



MEMO

TO: President and the Members of the Town Council  
FROM: Town Manager  
SUBJECT: 2023 LIT Capital Expenditure Plan  
DATE: December 19, 2022

---

**Background**

The Town of Munster adopted Ordinance 1617 in August of 2013 which created the County Economic Development Income Tax (CEDIT) Fund. In the same meeting, the Town approved the CEDIT Capital Expenditure Plan.

During the 2016 session, the Indiana General Assembly amended Indiana Code 6-3.6 to consolidate local option income taxes. On September 19<sup>th</sup> of 2016 the Town of Munster adopted Ordinance 1694 establishing the Local Income Tax (LIT) – Economic Development Fund 209. This replaced the previously established CEDIT fund.

A municipality must file a capital expenditure plan periodically with their respective County Auditor to remain eligible for their disbursements.

**Methodology**

The Town in years past has devoted our CEDIT revenue to only two projects: the grade separation and realignment of 45<sup>th</sup> Street and the West Lake Extension. Only one of these two projects will be represented again in this year’s LIT plan yet again. I do not anticipate expenses associated with 45<sup>th</sup> Street to be incurred this year.

These funds will also be used for project services around the redesign and reconstruction of Main Street. These services include, but are not limited to project engineering, right-of-way services, and property acquisition.

Additionally, funds will be used for design engineering for the Ridge Road Complete Street Project. Total engineering costs are projected to be \$3,322,349 for this project. We anticipate spending \$2,221,900 in 2023 on these services. Our grant award allows for the reimbursement of \$1,771,920 (or 80%) of these funds.

Finally, we intend to utilize these funds to pay for lobbying services with the state and federal government. This is not a new activity for the Town and 2022 marked the first year these funds were used for paying these invoices. These lobbying services are a key tool for the Town’s continued redevelopment and economic development efforts.



Our plan submitted also includes language that contemplates the possibility that the Town may need to use the available funds for any purpose as prescribed by the State. These purposes are:

1. To pay all or a part of the interest owed by a private developer or user on a loan extended by a financial institution or other lender to the developer or user if the proceeds of the loan are or are to be used to finance an economic development project.
2. For the retirement of bonds for economic development projects.
3. For leases or for leases or bonds entered into or issued before the date the county economic development income tax ([IC 6-3.5-7](#) repealed) was imposed if the purpose of the lease or bonds would have qualified as a purpose under this article at the time the lease was entered into or the bonds were issued.
4. The construction or acquisition of, or remedial action with respect to, a capital project for which the unit is empowered to issue general obligation bonds or establish a fund under any statute listed in [IC 6-1.1-18.5-9.8](#).
5. The retirement of bonds issued under any provision of Indiana law for a capital project.
6. The payment of lease rentals under any statute for a capital project.
7. Contract payments to a nonprofit corporation whose primary corporate purpose is to assist government in planning and implementing economic development projects.
8. Operating expenses of a governmental entity that plans or implements economic development projects.
9. Funding of a revolving fund established under [IC 5-1-14-14](#).
10. For a regional venture capital fund or a local venture capital fund.
11. For any lawful purpose for which money in any of its other funds may be used.

**Recommendation:**

Authorize the 2023 LIT Capital Expenditure Plan as presented.