

ORDINANCE NO. 22-2567

AN ORDINANCE OF THE CITY OF DENTON ADOPTING AN UPDATED DOWNTOWN REINVESTMENT GRANT PROGRAM POLICY FOR THE DOWNTOWN REINVESTMENT GRANT PROGRAM; PROVIDING A REPEALER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on February 14, 2007, the Downtown Task Force (now Downtown Economic Development Committee) unanimously recommended creating an incentive program to promote desired development/redevelopment in the downtown area of the City of Denton; and

WHEREAS, on April 3, 2007, the City Council of the City of Denton adopted the Downtown Incentive Reimbursement Grant Program; and

WHEREAS, Ordinance No. 2010-316 designated Tax Increment Financing Reinvestment Zone No. One ("Downtown TIRZ"), as provided by the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code (the "Act"), to provide funding necessary to encourage development in downtown Denton; and

WHEREAS, on December 7, 2010, the City Council authorized the Project and Finance Plans for the Downtown TIRZ, which authorizes the creation and expenditure of the Downtown TIRZ fund for purposes authorized by the Act, and

WHEREAS, on September 10, 2018, the City Council adopted Ordinance No. 18-1321 approving changes to the funding source, policy, and procedures for the Downtown Reinvestment Grant Program; and

WHEREAS, on August 18, 2020, the City Council adopted Ordinance No. 20-1521 approving changes to the maximum available grant award for the Downtown Reinvestment Grant Program; and

WHEREAS, on December 14, 2021, the City Council adopted Ordinance No. 21-2626 approving changes to the maximum available grant award and limiting the number and timing of grants for properties that have already been improved using grants from the Downtown Reinvestment Grant Program; and

WHEREAS, the Downtown TIRZ Board of Directors and the Downtown Economic Development Committee have recommended changes to the Downtown Reinvestment Grant Program Policy and the City Council reviewed the recommendations and finds that changes to the Downtown Reinvestment Grant Program Policy are eligible project costs in accordance with

the Act and the Downtown TIRZ Project and Finance Plans, and benefit the Downtown TIRZ by stimulating economic development of downtown; NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The City Council of the City of Denton hereby approves the changes to the Downtown Reinvestment Grant Program Policy, which is attached to and made a part of this ordinance for all purposes.

SECTION 2. All provisions of any Downtown Reinvestment Grant Program Policy adopted prior to this ordinance, and all ordinances of the City of Denton in conflict with the provisions of this ordinance as related to Downtown Reinvestment Grant Program Policy, are hereby repealed, and all other provisions of the ordinances of the City of Denton not in conflict with the provisions of this ordinance shall remain in full force and effect.

SECTION 3. This Ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by Brian Beck and seconded by Jesse Davis, the ordinance was passed and approved by the following vote [6 - 0]:

	Aye	Nay	Abstain	Absent
Gerard Hudspeth, Mayor:	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
Vicki Byrd, District 1:	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
Brian Beck, District 2:	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
Jesse L. Davis, District 3:	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
Vacant, District 4:	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Brandon Chase McGee, At Large Place 5:	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
Chris Watts, At Large Place 6:	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>

PASSED AND APPROVED this the 24th day of January, 2023.


GERARD HUDSPETH, MAYOR

ATTEST:
ROSA RIOS, CITY SECRETARY

BY: 

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY:  Digitally signed by Scott Bray
Date: 2023.01.20 12:37:22
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DOWNTOWN REINVESTMENT GRANT PROGRAM POLICY

I. GENERAL PURPOSE AND OBJECTIVES

The City of Denton's Department of Economic Development promotes Denton and its unique character through the redevelopment and revitalization of Downtown, historic preservation, community involvement, and by providing educational and technical assistance to business and property owners. With Downtown as a key focus area of Denton's economic development program, the City Council adopted the following Downtown Reinvestment Grant Program.

Applications shall be submitted on the application form attached hereto as Exhibit "A" and incorporated herein for all purposes, and are considered as they are received, and may be funded, if approved, until funds are depleted.

