



## SMALL BUSINESS INVESTMENT PROGRAM

The Small Business Investment Program has two (2) different financial reimbursement assistance grants that are available to entrepreneurs, small starter ups, and/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 businesses must be willing to open or expand within the City of San Benito City limits.

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

- Encourage business investment and activity with the City of San Benito city limits;
- Increase the city's sales tax base;
- Create opportunities for residents to shop local;
- Reduce leakage of dollars to neighboring communities;
- Economically active business/commercial 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 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 yearly basis by the San Benito EDC and availability is subject to funding. For fiscal year, starting October 1, 2021 and ending September 30, 2021, the San Benito EDC has allocated a total amount of \$76,000 for **both** grants.

## **Small Business Investment Program COMMERCIAL FAÇADE GRANT GUIDELINES**

### **OVERVIEW**

The San Benito Economic Development Corporation (San Benito EDC) Commercial Façade Program is an opportunity for the San Benito EDC to assist businesses in making storefront improvements that promote revitalization, preservation and encourage new business starter ups.

These guidelines are provided to assist the 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 functionable and safe buildings, while improving customer access;
- Eliminate building elements that convey a sense of neglect, despair, and/or abandonment;
- Restoration and preservation 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 San Benito city limits to be used to improve the appearance of their building and business storefront.

Grant Amounts are as follows:

Façade grants (front/entrance of building) are available up to \$10,000 for projects with a total cost of \$20,000 or more.

Sign only grants are available up to \$1,500 for signs with a total cost of \$1,000 or more.

Paint Only Grants are available up to \$5,000 for projects with a total of \$10,000 or more.

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 (5) years while multi-tenant properties are limited to no \$20,000 per year, up to \$100,000 per property over five (5) years.

The applicant shall remain open for business for the entire grant period of six (6) months. If 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.

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

Mixed used buildings are eligible if the ground floor is over fifty (50) percent commercial use.

Residential, assisted living, child and adult daycares, and nursing homes are NOT eligible.

Home based businesses or vendors operating inside other business are NOT eligible for the Commercial Façade Grant.

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 the 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/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 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 the San Benito Code Enforcement for awning requirements.

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

**Texas Department of Transportation Evaluation-**Buildings along state Highways 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 and Zoning Board ARE NOT eligible.

Faith based organizations whose building is primarily used for religious activities such as worship, religious instruction, or conversation 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
- Home Health Agencies
- Assisted Living Facilities
- Adult and Child Day Cares
- Event Centers/Venues/Party Halls
- Non-Profit Organizations
- Corporate or Chain Retail Shops
- Corporate or Chain Restaurants
- Franchise Retail Stores
- Fast Food Restaurants
- Schools/Training Facilities

## 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 on concept and provide greater explanation of the project.

- Applicant/Business owner must coordinate with the City of San Benito-Code Enforcement Department to determine space use, restoration requirements, renovation limitations, zoning, and obtain necessary licenses and permits for the use of the business location/property;  
**Applicant must provide proof of licenses and permits that have been issued by the City of San Benito for the business to open and operate.**
- Arrange a meeting with a business advisor for either the Small Business Development Center (SBDC) or UTRGV Entrepreneurship and Commercialization Center to establish or review a Business Plan Summary and One (1) Year Pro Forma;  
**Applicant must provide a Business Plan Executive Summary (minimum 3-5 pages and One (1) Year Pro Forma;**
- Applicant/Business Owner must provide proof of quarterly sales tax reporting as part of the application process and periodically for the period of the grant;  
**If the business does not report sales taxes, then the business is not eligible for the grant;**
- Applicant must provide proof that the business has a Texas Comptrollers Sales Tax Permit;
- Applicant must provide previous two (2) years of business tax returns if their business has already been in established/in existence. If not, applicant must provide previous two (2) years of personal tax returns for new businesses;
- Assumed Name Certificate/Doing Business As (DBA) certificate or proof that business has filed with county and/or state;
- An executed two (2) year lease agreement. The dollar per square footage of the space should fall within fair market value and should be disclosed on the lease agreement;

- Tenants Only: Letter from the property owner authorizing the implementation of the project;
- If the owner is the applicant, he/she must provide proof of ownership;
- Detailed scope of work: must outline all proposed/renovations including materials, location of work, size of work area;
- Formal cost estimate from at least three (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 (bank) that guarantees funding for the project via applicant's bank account, loan, or combination of funds.

**The San Benito EDC reserves the right to request additional information to evaluate beyond that which is requested on the grant 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 the execution of the Grant Agreement by both parties are not eligible for reimbursement.

Reimbursements will be made within 30 calendar days from when a reimbursement request is submitted to the San Benito EDC with required support documentation.

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 the San Benito EDC Board of Directors approval. **Grant funding amounts may not be increased after the San Benito EDC Board of Directors and City Commission have approved the funding award.**

**If the award grantee fails to follow the grant agreement stipulations/requirements, the San Benito EDCV reserves the right to negate/rescind the award and redistribute those funds.**

***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 meet the requirements of the grant.***

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 the City and Downtown area.
- 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. Complete Applications received by the deadline will be presented to the EDC Board of Directors for consideration during the following month EDC Board Meeting.

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 (month after the completed application is submitted).
<b>Notification of Decision</b>	No later than 10 working days from award by the SBEDC Board and Final City Commission Approval.
<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 additional information about the Commercial Façade Grant, please contact the San Benito Economic Development Corporation via phone (956) 626-1350 and/ or visit the San Benito EDC website at [www.sanbenitoedc.us](http://www.sanbenitoedc.us)



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	<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	



