

ORDINANCE NO. FC-85-1

AN ORDINANCE ESTABLISHING AN ECONOMIC AND INDUSTRIAL REVIEW BOARD AND AN ECONOMIC AND INDUSTRIAL DEVELOPMENT PROGRAM TO ASSIST IN THE FINANCING OF THE ESTABLISHMENT OR EXPANSION OF INDUSTRIAL AND COMMERCIAL PROJECTS IN FLOYD COUNTY, INDIANA.

WHEREAS, local governmental units must take an active role in the economic development of the community under their jurisdictions, and

WHEREAS, the County of Floyd, acting by and through its elected officials, boards and commissions has been active in the economic development of the community, and

WHEREAS, the County of Floyd has been successful in obtaining financial assistance for its developing industries from State and Federal government agencies, and

WHEREAS, this financial assistance is in the form of grants to the County which may be loaned to developing businesses and industries at low interest, which loans are to be repaid to the County of Floyd to provide a continuing fund for assisting other developing businesses and industries, and

WHEREAS, there is a need in the County of Floyd for a body of individuals with proper expertise to review proposals and applications of future developing businesses and industries desiring to obtain low interest loans in the development of their facilities and capacities, and to recommend actions to the Floyd County Board of Commissioners regarding said proposals and applications;

NOW, THEREFORE BE IT ORDAINED by the Board of Commissioners of Floyd County, Indiana, as follows:

Section 1. Title. This Ordinance shall hereafter be known, cited and referred to as the "Economic and Industrial Development Ordinance of 1985".

Section 2. Purpose. The purpose of this Ordinance is the creation of an Economic and Industrial Program; an Economic and Industrial Review Board; and, regulation and operation of each.

Section 3. Jurisdiction. The jurisdiction for this Ordinance and the functioning of the Economic and Industrial Development Program and the Economic and Industrial Review Board shall be within the boundaries of Floyd County, Indiana.

Section 4. Definitions.

- A. The word "Board" shall mean the Economic and Industrial Review Board.
- B. The word "Program" shall mean the Economic and Industrial Development Program.
- C. The words "Board of Commissioners" shall mean the Board of Commissioners of Floyd County, Indiana.
- D. The word "County" shall mean Floyd County, Indiana.
- E. The words "developing business or industry" shall mean an industry or business which is expanding facilities within the County or a business or a industry initially locating within the County.

- F. The word "manufacturing" shall mean the production of or the processing of raw, intermediate, or finished products, and may also be defined by other standard definitions acceptable to the Board and Board of Commissioners.
- G. The word "business" shall mean the retail or wholesale of goods and services or other standard definitions to the Board or Board of Commissioners.

Section 5. Economic and Industrial Development Program.

- A. The Economic and Industrial Development Program is hereby created, and shall be utilized to financially assist developing businesses and industries, as defined in Section 4, hereof.
- B. Funds available under this program shall be used for the construction, remodeling or purchase of assets which shall include buildings, land, site improvements, equipment, fixtures and furnishings. Said funds shall be applied directly to said development or purchases, or may be used to otherwise support such development or purchases in any manner acceptable to the Board and Board of Commissioners, including but not limited to construction of roads, sewer and water lines or other utilities.
- C. Financial assistance made to developing manufacturing industries shall be in the form of loans, unless otherwise specifically authorized by the Board of Commissioners.
- D. Applications for processing and administration of any financial assistance under this Program shall be carried out in accordance with Section 6 of this Ordinance.

Section 6. Applications, Processing of Application, Administration of Financial Assistance.

- A. Application for financial assistance shall be made to the Board on forms provided by the Board, minimally to include the following:
 - 1. Applicant's name, address, and phone number.
 - 2. Names of all involved parties, partners, and corporate officers.
 - 3. Number of existing employees and the number of new jobs to be created as a result of the project.
 - 4. Expected additional annual payroll for project, specifying the number of new jobs.
 - 5. Amount of loan requested.
 - 6. Amount of overall project cost.
 - 7. Signature of applicant.
- B. In addition to the application form, the applicant shall submit the following descriptive and supportive documentation:
 - 1. Project summary by specific category, including project item cost and proposed sources of financing.
 - 2. Narrative statements, as follows:
 - a. Description of business (history, products, formation, etc.)
 - b. Description of property.
 - c. Financial condition of business.
 - d. Description of security for loan.
 - e. Economic impact and other comments.
 - f. Public services required or made necessary by the project.
 - g. Pollution or environmental problems expected to be associated with project.

