may include but are not limited to any and all fees incurred for loan processing, whether loan is approved or not. Such fees include: 1) administrative fees; 2) credit report fees; 3) title search fees; and 4) UCC filings, etc.

2.8.5 Written legal description must be attached to application. If the property is not a platted lot, must be a complete metes and bounds legal description. To obtain a copy of the official legal description for the deed of the property purchased, applicants may retrieve the source document(s) from the Hendricks County Recorder's Office. Metes and bounds legal descriptions may either be a part of the deed or the applicant will need to source the project to a surveyor for completion.

2.8.6 Area map with location highlighted, preferably utilizing the Town's Beacon GIS system.

2.8.7 Representative from the requesting company must be present at the Economic Development Commission meeting which typically occurs on the 3rd Thursday of each month at 5:00 p.m.

2.8.8 Such other financial and/or business plan documents determined necessary by Staff to review and evaluate the application, including, but not limited to, current financial statements of the applicant, a current business plan, other financial information of the applicant confirming that there are not bankruptcy's, judgments, unpaid tax liens and/or other forms of default against the applicant, confirmation that the applicant is in good standing with the Indiana Secretary of State, and professional references for the applicant.

2.8.9 Loan proceeds must be used for business purposes only and may not be used to refinance existing debt.

2.8.10 Such other documents as the Town may require, including but not limited to a promissory note and mortgage lien on the property.

2.8.11 The Town of Brownsburg will require each principal owner to complete and authorize the Town to obtain a credit report, criminal record check and tax return transcript request for the purpose of determining eligibility for the loan program.

2.9 **Evaluation, Recommendation, and Public Process.** The loan application package will be submitted to, and reviewed by Town Administration. Once the review is completed, the package must then be approved by the Town's Economic Development Commission and ratified by the Town Council. The ability for the applicant to successfully demonstrate the creation of new additional full-time equivalent jobs will be a key part of the overall evaluation.

2.10 **Annual Monitoring to Determine Compliance.** Staff will review the loan recipient's project and repayment progress as stated in the loan agreement, along with any other documentation as may be requested by the Town to determine if the recipient has complied with the commitments. The Town may request such additional documentation as it determines necessary to complete its review and determination of compliance. The EDC and Town Council will review the final documentation submitted by the applicant, after it has been reviewed by Town staff, and will approve, modify, or deny the applicant's continued participation in the loan agreement. If the recipient has failed to comply with the loan agreement the EDC and Town Council will determine what action if will take regarding the loan, which may include, but not be limited to, the decision to seek repayment of the loan, reduce, terminate or otherwise modify the loan agreement. If this decision is made, the Town must notify the party and establish a date, time, and place for a meeting to consider its decision and associated penalties.

2.11 **Annual Employment Audit**. Within 75 days after the end of each year of loan, the principal owners must file with the Town a copy of their most recently submitted quarterly report or return, such as the UC-5, Federal Form 940 or 941, or other similar report. Information protected from disclosure, such as employee social security numbers, may be redacted prior to submission to the Town. Town staff will review the form, along with any other documentation as may be requested to determine if the principal owners have complied with the commitments

for full-time equivalent employment. The EDC and Town Council will review the final documentation as described in Section 2.10 above.

2.12 **Loan Options and Alternatives.** The Town reserves the right in extraordinary circumstances to consider additional alternatives. These scenarios will be examined on a case by case basis and will likely be the result of business development or growth that results in wages significantly above the county averages for like classifications, high dollar capital investment, and/or significant creation of jobs.

Remaining part of page intentionally left blank.

3.0 FAÇADE IMPROVEMENT GRANT

3.1 **Overview.** The Brownsburg Improvement Committee (BIC) is authorized to administer grants and loans from the Brownsburg Redevelopment Commission as provided for by I.C. 36-7-14-12.2 (a)(26). The Façade Improvement Grant program is funded through the Economic Redevelopment (RDC/TIF) Fund, Fund 242 or through such other means determined reasonable by the Town based on the specific application. Through these Tax Increment Financing District Funds, the Town is willing to participate in up to ½ of the cost, up to $15,000, for improving the exterior of commercial buildings located within boundaries of or physically connected to a TIF District. The purpose of the program is to assist businesses with façade improvements as described in Section 3.4 of the Policy. The Town reserves the right to increase the amount of its participation beyond $15,000 dependent upon the specific project that is being considered. Table 3 below gives examples of grant amounts corresponding to project amounts:

Table 3

Project Amount	Maximum Grant Amount
$ 4,000	$ 2,000
$ 8,000	$ 4,000
$ 12,000	$ 6,000
$ 16,000	$ 8,000
$ 20,000	$ 10,000
$ 30,000	$ 15,000

3.2 **Program Eligibility**. A commercial property is eligible to apply for the grant program if they meet the eligibility requirements, which are as follows:

- Property must be located within boundaries of or physically connected to a TIF District.

