

**INDIANA ENTERPRISE ZONE PROGRAM  
2003  
UEA ANNUAL REPORT**

**DUE JULY 15, 2004**

**MARION**

(Enterprise zone)

Contact Person Tina V. Miller

Mailing Address 214 B South Adams Street

Marion, IN 46952

Telephone 765.664.0988 Fax 765.664.8944 E-Mail muea@nxco.com

**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: 8,368  
(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? "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 2001

## II. UEA Organization

### A. Board Members

Karen Burnett, Chairman  
 Mary Tonne, Vice Chairman  
 John Lightle, Secretary/Treasurer  
 Dennis Harvey, Past Chairman  
 Jerry Milford  
 Susan Kughen  
 Tom Higgins  
 Melba Smith  
 Jim Stewart  
 Doris Jones  
 Luke Kenley  
 Linda Klinck

### Representation

Business  
 Business Industry  
 Resident Republican  
 Building Trades Union  
 Business  
 Planning  
 Community Development  
 Resident Democrat  
 City Council  
 Resident  
 State Legislature  
 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? 7

D. How many times was a quorum present? 5

### III. Zone Businesses

**The zone business information in this annual report is for UEA activities for calendar year 2003. The information from EZB-R filers for 2003 is for tax savings claimed and reinvestments made in 2003 unless otherwise indicated.**

- A. Number of Business Participants 11  
(List names of participants and attach.)

Federated Publications  
General Motors  
Grant County State Bank  
Hooks-SuperX, Inc  
Marion Steel  
NX Communications  
Old National Bank  
P & M Music  
Private Eyes Vision Center  
Salin Bank  
STAR Financial

- B. How many jobs were created (by existing businesses) in the enterprise zone in 2003?

5

- C. How many jobs created (for existing businesses) were filled by enterprise zone residents in 2003?

1

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

Business Name	Jobs Created
CSXIII Golf Shoppe	2
Creative Fuel Design	1
Sun King Tanning Salon	6
Designs	2

- 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
Cannon Realty	3 (Within Marion)

- F. List names of business expansions and indicate if the expansion increased workforce or capital investment in the zone during 2003.

Business Name	Jobs Created	Capital Investment
Blinn Auto Sales	5	\$ 45,000.00
Heye America	2	\$387,151.00
NX Communications	4	\$ 70,250.00

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

Business Name	Jobs Affected
Aunt Hattie's Back Porch	2
Brandt Jewelers	7

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

Business Name	Jobs Relocated
First Choice Office Equipment	2
Roskins Jewelers	3
Klean & Neat	1
O'Brien Dental	6

#### **IV. UEA Activities for 2003**

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

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

Assisted 11 businesses with filing for enterprise zone tax savings. \$363,478 was invested by zone businesses utilizing the zone tax incentives into building renovations and new equipment; and \$5,810 invested into inventory.

*(2) retain and create jobs:*

- Enterprise zone businesses that benefited from the program's tax savings added 5 jobs.
- In addition, the Marion UEA began working with an enterprise zone industry that has been considering relocating outside of the zone due to expansion needs and zoning issues. With the MUEA's offer to serve as a liaison to local and state government for the industry's needs, the company agreed to delay pursuing a new location. 17 jobs, most of which are skilled labor, remain in the zone. Efforts to address this company's needs carry over into 2004.
- The MUEA joined with the Association of Indiana Enterprise Zones and the Community Bankers Association of Indiana in an application for \$300 Million in New Markets Tax Credits, which would provide economic development incentives to potential investors in projects resulting in new jobs.

*(3) increase employment opportunities for zone residents:*

- The MUEA continued to contribute to the faith-based mentoring program for life-skills development, job-readiness training, and job placement and retention coaching to low-income residents developed in 2002. 23 zone residents participated in the program, out of which 10 zone residents were placed in jobs; and 9 have enrolled in continuing education to become employable as a result of this program.
- The MUEA continued its youth leadership training and career-path development program. One new class started in 2003, adding 18 new students to the program. Out of the 51 total enrollments of eighth-through-tenth grade students, 20 are enterprise zone resident youth. The Pilot Class of enterprise zone youth are in their final year of the three-year program; and chose for their Community Improvement Project to build a handicap-accessible ramp and provide landscaping at veteran's home, located within the Marion Enterprise Zone. The project will be complete in 2004, with these youth handling every aspect of the process for planning this project including layout, fundraising, and marketing, media relations, and labor.

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

Direct marketing of the GED Stipend and Tuition Grant programs to social service agencies and Zone residents resulted in 6 zone residents receiving their GED's and 7 residents furthering their education.

C. Describe the UEA's joint efforts or collaboration with other economic development/community development organizations and other organizations (i.e., local government, universities, etc.)

