

INDIANA ENTERPRISE ZONE PROGRAM
2002
UEA ANNUAL REPORT

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MARION

(Enterprise zone)

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I. Zone Overview

A. Zone Area: 2.08 Square Miles

B. **Attach a map with boundaries of the zone clearly marked.**

C. 2000 U.S. Census Tracts included in the zone 1, 2, 4, 6, 8 & 9

D. Number of Zone Residents: 8368
(According to the 2000 US Census.)

E. Average Unemployment Rate: 7.9% (County 6.5%)

F. Zone Population Below Poverty Level: 18%
(According to the 2000 US Census.)

G. What is the UEA's mission statement?

The mission of the Marion Urban Enterprise Association is to improve the quality of life and economic opportunities for zone residents and businesses through the active involvement and empowerment of those individuals and entities.

H. When was the last strategic plan created? August 2002

II. UEA Organization

A. Board Members

Representation

Dennis Harvey, Chairman	Building Trades/Union
Karen Burnett, Vice-Chairman	Business
John Lightle, Past Chairman	Resident/Republican
Jerry Milford	Business
Ken Ellis	Area Plan
Tom Higgins	Community Development
Melba Smith	Resident, Democrat
Jim Stewart	Council
Doris Jones	Resident
Luke Kenley	State Legislature
Deanna Jeffrion (non-voting)	Indiana Dept of Commerce

B. Staff

Full-Time 3

Part-Time or Shared 0

Volunteer 0

C. How many times did the board meet last year? 11

D. How many times was a quorum present? 8

III. Zone Businesses

The zone business information in this annual report is for UEA activities for calendar year 2002 and EZB-R filers for 2001. The information from EZB-R filers for 2002 is for tax savings claimed and reinvestments made in 2001 unless otherwise indicated.

- A. Number of Business Participants 40
(List names of participants and attach.)

Able Ambulance Inc	Kirby Risk Corporation
Ambucare Clinic	Klean & Neat
Auto Pros, Inc.	Knit & Purl
Automotive Color & Supply	Leyanna's
Bowman Construction	Marion Camera Shop
Brandt Jewelers	Marion Engineering & Technology
Brown's Muffler	Marion Family Optometrists
Brunt's Downtown	Marion Steel Fabrication
Cubberley's	Marion Tire, Inc.
Curran Roofing Company	McClure Oil Corporation
E & J Lanes	NX Communications
Essex Group Inc	O'Brien Dental Studio
Federated Publications	P & M Music
Fidelity Federal Savings Bank	Peerless Machine & Tool Corp
General Motors Corporation	Peerless Printing Corp
Hook-Superx, Inc	Private Eyes Vision Center
Howard Auto Sales	Robbins & Zirkle
Interiors by Priscilla & Perry	Star Financial Bank
Jimmy's Used Furniture	Vice's Marion Floral Co
Kennedy's Inc	WA Webb & Co, Inc.

- B. Estimate how many businesses in the zone are **not** participating in the program. 198

Why are these businesses not participating?
Many businesses provide professional services and have little or no inventory. The zone is also comprised of many small, owner-run businesses and would not benefit from the employee expense credit. Some businesses have not participated because their accountant has told them the record keeping for meeting reinvestment requirements is more burdensome than the savings would be worth. We are working to raise awareness to businesses and accountants about the remaining zone incentives.

How many new jobs created were filled by enterprise zone residents?

1

D. List any new business openings in the zone and the number of jobs created.

Business Name	Jobs Created
Mike's Magic Car Repair	2
Mi Pueblo Restaurant	12
Guitar Teacher	2
Paw Spa	1

E. List any business relocations to the zone and the number of jobs. (Note if the business is relocating from within Indiana.)

Business Name	Jobs Relocated
Blinn Auto Sales	8 (Within Marion)
Aunt Hattie's Back Porch	2 (Within Marion)
PeopleLink Staffing	65 (Within Marion)

F. List any business expansions and the number of jobs created.

Business Name	Jobs Created
NX Communications	5
Auto Pros Inc	3.5
Federated Publications	2
Fidelity Federal Savings	1
Kirby Risk	1
Marion Engineering & Technology	1
Marion Steel Fabrication	1
Marion Tire	1
O'Brien Dental	1
The Painted Lady	1
S & A Services	37

G. List any business closings and the number of jobs affected.

Business Name	Jobs Affected
Lezli's New to You	1
Flying Pig Restaurant	8
Richard's Art Gallery	1
Shades of Yesterday	2

H. List any businesses relocating outside of the zone and the number of jobs relocated.

Business Name	Jobs Relocated
The Uniform Shoppe	2
Foods For Thought Education Center	1
Uptown Girls	4

IV. UEA Activities for 2002

A. List and briefly describe UEA efforts or programs to:

(1) *increase capital investment in the zone:*

\$36,359,256 was invested by zone businesses utilizing the zone tax incentives into building renovations and new equipment.