II. GRANT GUIDELINES

1. Facade rehabilitation grant funds are available for exterior work on building facades that immediately overlook public streets located in the Downtown area as defined by the Downtown Tax Increment Financing Reinvestment Zone Number One – Downtown (TIRZ #1), see attached map, page 5.
2. Roof and foundation work on commercial buildings in the TIRZ #1 area may also be eligible for grant funds, providing costs do not exceed 50% of the grant request.
3. Interior and Code Improvement work includes asbestos and mold abatement, fire suppression systems, and improvements required by or in accordance with the Americans with Disabilities Act, as amended.
4. No grant applications will be accepted for work that has already been started or completed, or for work that is covered by insurance.
5. Grants are awarded on a reimbursement basis once completed work has been verified by City staff as compliant with the plans proposed in the approved application. Any deviation from the approved project may result in the total or partial withdrawal of the grant. Grants are awarded as a single payment to the applicant.
6. All submitted work will be reviewed based on the Secretary of the Interior's *Standards for Rehabilitation*, as amended, and the City of Denton's Municipal Codes and Ordinances.
7. Grant applications and awards can be made in any of the reimbursable activities listed in Section III and may be combined for any single property or project. However, the maximum award amount available per property is \$50,000. Grants or portions of grants for Fire Suppression Systems do not count toward the maximum award amount available per property.
8. The maximum available grant award is \$50,000 per application but there is no limit to the total amount of grant funds that can be awarded per property. Grants or portions of grants for Fire Suppression Systems do not count toward the maximum available grant award per application.

9. An applicant is defined as an eligible property or business owner within the TIRZ # 1 area. A single owner of multiple properties may apply for grant funds for each property owned but may not receive more than \$50,000 per property per application. Grants or portions of grants for Fire Suppression Systems do not count toward the maximum available grant award per property per application.
10. If an applicant is awarded a reinvestment grant for a property, that property is not eligible for another grant for three (3) years from the date of grant approval, unless the original or new grant would be solely for a Fire Suppression System or unless the property is sold or transferred to another owner or is occupied by a new or different business.
11. If an applicant is awarded a reinvestment grant for facade, awning or sign work and the facade, sign or awning is altered for any reason within one (1) year from construction, the applicant may be required to reimburse the City of Denton immediately for the full amount of the grant.
12. Projects will be reviewed and ranked with the following considerations in mind:
 - Project results in an increase in property valuation and/or generates sales tax revenue
 - Project rehabilitation reflects historic accuracy
 - Project improves the capacity of water, wastewater or electric utility services
 - Projects provides improvements to health and safety
 - Water/Wastewater impact fees are assessed
 - Project results in a significant increase in downtown population (residents and/or day or night users). Other appropriate impacts may be considered on a case-by-case basis, including, but not limited to: partners with other businesses (i.e., shared parking), project is a “target” business (i.e., grocery, pharmacy, etc.), and/or promotes development of arts and entertainment downtown.

III. PROGRAM DETAILS

Reinvestment grants are available for the following types of projects:

Facade Rehabilitation and Building Renovation

Definition:

Removing slipcovers or non-historic/added facades, repainting brick or replacing mortar joints, replacing or restoring cornices, removing paint from brick, replacing windows, restoring transom windows, painting, roof and foundation work.

Grant Limits:

Facade rehabilitation and building grants are limited to a 50% match of the eligible projects costs, with a cap of \$50,000 per grant for facade, roof and foundation work. Roof and foundation repair may constitute no more than half of the request and shall only be considered for funding if included as a portion of a larger project.

Paint-only grants are limited to a 50% match with a cap of \$7,500 per grant.

Awnings and Signs

Definition:

Replacing, adding or repairing awnings and signs. Signs may include signboards, projecting signs and pedestrian signage (includes window sign, hanging sign and awning/canopy sign).

Grant Limits:

Awning grants are limited to a 50% match with a cap of \$7,500 per grant. Sign grants are limited to a 50% match with a cap of \$2,500 per grant.

Impact Fee Reimbursement

Definition:

Reimbursement for City of Denton water and wastewater impact fees.

Grant Limits:

Impact Fee grants are limited to a 50% match with a cap of \$50,000 per grant.

Utility Upgrades

Definition:

Upgrades to water, wastewater and electrical service, includes interior upgrades as well as exterior service upgrades.

Grant Limits:

Utility Upgrade grants are limited to a 50% match with a cap of \$50,000 per grant.

Interior/Code Improvements

Definition:

Asbestos and mold abatement and improvements made as required by or in accordance with the Americans with Disabilities Act, as amended.

Grant Limits: Interior/Code Improvement grants are limited to a 50% match with a cap of \$50,000 per grant.

Fire Suppression Systems

Definition:

Installation of a new fire suppression system or necessary updates to an existing fire suppression system in accordance with International Fire Code (IFC) and International Building Code Chapter 9, currently followed by City of Denton.

