



## MEMO

TO: President and the Members of the Town Council

FROM: Town Manager

SUBJECT: 2021 LIT Capital Expenditure Plan

DATE: December 21, 2020

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### **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. These two projects will be represented again in this year's LIT plan yet again.

These funds could also be used to begin the detailed engineering that would take vision being established by the Streetscape initiative and translate it into constructible plans.

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for leases or bonds entered into or issued before the date the county economic development income tax ([IC 6-3.5-7](#) repealed) was imposed if the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 2021 LIT Capital Expenditure Plan as presented.