- Subject structure must have at least 50 percent of total floor space assessed as commercial as determined by the Hendricks County Assessor's Office.

- Applicant must be the owner of property or the occupant of the property with the written consent of the owner to participate in program. Proof of ownership will be required.

- Property must remain assessed 50 percent commercial, maintain its business function, and be reasonably maintained for a minimum of 3 years following completion of the façade work.

- Property must be subject to the payment of real estate taxes and be current on any and all tax payments. Property in any year of real estate tax abatement is not eligible.

- Business must be registered with Indiana Secretary of State Business Services Division and possess any applicable business licenses.

- Buildings receiving façade grants will be ineligible to receive another façade grant for three years after receipt of funds.

- Minimum total project cost must be at least $2,000 to be eligible for Town participation.

- A legal description must be attached to application. If the property is not a platted lot, the description must be a complete metes and bounds legal description. To obtain a copy of the official legal description for the deed of the property purchased, applicants may retrieve the source document(s) from the Hendricks County Recorder's Office. Metes and bounds legal descriptions may either be a part of the deed or the applicant will need to source the project to a surveyor for completion.

3.3 **General Project Requirements**. In addition to the submission of a complete application including all supporting documentation as outlined on the application form and corresponding checklist, all façade improvement projects must adhere to the following general program requirements:

- All work must be performed in compliance with the Town's Design Guidelines and all applicable Town codes to be considered as eligible.

- Work involving structural members may, at the discretion of the Town Code Enforcement Office, require the certificate of a registered architect or engineer.

- Any necessary building or sign permit shall be obtained prior to receiving grant funds.

- Project elements that have begun principal construction or have been completed will be ineligible for the façade program.

- Changes to the project plan after approval of the BIC and that significantly alter the scope of work or aesthetic quality of the façade constitute a breach of the façade agreement and are cause for termination of the grant and for repayment of any received grant funds. To remain eligible such projects must submit changes to the Town Manager for approval.

- In unique circumstances where the Town increases its participation beyond $15,000, applicants may be required by the Town to secure the grant by the execution of a promissory note, a mortgage, or such other security documents required by the Town.

- Applicant must submit a rendering of the project to be completed. The rendering need not be done by an architect or paid artist, but should accurately represent the intent, scope of work, and aesthetics the project is planned to achieve.

- Owner/applicant must spend their share (half) of project financing after approval of the project and prior to Town disbursing grant funds.

- Town will conduct inspection of premises to document approximately half project completion prior to Town injection of funds.

- Town will complete the issuance of its share of project financing in lump sum, following on-site inspection and submittal of appropriate lien waivers for work previously performed; retainage will be issued upon timely project completion.

- Owner/applicant must provide two or more bids from qualified contractors for all work to be performed at time of application. If a second quote is not provided when required, the corresponding project element may receive reduced or no funding. Project elements that cost less than $500 do not require more than one quote.

- The Town will require owner/applicant to produce invoices, bills, or statements accounting for the expenditure of municipal grant dollars and, at its discretion, may choose to issue checks directly to contractors for work performed.

- Such other terms and conditions that may be required by the BIC as part of its overall review and consideration of the application.

- The execution by the owner/applicant of such other documents as the Town may require, including but not limited to a promissory note and mortgage lien on the property.

- Grant recipients must be willing to have a "Project funded by Town of Brownsburg Façade Program" sign placed temporarily on their property to help promote the program.

- Applicants must attend the Brownsburg Improvement Committee meeting that is scheduled to consider their project.

- Generally, the project must be completed by December 31 of the fiscal year in which the grant was awarded unless an extension is obtained from the Town Manager.