3. The following specific documentation shall be submitted to the Board upon request, and at the applicants cost and expense:
 - a. Financial statements for prior years (balance sheets and statements of profit and loss.)
 - b. Copies of past tax returns.
 - c. Recent financial statements.
 - d. Articles of Incorporation and By-Laws.
 - e. Any additional information or data specifically requested by the Board.
- C. The Board shall, in its review of any application, adhere strictly to any requirements of any State or Federal agencies which have jurisdiction over the source of funds being loaned. Specific attention and adherence must be given any provisions of grant agreements regulating the source of funds. State or Federal requirements shall not be modified or waived without authorization from the State or Federal Agency having jurisdiction.
- D. The Board may review a proposal informally prior to the submission by the applicant of all documentation, on a preliminary basis, but shall not formulate any recommendation to the Board of Commissioners until full documentation has been received and reviewed.
- E. The time period between the Board's receipt of the application with full documentation and the forwarding of a recommendation to the Board of Commissioners shall not exceed sixty (60) days, except that the Board of Commissioners may waive this requirement upon request.
- F. At any time during the processing and review of an application, the Board may confer with the Board of Commissioners concerning any matter pertaining to same.
- G. During the processing and review of an application by the Board, the following criteria and policies shall be strictly followed, unless waived in a particular case, by the Board of Commissioners.
 1. The maximum loan which may be made shall be \$250,000, the minimum shall be \$50,000.00.
 2. The maximum amount that may be utilized for administrative purposes in the processing and administration of any loan shall be 5% of the present value of the loan. Administration funds shall be paid from the Economic and Industrial Development Fund, but shall not be a part of the loan being requested.
 3. The minimum amount which must be available in the Economic and Industrial Development Fund before a loan may be considered shall be 105% of the present value of the loan being requested.
 4. Maximum participation by the County in any single project shall be 50% of the total cost of the project.
 5. The maximum participation of the County in any single project shall not exceed \$7,500 per job to be created by the Project.
 6. The maximum term of a loan shall be ten (10) years for real estate improvements secured by a mortgage on the real estate (including projects with land purchase, building construction or renovation or site improvements), and shall be five (5) years for projects including only equipment, fixtures, or furnishings (minimally the items purchased shall be pledged as security). A project which includes real estate and equipment, fixtures, or furnishing may be financed for a term of ten (10) years.
 7. All loans shall be secured by either a mortgage or security agreement as appropriate or a combination of a mortgage and security agreement. In cases with multiple sources of borrowed funds the County may subordinate its security position on the mortgage or security agreement if the Board and Board of Commissioners deem the chances of recovery in case of default not be inordinately jeopardized.

8. An applicant shall have at least 10% equity in the project which is not borrowed funds. Any form of equity financing may be utilized to meet this requirement, but in no case shall this requirement be debt financed.
 9. The project must be determined by the Board and Board of Commissioners to be feasible and reasonable, and the applicant shall produce evidence of capacity to repay the loan.
- H. After the Board has fully processed and reviewed an application and has submitted its recommendation to the Board of Commissioners, the Board of Commissioners shall approve, reject, or modify the project. In the case of modification the application shall be returned to the Board for reconsideration and modification, and shall be returned to the Board of Commissioners for final action. In the event of rejection, the decision is final, and the same project shall not be resubmitted for review during the twelve (12) month period after the date of rejection. In the event of application approval, Chairman of the Board of Commissioners, the Floyd County Auditor, the County Attorney, the Floyd County Grant Administrator, and the Chairman of the Review Board shall be authorized to execute all documents necessary to close the loan, and shall be further be authorized to administer the loan disbursement and repayment in accordance with Section 8 hereof.
- I. Complete and separate records shall be kept on the history of all approved projects from the inception of the application through the complete repayment of the loan.
- J. Complete and separate records shall be kept for each source of funds the County utilizes in the Program.

