

FY 2020-2021



## SMALL BUSINESS INVESTMENT PROGRAM

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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 lackage 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**

### **COMMERCIAL FAÇADE GRANT GUIDELINES**

#### **OVERVIEW**

The San Benito Economic Development Corporation (San Benito EDC) Downtown Commercial Façade Grant Program is an opportunity for the San Benito EDC to assist businesses in making storefront improvements, promote downtown revitalization, support local businesses, and encourage new business startup. These guidelines are provided to assist applicants in understanding the types of improvements that the San Benito EDC desires to support. Priority will be given to projects that address the following goals:

- Improve the condition and appearance of the building's façade (storefront) and other site elements visible from the public right-of-way (roadway).
- Promote collaboration between businesses to attract additional tenants and investment in San Benito, TX
- Rehabilitate commercial buildings to be attractive and compatible with their surroundings.
- Create functional and safe buildings, while improving customer access.
- Eliminate building elements that convey a sense of neglect, disrepair, or abandonment.
- Restoration of storefronts to their original historic status/design.

#### **FUNDING & ELIGIBILITY**

The San Benito EDC offers a fifty percent (50%) reimbursement grant for eligible businesses that are located within the designated/eligible corridor (see Attachment A) and to be used to improve the appearance of their building and business site.

Grant amounts are as follows:

Façade grants (front / entrance area of building) are available up to \$10,000 (\$20,000+ total project).

Sign only grants are available up to \$1,500 (\$1,000+ total project).

Paint only grants are available up to \$5,000 (\$10,000+ total project).

Properties may receive multiple awards, however, regardless of applicant (tenant or property owner), single-tenant buildings are limited to \$10,000 per property over five years while multi-tenant properties are limited to \$20,000 per year, up to \$100,000 per property over five years.

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.

Applicants must be current on personal and business property taxes and sales tax payments. When the applicant is not the property owner, the property owner must be current on personal and business property tax payments.

Buildings must have commercial use as their primary purpose (such as, but not limited to: retail, services, restaurant, cultural venue, professional offices, and manufacturing). Mix-use buildings are

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eligible as long as the ground floor is over fifty percent (50%) commercial use. Residential, assisted living, child and adult daycares, and nursing homes are not eligible.

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.

Property owner or tenants may apply for the grant. When the applicant is not the property owner, the property owner must provide written consent with the application. Tenants must also include a copy of their lease terms. Proof of ownership is required.

Vacant property applicants are encouraged to secure a tenant prior to executing the Grant Agreement, unless the property owner is intending to reinstate business activity at the location.

The following expenses **ARE NOT** eligible:

- New construction
- Full roof replacement
- Architectural fees
- Engineering fees
- Contractor administration fees
- Self-contracted labor
- Projects to correct violations
- Projects started prior to grant award
- Projects or repairs that are covered by insurance
- Interior Renovations labor, equipment or materials purchased outside the United States.

## **GUIDELINES**

**Structural Integrity** - The applicant must be able to demonstrate that the building is structurally sound.

**Compliance with Codes** - All proposed improvements must adhere to San Benito zoning ordinances and building codes, along with all applicable local, state, and federal regulatory restrictions.

**Respect for Original Design** - Improvements are encouraged to respect the original design of the building, including the original style, form, and materials.

**Respect for Surrounding Buildings** - Improvements are encouraged to collaborate with the design of the surrounding buildings to provide a cohesive appearance.

**Building scale** - Improvements are encouraged to be compatible in scale and proportion with surrounding buildings/structures. Larger or smaller scale buildings/structures may be integrated with opposing scale buildings/structures using creative architectural design.

**Pedestrian safety** - Improvements must make pedestrian safety a top priority.

Multiple Tenant Buildings - Individual storefronts within one building are encouraged to retain their individuality while retaining a cohesive appearance with fellow tenants.

Color schemes and materials - Colors should be complementary to the building and its surroundings. Quality materials are often most aesthetically appealing when left in their natural state (such as unpainted brick work). The colors in the brick or stone are an excellent starting point for the color scheme of the façade. Vibrant or bold colors are often used to focus attention to portions of the property that are essential to the business (such as signage, entrance, merchandise displays). Less intense, or natural colors, make excellent backgrounds. Avoid proposals that include fluorescent or intense colors that are an extreme contrast to surrounding buildings, which may be deemed inappropriate for the architectural design and cohesiveness of the area.

Awnings - Awnings are encouraged to promote individuality of the business, provide pedestrian shelter, and protect the storefront from the elements. Please contact San Benito Code Enforcement for awning requirements.