3.4 Eligible Project Elements. Eligible work items include practically any work done to the exterior of a structure or lot with the exception of normal and/or routine maintenance activities, sidewalks, parking lots, sprinkler systems, storm or sanitary sewers, wiring, plumbing, heating or air conditioning. Resurfacing, resealing, and restriping of parking lots is considered routine maintenance and is not an eligible project element. Examples of eligible project elements include:

- Painting
- Tuck-pointing and other brick or other exterior structural restoration
- Sealing
- Wall cleaning
- Wall coverings
- Doors and doorways
- Shutters
- Awnings
- Canopies
- Signage (must meet sign code)
- Windows
- Stairs and railings
- Roof work
- Restoration of historic or architectural details
- Fencing
- Walkways (Walkways refer to paths that lead to or around customer entrances, not sidewalks in the public right-of-way)
- Perennial landscaping and plantings
- Chimneys
- Cornices
- Parapets
- Bulkheads
- Fascias
- Lighting

Note: Eligible project elements are considered those that are primarily intended for the sides of structures or lots that face the street and/or main customer entrances. Work related to project elements on sides of a structure or lot not readily visible to the public or routine maintenance will not be funded unless such work does not constitute the majority of project costs. Paving of parking lots from gravel/dirt to asphalt or concrete may be considered at no more than 25 percent for surfaces adjacent to the street or main customer entrance if the project consists of other eligible project elements. As such, the match for paving of lots cannot exceed more than half of the total grant award

and therefore may be less than 25 percent in instances where the 25 percent for pavement would otherwise exceed 50 percent of the total grant award.

3.5 **General Public Process.** First, determine if your project or proposed façade improvement is eligible per Section 3.2 of the Policy. You may discuss your proposal with the Town Manager's Office. They will summarize the application process and provide an application checklist that includes the following: Complete Exhibit 3.1 *Façade Application* and prepare to attend a BIC meeting. After receiving preliminary approval from the BIC, prepare to attend a Town Council meeting for final approval. If preliminary approval is not obtained from the BIC, no further action will be taken and consequently a grant will not be awarded. After receiving Town Council approval, sign Exhibit 3.2—*Façade Agreement*, Exhibit 3.3—*Owner/Applicant Affidavit*, Exhibit 3.4—*Contractor Affidavit*, and Exhibit 3.5—*Final Waiver of Lien*, demonstrating project completion and payment, as well as sign the necessary promissory note, mortgage security agreement, and related documents as required by the Town that will be recorded against the property at the county. The Town will draft and mail the applicant a check not to exceed the amount specified in the grant agreement.

Please note that reimbursement for an approved project element may be reduced if the actual cost is less than the proposed cost. For example, if an applicant receives a 50 percent match of a proposed $1,000 project element, but the actual cost is $900, then reimbursement would be at $450. Conversely, if the actual cost is $1,100, then the match would not exceed $500, or 50 percent of the original proposed amount.

In the event that the amount of funds requested by all applicants in a given call exceeds the available program funds, the BIC will utilize a scoring sheet that weighs various program criteria in varying amounts. The scoring sheet will be utilized to rank projects, with the highest scoring projects receiving priority. In the event that the scoring sheet will be utilized, it will be provided to applicants upon request prior to the application deadline for their reference.

3.6 **Monitoring to Determine Compliance.** A forgivable loan with a term of three years will be taken by the Town against the property requiring prorated repayment, equal to 2.777 percent (or 1/36) of total loan per month, in the event that:

3.6.1 Property ceases to be an operating business based on factors considered by the Town in its sole discretion based on the specific business type;

3.6.2 Property is converted to a predominantly non-commercial use as determined by the Town's Development Services Director under the Town's Zoning Ordinance or as a result of assessment that is less than 50 percent commercial or;

3.6.3 The improvements financed, even if in part, by the Town are allowed to deteriorate and are not repaired following a 30 day notice by the Town Development Services Department;

3.6.4 Work is undertaken which does not comply with the Town's Program Design Guidelines.

Remaining part of page intentionally left blank.