In addition, nine enterprise zone businesses, five zone residents, and three special projects utilized MUEA programs in 2002. The MUEA invested \$97,356 into their Zone Loan, Business Grants, Residential Grants programs and into special projects, leveraging an additional \$399,596 in private and/or public capital investment into the enterprise zone. For every \$1 the MUEA offered in matching grants and a low-interest rate loan programs \$4 was invested into other private and/or public funds improving the appearance and increasing property value in the zone.

Including MUEA investment programs, the total capital investment in the zone was \$36,856,208.

(2) retain and create jobs:

71 jobs were created in Marion's enterprise zone in 2002 by businesses that have utilized zone incentives, grants, and/or our low-interest rate loan program. Funding awarded by the MUEA gave priority to projects that either retain and/or create jobs.

(3) increase employment opportunities for zone residents:

The MUEA fostered the development of a faith-based mentoring program for life-skills development, job-readiness training, and job placement and retention coaching to low-income residents. 12 zone residents participated in the program's first year of weekly classes; and 9 zone residents were placed in jobs and/or received wage increases in 2002 as a result of this program. The program was expanded to serve 20 zone residents in 2003.

Having gained broadened community support, the MUEA expanded its youth leadership training and career-path development program to include county schools. Two new classes started in 2002, adding 22 new students to the program. Out of the 38 total enrollments of eighth-through-tenth grade students, 23 are enterprise zone resident youth. The first class of youth are now in their second year of the program; and have been matched by career interests with a Community Partner mentor from the local professional community. Out of the students that were identified as basic-skills deficient, all students saw academic improvement in basic skills.

- B. List and briefly describe any other UEA efforts or programs that benefited zone residents and/or businesses.

MUEA Zone Loan (low-interest rate loan program) committee met with local bankers to evaluate the program. The program was slightly revised, now tailored to the current local economy and with an additional credit analysis phase. There are currently 8 "Zone Loan" partnerships; and the account has been established as a revolving loan fund.

The Residential Improvement Grant program provided matching funds to zone homeowners for structural and cosmetic improvements such as roof replacement, siding, windows. Five homeowners utilized this program in 2002.

- C. List any joint efforts or collaboration with other organizations (non-profits, city government, businesses, etc.).

For increased quality of life of enterprise zone youth, the Marion UEA joined with the City of Marion to install a skateboard park in the enterprise zone area. The park is considered a huge success and provides a free recreational place for the youth.

The MUEA partnered with the City of Marion and Community Rehab (a non-profit inmate work crew program) for the complete rehabilitation of 6 zone homes in an industrial area.

The MUEA partnered with the City of Marion, Community Rehab, an inner-city zone family (Adam and Ronda Myers), and Youth for Christ for the demolition of a vacant and blighted housing unit. The City donated the house and lot, Youth for Christ coordinated youth who assisted in preparing the house for demolition, and Community Rehab hired the demolition. The MUEA assisted by providing funds for the cost of demolition, fencing and seeding the lot. The lot will be purchased by the zone family living on the adjacent lot and used to expand their existing neighborhood-outreach activities to the inner-city youth.

The MUEA has established a relationship with the Grant County Division of Family and Children to track the long-term success of zone residents participating in the adult mentoring and job-readiness/job placement assistance program. The tracking will begin on a test-group of 20 under/unemployed zone residents in 2003.

Our youth leadership training and career development program – YES Network – has new funding partners. Indiana Wesleyan University Center for Life Calling and Leadership (through Lilly funding secured by the Community Foundation) funded the expansion of the program to be offered countywide and has contributed the use of their facility and computer lab and interns as volunteer assistants. The Madison-Grant Workforce Investment Board awarded another year's contract for the service to 13 at-risk youth.

- D. What activities were new to the UEA in 2002? Why did the UEA engage in these activities? Were they successful?

The MUEA's focus in 2002 was primarily on building its newest employment-readiness programs.

- The mentoring job-readiness program was expanded to include 20 zone residents; and measures were developed to track the program's long-term effectiveness in leading assistance-dependent residents toward self-sufficiency.
- Due to a 3-year grant administered by Center for Life Calling and Leadership of Indiana Wesleyan University (from Lilly grant to Community Foundation), the youth leadership and career development program expanded countywide ahead of schedule; and we started 2 new classes in Fall of 2002. The part-time Program Manager was hired on full-time to facilitate the program.
- Direct marketing of the GED stipend and Tuition Assistance programs to social service agencies dramatically increased zone-resident use of services. For example, slight changes were made to the tuition assistance program to enable local GDX Outreach program of the WorkOne agency to assist dislocated workers with attaining higher education.