Historical evaluation - Many buildings in downtown San Benito are of historical significance. When applicable, improvements will be submitted to the Texas Historical Commission for evaluation.

Texas Department of Transportation evaluation - Buildings along Sam Houston Boulevard (also known as Texas State Highway 345) must adhere to Texas Department of Transportation (TxDOT) regulations. When applicable, improvements will be submitted to TxDOT for evaluation.

### **INELIGIBLE BUSINESSES**

Projects 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.

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
- 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

### **INELIGIBLE PROPERTIES**

- Tax delinquent properties
- Property whose owner has any other tax delinquent property in the City of San Benito
- Property in litigation
- Property in condemnation, receivership, or foreclosure
- Exclusively residential developments

The following items are **required** with your application. Please remember that detailed documents show a stronger impact in concept and provide greater explanation of the project.

- Applicant/Business 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);
- Completed Application. Incomplete applications will not be accepted;
- Detailed scope of work: must outline all proposed work/renovations including materials, location of work, size of work area;
- Formal cost estimate from at least 3 bidders. Cost estimates must include labor and materials;
- Attach current photographs of the project site;
- Photos of renderings with clear notation illustrating the areas/features to be improved. Items to remember: neighboring businesses and parking;
- Proof of financial ability to execute the project. Examples: bank statement or letter from financial institution that guarantees funding for your project via own account, loan, or a mix;
- Applicants/Business owner must submit a quarterly sales tax report. If the business does not report sales tax, the business will not be eligible.
- Proof of ownership of the property;
- Tenants only: Authorization from property owner to implement the project;
- Tenants only: Copy of terms of lease.

#### **Commercial Façade Improvements 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) preferably before purchasing or leasing the space;
- b) Detailed scope of work: must outline all proposed work/renovations including: materials, location of work, size of work area;
- c) Formal cost estimate from at least 3 bidders. Cost estimates must include labor and materials.
- d) Current photographs of the project site;
- e) Photos or renderings with clear notation illustrating the areas/features to be improved. Items to remember: neighboring businesses and parking.

- f) Proof of financial ability to execute the project. Examples: bank statement or letter from financial institution that guarantees funding for your project via own account, loan, or a mix;
- g) Proof of ownership of the property;
- h) Tenant Only: Authorization by property owner to make the renovations/improvements;
- i) Arrange a meeting with the San Benito EDC, 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;
- j) Provide financial information related to the startup and operation of the business;
- k) Attend training/workshop opportunities that deal with marketing, HR, customer service, and/or merchandise management;
- l) Business Plan Executive Summary (minimum of 3 to 5 pages);
- m) One (1) Year Operating Pro Forma;
- n) Previous two years of personal tax returns or business tax returns if an existing business;
- o) Assumed Name Certificate/ Doing Business As (DBA) certificate or proof that business has been filed with the county and state
- p) 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.
  
- q) Proof that property taxes are up to date;
- r) W-9 Form
- s) Completed Application.

### **GRANT AGREEMENTS / AWARDS**

Applicants must have a signed Grant Agreement with the San Benito EDC prior to entering into any contracts, purchasing materials, or executing activities outlined in the proposed improvement project.

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

The project shall be completed within six (6) months of the date the Grant Agreement is fully executed.

Amendments to the San Benito EDC funded portion of the scope of the project may not be amended without San Benito EDC approval. **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 SBEDC reserves the right to negate/rescind the award and redistribute those funds.**

Project scope eliminations may be presented for evaluation and possible approval. The outcome of the evaluation will depend on how the revised scope adheres to the key elements that earned the

recipient the grant. When an approved elimination reduces the project budget, the San Benito EDC may need to reduce the grant amount, as the grant cannot exceed fifty percent (50%) of the project.

The grant amount will be based on the lowest cost of three (3) contractor bids submitted by the applicant. The applicant may select the higher bid, but must pay one hundred percent (100%) of the cost difference.

Grant recipients are reimbursed upon satisfactory completion of the entire project. The grant recipient must provide inspection results, project balance sheet, and invoices with proof of payment (front and back of the check, or proof of electronic payment) for expenditures in order to be reimbursed.

Upon failure to execute the project as defined in the Grant Agreement, including amendments, funding may be revoked. Written request for extensions may be granted at the discretion of the San Benito EDC.

Applicants must be willing to agree to maintain the project improvements for a minimum of 10 years for façade projects and 3 years for sign and paint projects.

**CRITERIA**

- Level of private investment. Applicants providing more than fifty percent (50%) match will have a higher priority.
- Number of years applying without receiving an award.
- Activating a vacant building, or portion of a vacant building.
- Ability of the project to aesthetically transform the building.
- Impact the improvements will make to downtown.
- Long-term durability and sustainability of the improvements.
- Level of blight and/or risk of deterioration of current building.

