

November 7, 2002

Application deadline to participate in \$12 million incentive program set for December 2, 2002

CHATTANOOGA, Tenn.—Applications for the Commercial Revitalization Deduction (CRD) are due to the Mayor's office by 5:00 p.m on Monday, December 2, 2002.

One of many tax incentives available through the Renewal Community Initiative, CRD benefits are available to businesses who have building projects located in this special tax zone. Eligible projects include those that are being planned and will be completed in 2 years, those currently under construction, or buildings that have gone into service in the RC Zone since January 1, 2002.

As a component of Mayor Bob Corker's aggressive economic development agenda, Chattanooga was selected by the U.S. Department of Housing and Urban Development as one of only 20 urban cities nationwide to qualify as a "Renewal Community." As a program participant, the City of Chattanooga is eligible to share in an estimated \$17 billion in tax incentives to stimulate job growth, promote economic development and create affordable housing over the next 10 years. This initiative provides federal tax incentives to businesses that invest, conduct business in, or hire people who live in a designated area of the community. These special tax benefits consist of approximately 12 different tax credits, deductions, bond financing and other advantages that are exclusively available to businesses located in the Renewal Community Zone.

Applications can be mailed or delivered to the Mayor's office at City Hall Suite 100, 101 E. 11th Street, Chattanooga, TN 37402. To obtain a CRD application and learn more about qualification guidelines, log on to the RC Web site at www.renewal-community.com or call the 24-hr. Hotline at (423) 757-4903.

Applicants will be notified of their status no later than December 31, 2002.

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Renewal Community Commercial Revitalization Deduction Benefit

FACT SHEET

- Chattanooga has \$12 million to award through the Commercial Revitalization Deduction before December 31, 2002.
- Applications can be mailed or delivered to the Mayor's office at City Hall Suite 100, 101 E. 11th Street, Chattanooga, TN 37402.
- To obtain a CRD application and learn more about qualification guidelines, log on to the RC Web site at www.renewal-community.com or call the 24-hr. Hotline at (423) 757-4903.
- The CRD Authority will process and likely act on applications as they are received, since there is a \$12M limit. There is benefit to participants who get applications in early.
- To qualify, building projects must:
 - Be located in the RC zone.
 - Be non-residential and used for business purposes (commercial, retail or industrial).

- If a property is mixed use, the deduction will only apply to only portion of the building related to business uses.
- Not include expenses used to calculate historical tax credits.
- New construction or rehab projects (improvements for rehab projects must at least equal as much as the basis cost of the building).
- In Chattanooga, first priority will be given to projects resulting in the creation of new full time jobs.
- Other influencing factors:
 - Above average wages paid to employees.
 - Projects that put abandoned properties into service.
 - Applicant must demonstrate the ability to execute the project through to completion.