4.0 UTILITY CONNECTION FEE ASSISTANCE

4.1 Overview. The Utility Connection Fee Assistance Program, as authorized by the Town's municipal code 32.40, allows qualified businesses to receive reimbursement for certain utility connection fees associated with a new facility or expansion. Connection fees may include the water availability fee, sewer availability fee, and water connection fee. This program is funded through Indiana's local Economic Development Income Tax (EDIT), or Fund 404. The Town may provide assistance up to 50 percent of the Utility Connection Fee for meters up to 2 inches but not to exceed $20,000. For meters larger than 2 inches, the Town may provide assistance up to 25 percent of the Utility Connection Fee, but not to exceed $75,000. Potential assistance is summarized in Table 4 below.

Table 4

Minimum Jobs Created / Retained	Meter Size	Maximum Grant Amount
5-10	3/4"	$ 3,273
5-10	1"	$ 5,632
10-20	1 1/2"	$ 13,218
10-20	2"	$ 20,000
20-30	3"	$ 24,057
20-30	4"	$ 41,730
30-50	6"	$ 75,000
50+	8"	$ 75,000

4.2 Requirements for Utility Fee Assistance. The fee assistance program can be used by developers to offset utility fees due or to reimburse fees already paid. Reimbursement requests must be made within 60 days of occupancy. The applicant must demonstrate that the development will result in job creation and that a financial hardship exists necessitating the utility fee assistance request. The Town reserves the right to determine in its sole discretion the amount of its participation, if any, beyond the maximum dependent upon the specific project that is being considered. To be considered, applicants will submit to Town Administration the Application for Utility Relief Form.

4.3 Evaluation, Recommendation, and Public Process. The application package is found at Exhibit 4. Applications will be reviewed by Town Administration, negotiated with the developer, and must then be approved by the Town's Economic Development Commission and ratified by the Town Council. Evaluation will be based on submission of a complete application, ability to demonstrate and validate job creation, and ability to demonstrate financial hardship.

5.0 TRAINING/EDUCATIONAL GRANT

5.1 Overview. The primary objective of this program is to provide assistance to businesses that value, support, and invest in their employees through the provision of skill enhancement and educational opportunities. This program is funded through Indiana's local Economic Development Income Tax (EDIT), or Fund 404 and/or such other means determined reasonable by the Town based on the specific application.

5.2 Eligibility. Businesses may utilize the grant only if the beneficiary's wage equals or exceeds the regional average for their wage classification as indicated by the Hendricks County Economic Development Partnership (HCEDP). If a business can demonstrate that the training will directly result in increased wages to or above the average classification, the Town may consider the business eligible for the program. Expenses must be related to education and skill enhancement that is directly linked to the employee's job. Companies will be required to prove that employees receiving the Training/Education Grant have been retained at the Brownsburg, IN location for a period of two years following completion of the training or a pro-rated amount of the grant may be required to be repaid to the Town. Companies are eligible for up to $2,500 for each employee in a three-year period. For training grants over $25,000, the Town may require that grants be distributed in three equal installments over a three-year period. For example, a $30,000 training grant may be paid at no more than $10,000 per year for three years. Table 5 below summarizes the grant program.

Table 5

Jobs Retained / Created	Maximum Grant Amount
1	$ 2,500
5	$ 12,500
10	$ 25,000
20	$ 50,000

5.3 Evaluation, Recommendation, and Public Process. The application package is found at Exhibit 5. Applications must be submitted to Town Administration for initial review and will then be forwarded to the Economic Development Commission for final approval. The review will validate whether:

- The training is designed for job retention, creation, and promotion in some instances;
- The wage requirement is met;

- The company provides additional benefits to their employees, such as retirement, health insurance, etc.;

- The request is coupled with business capital investments; and

- The employees are permanent and full-time.

5.4 Monitoring to Determine Compliance. Grantees will meet annually with a representative from Town's Administration and also a member of the HCEDP until hiring and wage benchmarks are met for one year. Prior to the compliance meeting, the company will provide a completed CF-1 (Exhibit 5.2), Compliance with Statement of Benefits, training invoices, and CF-1 supporting documentation (wage data, benefit information, capital expense invoicing, etc.). The Town may also require a copy of the most recently submitted quarterly report or return, such as the UC-5, Federal Form 940 or 941, or other similar report. Information protected from disclosure, such as employee social security numbers, may be redacted prior to submission to the Town. Once compliance has been realized and the EDC has reviewed and approved the application, reimbursement will be provided to the grantee. During these annual meetings, grantees must provide evidence that trainees have been retained as employees at the Brownsburg, IN location as described in Section 5.2.