Grant Limits: Fire Suppression System grants are limited to a 50% match with a cap of \$50,000 per grant.

IV. GRANT APPLICATION PROCESS

1. Contact the Economic Development department to discuss the project and determine eligibility. If requested, a staff member with the Economic Development department will set up an appointment with the Texas Main Street Center's Architectural Assistance Program, which provides free assistance in selecting paint, color schemes and building and sign materials for building façade and signs.
2. Complete the grant application form and sign the agreement form. Return the completed application form with all original itemized work estimates, color samples, drawings and example sign material of the proposed work to the Economic Development office at 401 N. Elm Street. Applications should include:
 - a. Drawings of all proposed grant work to be done. Drawings may be prepared by the Texas

Main Street Architect, the project architect, or contractor. Color samples of all final paint selections and/or final building or sign material selections **must** be included with the application.

- b. Itemized work estimates on all project work from contractors or project architects **must** be included with the application. (Self-contracted work will be reimbursed for eligible expenses, excluding labor.)
 - c. Photos of the building's exterior, interior, roof or foundation (areas where work is to be performed).
 - d. Legal description of the property.
3. The approval process will include without limitation the following:
- a. All projects must meet current building standards and codes, as well as building permit requirements.
 - b. Applicants are required to attend and present their project to the Downtown Economic Development Committee (DEDC), the Downtown TIRZ Board, and City Council.

The DEDC meets monthly, as needed. The DEDC will score applications and make a recommendation to the TIRZ #1 Board.

Grants then must be reviewed by the TIRZ # 1 Board. The TIRZ #1 Board will make a recommendation to the Denton City Council. The TIRZ meets bi-monthly and will review submitted applications and consider the DEDC's recommendation.

- c. If recommended by the TIRZ #1 Board, grants will be placed on the Denton City Council agenda. The DEDC and TIRZ #1 Board recommendations are advisory only, and no recommendation shall be binding on the Denton City Council. The Denton City Council has the final discretion with regard to funding and reserves the right to modify or reject any project or elements of any project.
- d. Applications **must be complete and contain all required information.** Additional information requested by the DEDC, TIRZ #1 Board or the Denton City Council must be provided prior to consideration of the grant.
- e. All construction bids submitted by an applicant must be current and must be dated no earlier than ninety (90) days prior to the application request. Bids shall be submitted on the contractor's or project architect's letterhead and shall contain the contractor's name, address, and telephone number and shall itemize the bid in a manner that allows the DEDC, TIRZ #1 Board and Denton City Council to determine the bid components and authenticity of the bid.
- f. An applicant whose application that has been denied by the Denton City Council shall not be eligible to re-submit a grant application for six (6) months from the date the prior application was declined by the Denton City Council.
- g. Applicants receiving approval shall commence construction described within the

application within ninety (90) days from the date the grant is awarded. All applicants must complete the construction described in the application within one (1) year from the date the grant is approved. If the applicant is unable to commence construction within ninety (90) days from the date the grant is approved or complete construction within one (1) year from the date the grant is approved, the applicant may submit a written request for an extension for the commencement date or completion date provided the extension request is made prior to the ninety (90) day or one (1) year time limit. The DEDC, TIRZ #1 Board or Denton City Council shall not be obligated to allow extensions but may do so for good cause determined solely by the entity which authorized the grant. The extensions, if granted, shall be for the term and for the conditions determined exclusively by the entity which authorized the grant. An extension denial cannot be appealed and shall be final.

- h. As a condition of the grant, the applicant consents and shall allow Economic Development staff to request City inspections to determine that the grant, if awarded, will not be used for construction on any building that is not in compliance with the City Municipal Codes and Ordinances that are applicable to the construction contemplated in the application.
 - i. No applicant has a proprietary right to receive grant funds. Each request will be considered on a case-by-case basis.
 - j. The applicant shall be required to furnish photographs of the building's exterior, roof and foundation after the construction is completed, as a condition of final grant reimbursement.
 - k. The applicant is required to obtain all applicable City permits and City approvals required for the construction if a grant is awarded.
 - l. An applicant should attend DEDC, TIRZ #1 Board, and Denton City Council meetings in which consideration of the application occurs.
4. **Reimbursement:** When the grant project has been satisfactorily completed and reviewed, the applicant shall present the Economic Development office with copies of all paid invoices, including copies of cancelled checks and/or credit card receipts, for a single payment reimbursement of the approved funding. In addition, the applicant must complete a City of Denton Vendor Form and a Form 1099 to receive payment from the City. Vendor forms and 1099s will be provided by the Economic Development Department.