- Our youth leadership training and career development program – YES Network – is a collaborative effort between the MUEA, Marion-Grant County Chamber of Commerce Business Education Partnership, Youth for Christ, IWU Center for Life Calling and Leadership, the CAPE initiative, and Madison-Grant Workforce Investment Board.
- The UEA continued their partnership with Community Rehab and the City of Marion for the rehabilitation and sale of 6 enterprise zone houses.
- Grant County Hope, the mentoring and job-readiness training program that assisted 20 enterprise zone residents, is a collaborative effort of the Marion UEA, World Hope International, Grant County Probation, Workforce Investment Services, and the Salvation Army. In 2003, a new inner city location was added for the weekly classes at the Grant County Rescue Mission.

D. What activities were new to the UEA in 2003? Why did the UEA engage in these activities? Were they successful?

- In an effort to market the enterprise zone program's remaining tax incentives; and to correct the misconception that, since the inventory tax was gone, there is no benefit to being in the Enterprise Zone, the MUEA held it's first annual Enterprise Zone Tax Benefits Seminar. Business owners and accountants were personally invited to attend this seminar to learn first-hand about the Enterprise Zone tax incentives. Tom Conley, Administrator of Tax Policy for Indiana Department of Revenue was the presenter. 24 business owners, accountants and professionals attended this event.
- The partnership with AIEZ and CBAI for the application of \$300 Million in New Markets Tax Credits was a new partnership for the MUEA, in an effort to provide new incentives for capital investment and job creation in economically challenged areas.

E. Highlight the major successes of the UEA for 2003. (Attach additional materials to document these successes i.e. news articles, testimonials, etc.)

**Attachment 1 – TAX CHANGE HURTS ENTERPRISE ZONES**

MUEA supports elimination of inventory tax; and participates in AIEZ efforts to encourage legislative action for new economic development incentives for urban areas.

**Attachment 2 – GROUP SAYS YES TO GENESIS PLACE**

YES Network's pilot class of Enterprise Zone resident youth choose the Genesis Place at their Community Improvement Project. The two criteria for the CIP are that it has to be long lasting, and it as to be visually noticeable.

YES Network was found to have measurable impact on the youth. Local leaders inspired to start a new leadership development corporation, "LEAD, Inc", and a strategic planning process began for the ongoing expansion of the YES Network opportunity under the umbrella of LEAD, Inc. Program expanded to serve 51 youth in 2003, 20 of which are enterprise zone youth.

**Attachment 3 – HOPE TO FIND A WAY OUT OF POVERTY**

**Attachment 4 – NETWORK IS BRIDGE TO BETTER FUTURE**

MUEA partnership with faith-based community, local government, and workforce development agencies offer program of a mentor and weekly classes with job-readiness training, life skills development, and job placement/retention coaching. 23 chronically unemployed and/or underemployed zone residents were assisted, out of which 19 successfully obtained employment and/or enrolled for further education.

## V. UEA Funding & Expenditures

UEA fiscal year: January 1 to December 31

- A. **Attach the UEA's most recent financial statements.**  
 (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 2004

A. Briefly describe the UEA's greatest challenges for 2004 and beyond. How does the UEA plan to meet these challenges?

**Community and Economic Development Services 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 for 2004.**

The organization plans to operate on cash reserves through 2004; but will restrict program spending in 2004 while we explore creative funding and new partnerships to continue the association's community and economic development services.

Programs immediately affected are:

**Home Improvement Grants** – A matching grant program for home-owner zone residents was suspended for 2004. MUEA will search for other ways to assist with homeowner needs.

**YES Network** – This youth leadership training program, having gained local and state support to expand beyond the enterprise zone to serve youth from throughout Grant County, will be transferred to a new organization formed by the MUEA subcommittee members and partnership organizations. The greatest challenge facing the ongoing operations of YES Network is funding.

**Grant County Hope** – MUEA reduced support to this program by 50%. This nationally recognized faith-based mentoring and job placement program, partnered with the MUEA and headquartered in the Marion Urban Enterprise Zone, will likely close its doors by August of 2004 if new funding is not found. The MUEA will attempt to find alternative means for providing these services to zone residents.

**Community Rehab** – MUEA funding to this faith-based program that teaches inmates work skills while rehabbing blighted homes in the zone was drastically reduced for 2004. This will have an adverse impact on the program's ability to leverage other funding. It is unknown how this program will overcome this challenge.

**New Economic Development Incentives** – Due to the loss of the enterprise zone program's primary tax incentive for business, the **number of businesses that benefited by operating in the urban enterprise zone dropped 85% in 2003.** The MUEA will continue its support of and active participation in the Association of Indiana Enterprise Zones to form and introduce new legislation that will provide economic development incentives for urban areas and replacement funding for local UEA community and economic development programs.

B. What other goals does the UEA have for **2004**?

- Market remaining enterprise zone tax incentives to zone businesses
- Establish and maintain web links to various development organizations
- Align MUEA as New Markets Tax Credits advisor
- Develop alternative revenue streams