Remaining part of page intentionally left blank.

6.0 TENANT LEASE ASSISTANCE INCENTIVE PROGRAM

6.1 Overview. The primary objective of the Incentive Program is to provide lease assistance to startup companies, to bring in new businesses, and to assist in retaining expanding businesses in the Town. This program is funded through the Indiana's local Economic Development Income Tax (EDIT), or Fund 404 and/or through such other means determined reasonable by the Town based on the specific application.

6.2 Terms and Definitions.

6.2.1 ***Applicant Business***. An applicant is a business looking to lease space in the Town from a pre-qualified landlord. Newly formed business may also be considered for application.

6.2.2 ***Landlord.*** Any person or company owning a facility in the Town that has been approved to participate in the Tenant Lease Assistance Incentive Program.

6.3 Landlord Requirements. Incentives will only be considered for facilities located in the Town.

- A one-time application from Landlords (Exhibit 6.2) must be approved by the EDC and recorded with the Town Manager's Office. A new facility that receives its certificate of occupancy during the year may apply at any time during that year.

- Facilities must be ADA compliant.

- Tenants are to be recipients of the lease assistance. The Town may arrange to have lease assistance paid to the tenant in the form of reimbursement after the tenant demonstrates payment to the landlord.

6.4 Applicant Business Requirements. The Economic Development Commission for the Town has the sole discretion to approve or disapprove any applicant business.

- The applicant business must be a new business that is not currently located in Brownsburg or an existing Brownsburg business that is expanding.

- If new, the applicant business must be located in the Town of Brownsburg within 90 days of acceptance into the program.

- A subsidiary or other related business to an already existing business in Brownsburg may not be approved by the EDC if the related business does not substantially add benefit to the Town.

- The applicant business is limited to one round of incentives in the local business incentive program.

6.5 **Approved Tenant Requirements**. This section determines the requirements an applicant business must meet to stay in the local incentive program.

- In order to receive the benefits of the program the applicant business must file an annual report summarizing business activity, number of employees, and the average annual wage of employees.

- Applicant business must be actively engaged in business, using the rented space for the originally stated purpose, or some expansion of that business purpose.

6.6 **Possible Rental Assistance.** Table 6 below suggests the financial incentives available to the applicant business but in no way guarantees or limits the amounts. The Town reserves the right to increase the amount of its participation dependent upon the specific project that is being considered. However, lease assistance will generally not exceed $15,000.

Table 6

Jobs Created / Retained	Term of Rental / Lease	Available number of Months Assistance	Maximum Lease Guarantee to Local Business	Month(s) Assistance is Paid to Applicant/ Local Business
Up to 5	18 months	2 months	2 month	9th & 16th month
5 to 9	24 months	4 months	4 months	6th, 12th, 18th, & 24th month
10+	36 months	6 months	6 months	6th, 12th, 18th, 24th, 30th, & 36th month

Maximum rental benefit will be determined by the EDC. If an applicant business changes space with the same landlord, the original Incentive Program is still applicable.

6.7 **Evaluation, Recommendation, and Public Process.** The applicant business must file an application (found at Exhibit 6), which includes a business plan and copy of the proposed lease, to Town Administration before the Town will submit to the EDC for consideration. Leases with an early-out clause will not be considered. Incentives will be conditioned on the signing of the lease which must be provided to the Town Administration before any incentives are provided. The Applicant Business (or its

representative) will be required to sign a reimbursement guarantee if the business breaks the lease to leave Brownsburg and relocate elsewhere. The EDC will review and make a final determination of approval and set the amount of the incentive.

6.8 Early Termination of Incentive Program. The Town Manager's Office must be notified by the landlord when a lease is broken or the applicant business closes or moves out of Town. At any time prior to the expiration of the lease upon which the incentive was based, should the applicant business move out of Brownsburg all incentives provided to date shall be reimbursed.

- If a lease is broken with the mutual consent of the landlord and applicant business and the Applicant Business relocates in Brownsburg then reimbursement of incentives is not required; additionally, applicant business may request an incentive if it moves to a larger facility owned by a pre-qualified landlord. In either event, the EDC will have to approve the continuation of any remaining lease assistance payments.

- If employment levels fall below the thresholds in Table 6 that were used to determine the number of lease assistance payments, the Town may terminate the remaining lease payments.