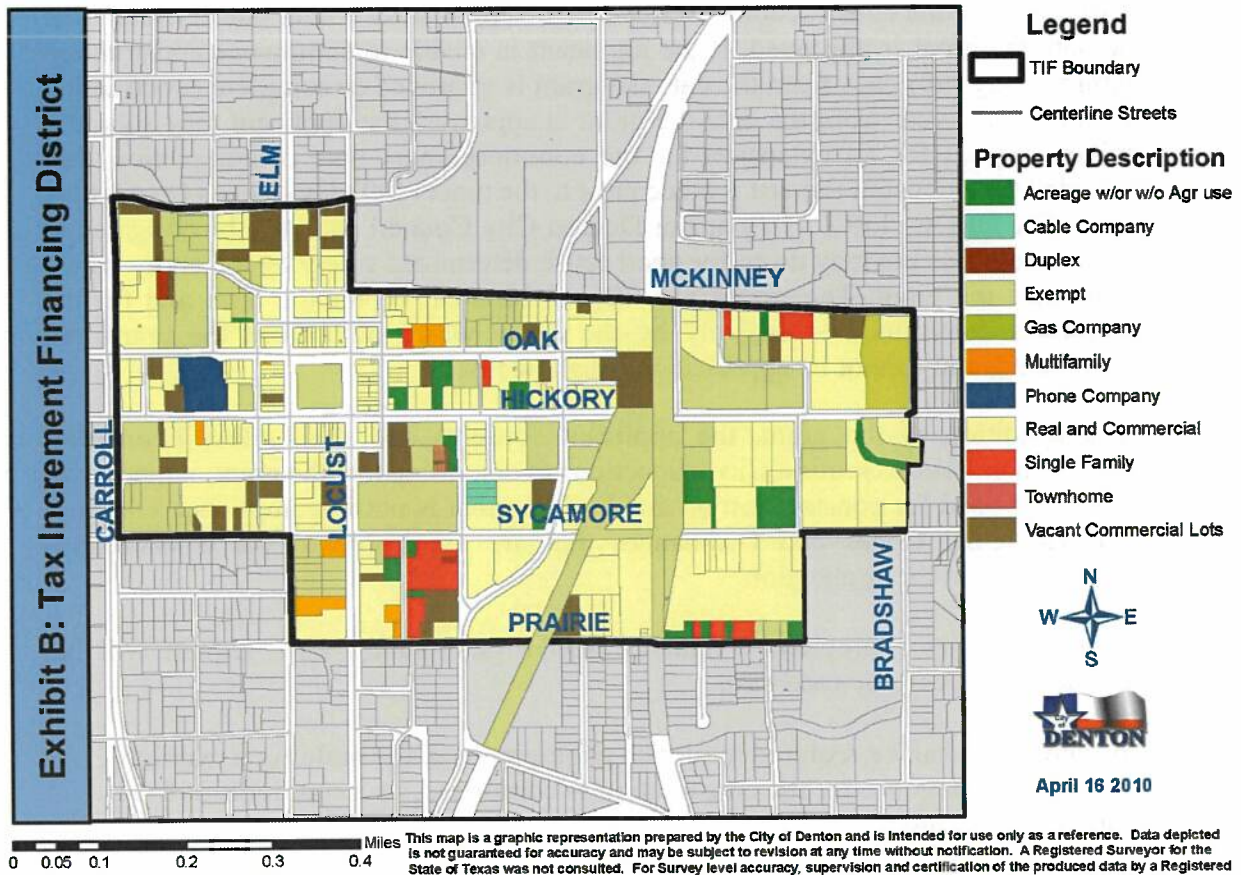
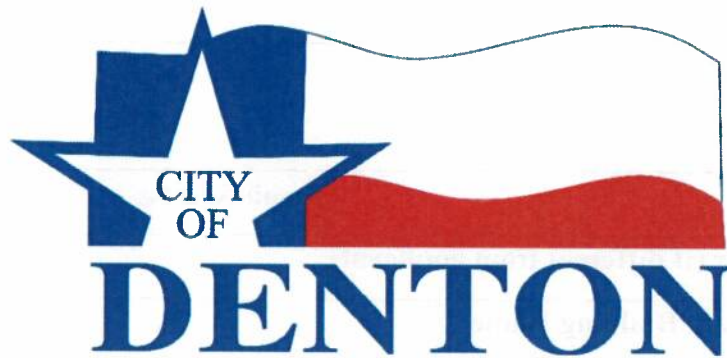