The MUEA also engaged in an extensive strategic planning process, involving business and residential surveys and a collaborative effort of local government, other non-profits, social service/workforce development agencies, business, residential, and the faith-based community. The resulting plan was submitted with the organization's application to the State for zone renewal.

- E. Highlight the major successes of the UEA for 2002. (Attach additional materials to document these successes i.e. news articles, testimonials, etc.)

Attachment 1 - JOB SKILLS CENTER OFFERS HOPE

Attachment 2 – MENTORING PROGRAM TURNS LIVES AROUND

MUEA partnership with faith-based community, local government, and workforce development agencies offers program of a mentor and weekly classes with job-readiness training, life skills development, and job placement/retention coaching. 75% of zone residents participating were placed in full time jobs or received wage increases.

Attachment 3 – EIGHTH-GRADERS...HELP ARTS ORGANIZATION**Attachment 4 – TEENS GET TASTE OF SERVICE INDUSTRY....**

YES Network students begin to lead by service to the community. When they heard that Marion's Community School of the Arts was on the verge of closing due to lack of funds and lack of community awareness, the class voted to host a fund-raiser at a downtown restaurant. Students solicited matching funds from local businesses and participated in every aspect of restaurant service to raise over \$1,000 for the arts school. Enrollment increased at the school; and the additional funding tied them over long enough to secure a 3-year grant.

Attachments 5A, 5B – SKATE PARK

MUEA partnered with City of Marion for this project.

Attachment 6 – Genesis Place

Through its matching grants fund, the MUEA provided assistance with repairs needed on this non-profit assisted living facility for veterans.

Attachment 7 – COMMUNITY REHAB

With MUEA assistance, this not-for-profit organization that teaches construction skills to inmates was able to complete the renovation of 6 vacant zone houses.

Attachment 8 - ENTERPRISE ZONE IN FINAL YEAR

Marion UEA works with community to develop five-year strategic plan and submits renewal application to State Enterprise Zone board. City was awarded a five-year renewal.

Attachments 9a, 9b – MUEA PARTNER WITH ZONE BUSINESSES TO CREATE JOBS

2 examples of business entrepreneurship and new jobs with MUEA assistance. 49 zone businesses utilized zone benefits and incentives in 2002; and 71 jobs were created within the zone.

V. UEA Funding & Expenditures

UEA fiscal year: January 1 to December 31

- A. Attach the UEA's most recent financial statements for 2002.
(Note: The Indiana State Enterprise Zone Board approved a resolution requiring UEAs to submit a financial statement that is certified by the UEA Board's financial officer.)

VI. Goals for 2003

- A. Briefly describe the UEA's greatest challenges for 2003. How does the UEA plan to meet these challenges?

The greatest challenges facing the Marion UEA are:

Funding – With the county having utilized the option to immediately eliminate the remaining inventory tax, the Marion UEA faces a 95-98% loss of funding, effective 2004. The organization has enough to operate through 2004; but will restrict spending to the self-funded Zone Loan program and already existing employment-readiness services. Grants research, fundraisers, and garnering local support are the priorities for Grant County Hope and YES Network programs, as they prepare to continue with little or no MUEA assistance. The MUEA will continue its support of and participation in the AIEZ to encourage legislative support of economic development in zones. Other avenues to be explored are: local government support, partnering with another entity, federal options, and the possibility that MUEA will have to shut its doors.

Finding new incentives to attract/retain businesses to the zone - The MUEA will continue its support of and participation in the AIEZ to encourage legislative support of economic development in zones.

- B. What other goals does the UEA have for **2003**?

Research and Development – Work with Grant County Division of Family and Children to measure the effectiveness of the mentoring program in long-term life change, by tracking beginning, ending, post-program levels of dependence on government assistance. Apply for IMPACT funding to continue to life skills training and job placement/retention assistance of zone residents.

Continue Zone Loan program to zone businesses
Continue GED and Tuition Assistance programs to zone residents
Expand Youth Leadership program, add additional class
Expand Grant County Hope job-readiness and placement mentoring program to 20 new zone residents
Update MUEA Website

Community Awareness Campaign – It has been found that the comprehensive contributions of the Marion UEA to our community is widely unknown – or only partially known. The perception by some, even within our local economic development community, is that the most notable contribution of the Marion UEA was its assistance in retaining the GM plant through the creation of the enterprise zone in 1992. This being an obstacle to motivating support at both the local and state levels, the Marion UEA will be utilizing a variety of media forums and grass-roots marketing to raise awareness and motivate concerned citizens/business owners to contact their local and state elected officials regarding the need for the continued economic and community development activities of Marion’s enterprise zone association.