



FY 2020-2021 SMALL BUSINESS INVESTMENT PROGRAM

The **Small Business Investment program** has two (2) different financial reimbursement assistance grants that will be available to *entrepreneurs or small business owners.*

The **Small Business Investment Program** offers two grant opportunities and they are the following:

- Commercial Façade Improvement Grant
- Rent Subsidy Grant

The eligible small businesses must be willing to open or expand within the City of San Benito City Limits, but preferably within the Downtown District (area of the downtown district is illustrated on City ordinance - Attachment A).

GOALS: The goals of the Small Business Investment Program are to:

- Encourage business investment and activity within the City of San Benito city limits;
- Increase the city's sales tax base;
- Create opportunities for residents to show local;
- Reduce leakage of dollars to neighboring communities;
- Economically activate business properties;
- Encourage property investment that directly relates to improving the aesthetics of building and places in the designated/eligible areas of San Benito, TX;
- Expand business and employment opportunities in existing and deteriorated structures;
- Enhance the visitors experience within our city attractions;
- Help new and existing businesses succeed by enhancing their curb appeal; and
- Increase commercial property values.

The Small Business Investment Program is funded on a yearly basis by the San Benito EDC and availability is subject to funding. For Fiscal Year 2020-2021 (Oct. 1 to Sept. 30) the San Benito EDC has allocated a total amount of \$76,000 for **both** grants under this program.

Small Business Investment Program

RENT SUBSIDY GRANT (RSG)

Rent Subsidy Grant The RSG is available to new business start-ups that want to open a new business location, as well for established businesses that want to relocate or expand their rentable space within the City of San Benito City Limits, but preferably within the Downtown District. Note that new or expanded businesses will only be considered for the RSG within the first two years from being officially opened for business. *Ex: Business officially opened February 2019; the business will be eligible to apply for the RSG from February 2019-February 2021.*

The San Benito EDC offers up to (50%) rent subsidy reimbursement of the monthly lease amount worth up to **six (6) months of rent** with a maximum of \$850 per month, and a total not to exceed \$5,000.00.

Businesses must sign a minimum of a two (2) year lease in a commercial space and be open for business before applying for this grant. The dollar per square foot of the space should fall within fair market value and should be disclosed on the lease agreement.

Prospective businesses must be open to the public at least six (6) days a week, minimum of eight (8) hours a day, and open past 6:00 PM.

If awarded, applicants must submit a copy of their sales tax report .

Eligible Businesses:

- Upscale restaurants, coffee shops, specialty food & entertainment (including bar & grills);
- Artisan shops;
- Home furnishings and appliances;
- Visual and Performing Arts, galleries
- Specialty grocery store;
- Bookstores;
- Music stores;
- Boutiques

The business must be a small scale business with a minimum of 3 employees during the application period and no more than \$350,000 of gross sales a year.

Other business types may be considered by the San Benito EDC, yet subject to such businesses generating sales and impactful job creation.

Home based businesses or vendors operating inside another business are NOT eligible for the Rent Subsidy Program.

In order to avoid a conflict of interest or perception of it the property owner/landlord should not be a family relative to the business owner/tenant that will occupy/lease the property.

INELIGIBLE BUSINESSES

Businesses located on illegally obtained property, illegally used property per the City's zoning ordinances, or properties used for anything beyond that which it is approved by the City's Planning & Zoning Board ARE NOT eligible.

Approved by EDC Board of Directors on 12/16/2020 | Approved by City Commission on 01/05/2021

Faith based organizations whose building is primarily used for religious activities such as worship, religious instruction, or conversion ARE NOT eligible.

The following types of businesses **ARE NOT** eligible:

- Adult entertainment oriented businesses (strip joints)
- Automotive sales
- Banking institutions
- Insurance Companies
- Check cashing stores
- Payday loan stores
- Nursing homes
- Assisted living facilities
- Child and Adult Day Care centers
- Entertainment/event centers or party halls
- Non-profit organizations
- Corporate or Chain Retail Shops
- Corporate or Chain Restaurants
- Franchise Retail Stores or Fast Food Restaurants

RSG Eligibility & Application Requirements:

- a) Applicant/Business owner must coordinate with the City of San Benito-Planning department to determine space use, restoration requirements, renovation limitations, and other city requirements for opening a business (note that the San Benito EDC is not a department of the City of San Benito);
- b) Arrange a meeting with the San Benito EDC or a business advisor from either the Small Business Development Center (SBDC) or UTRGV Entrepreneurship and Commercialization Center to establish or review a Business Plan Summary and a One Year Business Pro Forma;
- c) Provide financial information related to the startup and operation of the business;
- d) Applicants/Business owner must submit a quarterly sales tax report. If the business does not report sales tax, the business will not be eligible.
- e) Attend training/workshop opportunities that deal with marketing, HR, customer service, and/or merchandise management;
- f) Provide a Business Plan Executive Summary (minimum of 3 to 5 pages);
- g) One (1) Year Operating Pro Forma;
- h) Previous two years of personal tax returns or business tax returns if an existing business;
- i) Assumed Name Certificate/ Doing Business As (DBA) certificate or proof that business has been filed with the county and state
- j) Sales Tax Permit
- k) Draft of negotiated two (2) year lease. An executed lease agreement is required prior to the execution of the Rent Subsidy Grant Agreement. The dollar per square foot of the space should fall within fair market value and should be disclosed on the lease agreement.
- l) W9 Form
- m) Completed Application.

