

**Mayor Corker's Letter to businesses located in the
Renewal Community Zone**

February 25, 2002

Dear Business Owner:

We are committed to finding new ways of stimulating economic development and vitality in our community. Recently, we saw an opportunity to build on that commitment through a new program developed by the Bush Administration and administered by the Department of Housing and Urban Development (HUD). The program is called Renewal Communities.

We aggressively pursued HUD for a chance to participate in the program, and our efforts were successful. Recently, it was announced that certain areas in our community have been designated Renewal Community zones. If your business falls in census tracts 15, 19, 20, 21 or 31 (which includes the majority of the Central Business District) you qualify for the program which could reduce the amount of federal taxes you pay as an employer.

The program offers numerous tax incentives for businesses including a tax credit of up to \$1500 for each of your employees who lives and works in the designated area. Chattanooga was one of only 20 urban areas to receive this designation, which means we are more determined than ever to make the most of this unique opportunity.

This designation is another important tool to provide incentives for residents and businesses to stay and invest in the urban areas of our community. It will also help attract new residents and development to Chattanooga.

Simply put, the program offers the following:

- You may file for a tax credit of up to \$1500 for each of your employees who lives and works in the Renewal Community area.
- This credit is applicable to any employee who is now on your payroll and to employees you hire in the future who live and work in the designated area.
- This credit may also be combined with other credits you may already be using, such as the Work Opportunity Credit or the Welfare to Work Credit.

Businesses must have a minimum of 5 employees to qualify and certain businesses may not be eligible for this opportunity, such as liquor stores. Also, business owners and their family members may not be counted as employees for whom the wage credit is available.

I encourage you to take advantage of this tremendous opportunity. This program will help unlock the door of economic possibilities and ultimately, we believe it will be an important tool in furthering development in our city.

Our office will be following up with you soon to invite you to an informational forum that will better explain the process; I hope you'll be able to attend. In the meantime, we have posted a link to the HUD website on our city website at www.chattanooga.gov/mayor and you may call 757-4903 for more information. Thank you for investing in Chattanooga.

Sincerely,

Bob Corker
Mayor