**APPLICATION**

Grant applications will be reviewed on a monthly basis and are due by the last Friday of the month by 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 SBEDC staff will be made to notify all interested parties.

<b>Completed Applications are due</b>	Monthly on the last Friday of the month by 12:00 PM
<b>Information Session</b>	One to One session as requested

<b>Grant application review</b>	Monthly (2 <sup>nd</sup> Thursday of the month after completed application is submitted). i.e if submitted in May, completed application will be reviewed by EDC staff by the 2 <sup>nd</sup> Thursday of June.
<b>SBEDC Board Consideration &amp; Possible Award</b>	Monthly (4 <sup>th</sup> 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 the 4 <sup>th</sup> Wednesday of June.
<b>Notification of Decision</b>	No later than 10 working days from award by the SBEDC Board
<b>Project start date</b>	No later than forty-five (45) days after the grant agreement is executed.
<b>Project completion date</b>	No later than six (6) months from the date the Grant Agreement is executed.

For more information, please contact Victoria Padron, Economic & Downtown Development/Marketing Coordinator of the San Benito EDC at (956) 626-1350 or visit our online site at [www.sanbenitoedc.us](http://www.sanbenitoedc.us)





# Small Business Investment Program -COMMERCIAL FAÇADE GRANT

Type of improvement:  Building façade  Signage  Paint

Applicant must provide the following information for consideration of funding.

Business Name	*If applicant is a non-profit, provide non-profit status or registration with the Texas Secretary of State.
Federal ID#	
Business Owner(s)	
Business Address	
Mailing Address	
Historical or Current building name	
Phone	
Email	
Relationship to Property	<input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Other _____ *If applicant is a tenant, please include letter/document from property owner authorizing the tenant to implement the project/undertake improvements.
Property Owner(s)	
Building occupancy	<input type="checkbox"/> Single <input type="checkbox"/> Multi
Current use of each level of the building	Basement Type: <input type="checkbox"/> Retail <input type="checkbox"/> Service <input type="checkbox"/> Professional <input type="checkbox"/> Residential <input type="checkbox"/> Other Street Type: <input type="checkbox"/> Retail <input type="checkbox"/> Service <input type="checkbox"/> Professional <input type="checkbox"/> Residential <input type="checkbox"/> Other 2 <sup>nd</sup> floor Type: <input type="checkbox"/> Retail <input type="checkbox"/> Service <input type="checkbox"/> Professional <input type="checkbox"/> Residential <input type="checkbox"/> Other 3 <sup>rd</sup> floor Type: <input type="checkbox"/> Retail <input type="checkbox"/> Service <input type="checkbox"/> Professional <input type="checkbox"/> Residential <input type="checkbox"/> Other

San Benito zoning designation	
Date business was established in San Benito	
Date business was established at current address	
Type of business	
Are property taxes current?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are sales tax submissions current?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Is property located in Downtown San Benito (see guidelines)	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are there outstanding code violations against the property?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Is the property occupied?	<input type="checkbox"/> Yes <input type="checkbox"/> No  *If no: will the renovations reactivate the building? <input type="checkbox"/> Yes <input type="checkbox"/> No  Proposed/secured tenants:
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:
Estimated Cost of Project	
Amount of funding request	*Maximum of up to 50% of the lowest bid, not to exceed the amount specified in the Guidelines for the type of improvement.
Briefly describe the project	

Monthly Rent Amount		
Term of lease	Starting Lease Date:	Ending Lease Date:
Square Footage of Leased Space		
Price per Square Foot		

**Incomplete applications without the required documents will not be accepted.**

**NOTE: ALL DOCUMENTS WILL BE KEPT CONFIDENTIAL**

By signing below, I acknowledge that I have met with the City of San Benito Director of Planning, and I fully understand the Commercial Façade Grant Program Guidelines. I intend to use this grant program for the renovations detailed in this Application. I have not received, nor will I receive, insurance monies for this project.

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

I understand that if I am awarded a Commercial Façade Grant by the San Benito Economic Development Corporation, any deviation from the approved project may result in partial or total withdrawal of the grant monies.

If the improvements are altered for any reason within ten (10) years for façade projects, or three (3) years for sign and paint projects, from the finish of construction, I may be required to reimburse the San Benito Economic Development Corporation immediately for the full amount of the grant monies received.

**APPLICANT**

\_\_\_\_\_  
Signature    Printed Name    Date

**CO-APPLICANT:**

\_\_\_\_\_  
Signature    Printed Name    Date

# ATTACHMENT A