Section 7. Economic and Industrial Review Board.

- A. The Economic and Industrial Review Board is hereby created.
- B. The Board shall be composed of seven (7) members and the membership shall consist of persons with knowledge and experience in community affairs, awareness of the social, economic, and industrial problems of the area, and an interest in the development of the County. The members shall be residents of Floyd County, Indiana and shall be initially appointed for the following terms of office:
- One (1) member shall be appointed for a term expiring 12/31/85.
 - One (1) member shall be appointed for a term expiring 12/31/86.
 - Two (2) members shall be appointed for a term expiring 12/31/87.
 - Three (3) members shall be appointed for a term expiring 12/31/88.
- Thereafter, all terms shall be for a period of four years beginning January 1 and expiring December 31.
- C. The Board of Commissioners shall fill vacancies which occur in the membership of the Board.
- D. After appointment, a member shall not be removed except for good and sufficient cause.
- E. A quorum of the Board shall consist of a majority of members.
- F. No business or action shall be considered authorized except by affirmative vote of a majority of the Board.
- G. Any member of the Board having a personal financial interest in a project shall be disqualified from participation of the Board in that project. The Board minutes shall reflect the disqualification and state the reason for the disqualification.

- H. The Board shall maintain minutes of its meetings and other records as necessary.
- I. The Board shall submit an annual report to the Board of Commissioners on the first Monday of each January.
- J. The Board shall meet at least once in each quarter during the calendar year, and at any other such times as may be necessary to conduct its business. In January of each year the Board shall elect from its membership a chairman, vice-chairman, and secretary to serve in those capacities for the ensuing year. Special meetings may be called by the Board Chairman, the Board of Commissioners, or at least three (3) members of the Board upon notification of all members by at least three (3) days prior to the meeting date.
- K. The Board may, as necessary to carry out its business, adopt such forms, rules, and policies as are in conformity with this Ordinance, and not contrary to law.

Section 8. Economic and Industrial Development Fund.

- A. The Floyd County Auditor, in accordance with the State Board of Accounts procedures and regulations, shall establish a fund and account for the receipt and disbursement of funds for the Economic and Industrial Development Program.
- B. The Economic and Industrial Development Fund may receive monies from State and Federal programs designated for the purpose of the Economic and Industrial Development Program or monies received through repayment of loans made in accordance with State and Federal programs and this Ordinance. Any monies collected in such manner shall be received and disbursed through the Economic and Industrial Development Fund. The fund may also receive and disburse monies from other sources, but shall not utilize general tax revenues or any other monies not specifically authorized for use in accordance with the purposes of the Economic and Development Program as defined and described in this Ordinance.
- C. Monies shall not be disbursed from the Economic and Industrial Development Fund without specific authorization by the Board of Commissioners based on an application for assistance through the Economic and Industrial Development Program, excepting only funds recommended by both the Board and Board of Commissioners to be spent in the County in development of an industrial park or other similar industrial development facility.
- D. The Chairman of the Board of Commissioners or his designee is hereby designated as the approving authority for authorized disbursements from the Economic and Industrial Development Fund, and shall sign and submit claims to the Floyd County Auditor.
- E. Accounting for the Economic and Industrial Development Fund shall be made separately for each approved application and shall be made separately for each source of funds receipted into the Economic and Industrial Development Fund. The Economic and Industrial Review Board shall make summaries of such accountings an integral part of its annual report to the Board of Commissioners.

Section 9. Severability.

This Ordinance is severable. If any part, provision, paragraph, or section of this Ordinance is declared unconstitutional or otherwise unenforceable, such finding shall not diminish the effect of this Ordinance as a whole or any other part, provision, paragraph, or section.

Section 10. Effective Date.

This Ordinance shall become effective on the date of its passage and signing, according to law.

Passed and adopted this 4th day of Feb., 1985.

BOARD OF COMMISSIONERS OF
THE COUNTY OF FLOYD, INDIANA

Edmund R. Knable
Edmund R. Knable, President

Vincent H. Freiburger
Vincent H. Freiburger, Member

Douglas A. Bierman Sr.
Douglas A. Bierman, Member

ATTEST:

Betty J. Hammond
FLOYD COUNTY AUDITOR