- Both applicant business and landlord representatives must sign the applicant Certification, Exhibit 6, indicating that they have received, read and understand all Terms and Definitions involved in the application for financial incentives from the Town of Brownsburg. This includes but is not limited to the reimbursement statements on page 2 under applicant business Requirements and the statement requiring reimbursement from the applicant business stated under Early Termination on page 3.

6.9 Annual Employment Audit. Within 75 days after the end of each year of lease assistance, the tenant must file with the Town a copy of their most recently submitted quarterly report or return, such as the UC-5, Federal Form 940 or 941, or other similar report. Information protected from disclosure, such as employee social security numbers, may be redacted prior to submission to the Town. Town staff will review the form, along with any other documentation as may be requested to determine if the tenant has complied with the commitments for full-time equivalent employment. The Town may request such additional documentation as it determines necessary to complete its review and determination of compliance. The EDC and Town Council will review the final documentation submitted by the tenant, after it has been reviewed by Town staff, and will approve, modify, or deny the tenant's continued participation in the lease assistance program. If the recipient has failed to comply with the program and the failure was not due to unforeseen and uncontrollable events, the EDC and Town Council will determine what action if will take regarding the lease assistance, which may include, but not be limited to, the decision to seek repayment of the assistance, reduce,

terminate or otherwise modify the lease assistance. If this decision is made, the Town local board/commission must notify the party and establish a date, time, and place for a meeting to consider its decision and associated penalties.

Remaining part of page intentionally left blank.

EXHIBITS

EXHIBIT 1—Real Estate and Personal Property Tax Abatement
EXHIBIT 1.1: Town Abatement Application
EXHIBIT 1.2: SB-1/RE—Form for Real Estate
EXHIBIT 1.3: SB-1/PP—Form for Personal Property
Exhibit 1.4: SB-1/VBD--Form for Vacant Building
EXHIBIT 1.5: CF-1—Form for Compliance with Statement of Benefits
EXHIBIT 1.6: Quarterly Reports (UC-5A or Federal Forms 940 or 941)
EXHIBIT 1.7: Tax Abatement Agreement

EXHIBIT 2—Business Loans
LOAN PROCESSING INFORMATION
EXHIBIT 2.1: Loan Application
EXHIBIT 2.2: Authorization to Release Information Loan Agreement
EXHIBIT 2.3: Applicant's Agreement
EXHIBIT 2.4: Schedule of Collateral
EXHIBIT 2.5: Business Debt Schedule
EXHIBIT 2.6: Source of Fund Commitments

INFORMATION ON OWNERS, GUARANTORS, & CO-SIGNERS
EXHIBIT 2.7: Personal History Statement
EXHIBIT 2.8: Personal Finance Statements
EXHIBIT 2.9: Personal Credit/Criminal Check Authorization

INFORMATION ON BUSINESS/COMPANY
EXHIBIT 2.10: Business History
EXHIBIT 2.11: Business Legal Documents
EXHIBIT 2.12: Business Finance Statements
EXHIBIT 2.13: Business Credit Report Authorization
EXHIBIT 2.14: Business Fed/State Law Compliance
EXHIBIT 2.15: Quarterly Reports (UC-5A or Federal Forms 940 or 941)

EXHIBIT 3—Façade Improvement Grant
EXHIBIT 3.1: Façade Application
EXHIBIT 3.2: Façade Agreement
EXHIBIT 3.3: Owner/Applicant Affidavit
EXHIBIT 3.4: Contractor Affidavit
EXHIBIT 3.5: Final Waiver of Lien

EXHIBIT 4—Utility Connection Fee Assistance
EXHIBIT 4.1: Utility Fee Assistance Application

EXHIBIT 5—Training/Educational Grant
EXHIBIT 5.1: Training/Education Grant Application
EXHIBIT 5.2: CF-1—Form for Compliance with Statement of Benefits
EXHIBIT 5.3: Quarterly Reports (UC-5A or Federal Forms 940 or 941)

EXHIBIT 6—Tenant Lease Assistance through the BEDC Program
EXHIBIT 6.1: Lease Assistance Application—Tenant
EXHIBIT 6.2: Lease Assistance Application--Landlord
EXHIBIT 6.3: Quarterly Reports (UC-5A or Federal Forms 940 or 941)