The San Benito EDC reserves the right to request additional information to evaluate beyond that which is requested on the grant application.

The San Benito EDC reserves the right to accept or deny grant requests and to change grant guidelines at any time.

RENT SUBSIDY GRANT AGREEMENTS / AWARDS

Applicants must have a signed Grant Agreement with the San Benito EDC prior to submitting any request for reimbursement. Rent reimbursements will be processed monthly. Reimbursements will be made within 14 calendar days from when the tenant submits proof of rent payment and includes a paid receipt from the landlord.

Applicant shall remain open for business for the entire grant period of six (6) months. In the event the business closes the applicant will be required to reimburse the San Benito EDC any amount that has been distributed and will be ineligible for any future grant funding that the San Benito EDC may offer.

If awarded an agreement will need to be signed that stipulates a guarantee that the San Benito EDC will have a method to recover any funds from the grantee if it fails to remain open for the entire grant period.

Rent payments spent prior to execution of the Grant Agreement by both parties are not eligible for reimbursement.

Grant amounts may not be increased after the Grant Agreement is executed.

If the award grantee fails to be in compliance with the grant agreement stipulations/requirements, the San Benito EDC reserves the right to negate/rescind the award and redistribute those funds.

APPLICATION

Grant applications will be reviewed on a monthly basis and are due by last Friday of the month at 12:00 PM.

Applicants that have been denied a grant, may resubmit an updated application and be considered for the SBEDC Board the following month. However, do note that the San Benito EDC reserves the right to accept or deny grant applications/requests and change the grant guidelines at any time.

San Benito EDC reserves the right to request additional information to evaluate beyond that which is requested on the grant application. A good faith effort by the San Benito EDC staff will be made to notify all interested parties.

Completed Applications are due	Monthly on the last Friday of the month by 12:00 PM
Information Session	One to One Session
Grant application review	Monthly (2 nd Thursday of the month after completed application is submitted). i.e if

	submitted in May, application will be reviewed by EDC staff by the 2 nd Thursday of June.
SBEDC Board Consideration & Possible Award	Monthly (4 th Wednesday of the month after the completed application is submitted). i.e if completed application is submitted in May, then the completed application will be reviewed by the EDC Board on th 4 th Wednesday of June.
Notification of Decision	No later than 10 working days from award by the SBEDC Board.
Project start date	Will vary as stipulated by the San Benito EDC Board.

For additional information about the Rent Subsidy Grant, please contact Victoria Padron, Economic & Downtown Development/Marketing Coordinator, at the San Benito Economic Development Corporation via (956) 626-1350, in person at 701 N. Bowie Street, San Benito, TX or visit the San Benito EDC website at www.sanbenitoedc.us



Small Business Investment Program-RENT SUBSIDY GRANT APPLICATION

CONTACT INFORMATION	
Name of Applicant	
Mailing Address	
Phone Number	
Email Address	
BUSINESS INFORMATION	
Business Type	<input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Proprietorship <input type="checkbox"/> Individual
Business Name	
Business Address	
Business Phone Number	
Business Email Address	
Federal Tax ID Number	
Business Description (include type of services):	
Is Business New or Existing	<input type="checkbox"/> NEW <input type="checkbox"/> EXISTING
If new, state the estimated business opening date	
If existing business, provide how long you have been in operation	
Number of New Jobs Created	F/T: P/T: Hourly Wage:
Existing Number of New Jobs (if applicable)	F/T: P/T: Hourly Wage:
Average Customer Visits	Per Week: Per Month:
Hours of Operation	
Days of Operation	
LEASE INFORMATION	
Landlord Name	
Mailing Address	
Phone Number	
Email Address	

Does property owner or landlord have a business or family relationship to the business owner that will occupy the property?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
	Please Explain:	
Are any upper stories currently occupied?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
	Type: <input type="checkbox"/> Retail <input type="checkbox"/> Service <input type="checkbox"/> Professional <input type="checkbox"/> Residential <input type="checkbox"/> Other	
Monthly Rent Amount		
Term of lease	Starting Lease Date:	Ending Lease Date:
Square Footage of Leased Space		
Price per Square Foot		
Subsidy amount requested	Monthly:	Total:

Incomplete applications without the required documents will not be accepted.

NOTE: ALL DOCUMENTS WILL BE KEPT CONFIDENTIAL

By signing and submitting this application, I hereby acknowledge the following:

- I have read and understand the application form and accompanying program overview.
- The San Benito Economic Development Corporation's acceptance of this application does not obligate the San Benito Economic Development Corporation to enter into a grant agreement, to pay any costs incurred in its preparation, to participate in proposed subsequent negotiations, or to contract for any services or materials purchased pertaining to the project.
- If the award grantee fails to be in compliance with the grant agreement stipulations/requirements, the San Benito EDC reserves the right to negate/rescind the award and redistribute those funds.
- I certify that all information contained in this application and any attachments is true, correct, and complete to the best of my knowledge.

Applicant/Tenant Signature

Applicant/Tenant Printed Name

Date

ATTACHMENT A