EXHIBIT A



**CITY OF DENTON
DOWNTOWN REINVESTMENT GRANT PROGRAM APPLICATION**

Department of Economic Development
401 N. Elm St., Denton, TX 76201
940-349-7776
www.cityofdenton.com
ED@cityofdenton.com

Downtown Reinvestment Grant Program Application

Please return completed the application with necessary attachments and signatures to the Economic Development Department office at 401 N. Elm St., Denton, Texas. If you have any application questions, please contact the Economic Development Department at 940-349-7776.

Applicant Name	Date
Business Name	
Mailing Address	
Contact Phone	Email Address
Building Owner (if different from applicant)	
Historical/Current Building Name	
Project Site/Address	

Type of Work: (check all that apply)

- | | |
|---|---|
| ☐ Paint Only | ☐ Awnings |
| ☐ Signage | ☐ Impact Fees |
| ☐ Utility Upgrades | ☐ Interior/Code Improvements |
| ☐ Facade & Building Renovation | ☐ Fire Suppression System |

Details of planned improvements relating to grant request (attach additional information if necessary).

How will this project benefit Downtown?

Legal Description of the property:

Project Categories	Estimated Costs	Grant Requested
Facade/Building Rehab		
Awnings		
Signs		
Impact Fees		
Utility Upgrades		
Interior/Code Improvements		
Fire Suppression System		
Totals		

TOTAL COST OF PROPOSED PROJECT

\$

TOTAL GRANT REQUEST

(May not exceed 50% of TOTAL COST up to \$50,000)

\$

Attach all required color samples of paint, awning/canopy, sign design, etc., as well as photographs of building's exterior facade, roof and foundation.

Applicant's Signature

Date

DOWNTOWN REINVESTMENT GRANT AGREEMENT FORM

Please complete and return with the Downtown Reinvestment Grant Application to the Economic Development office, 401 N. Elm St., Denton, Texas. If you have any questions, please contact the Economic Development Department at 940- 349-7776.

I have met with a representative from the Economic Development Department, and I have read and fully understand the Downtown Reinvestment Grant procedures established by the Denton City Council. I intend to use this grant program for the aforementioned renovation projects to advance the efforts of revitalization and historic preservation of Denton's historic downtown. *I have not received, nor will I receive insurance monies for this revitalization project.*

I understand that if I am awarded a Downtown Reinvestment Grant by the City of Denton, any deviation from the approved project may result in the partial or total withdrawal of the grant. (If I am awarded a reinvestment grant for facade, awning or sign work and the facade, sign or awning is altered for any reason within **one (1) year** from construction, I may be required to reimburse the City of Denton immediately for the full amount of the grant.)

Business/Organization Name

Applicant's Signature

Printed Name

Date

Building Owner's Signature (if different from applicant)

Printed Name

Date

This section is to be completed by Economic Development staff.

Date considered by DEDC

Recommendation

Staff Signature

Date considered by TIRZ #1 Board

Recommendation

Staff Signature

Date considered by City Council

Approval

Staff Signature

REVIEW PROCESS

Total project scores can range from 0 to 35 points.

Recommendations will be based on:

0-9 points	=	No funding
10-14 points	=	Grant recommendation of up to \$7,500
15-19 points	=	Grant recommendation up to \$15,000
20-24 points	=	Grant recommendation up to \$25,000
25-29 points	=	Grant recommendation up to \$35,000
30-40 points	=	Grant recommendation up to \$50,000

All grants will be subject to a recommendation by the Downtown Economic Development Committee, TIRZ #1 Board, and approval by the Denton City Council.

Grant applications will be scored based on:

- **Economic Impact - 0-5 Points**
 - Total investment dollars as provided in the grant application
 - Investment in structure construction or renovation (excluding purchase price)
 - Investment in furniture, fixtures and equipment; estimated taxable sales
- **Historic Accuracy/Design - 0-5 Points**
 - New construction/complements existing buildings
 - Restores building to historic accuracy
 - Renovation of building with historic marker (Local, state or national historic marker)
- **Upgrades to Utilities/Impact Fees - 0-5 Points**
 - Requires upgrades in electrical service
 - Increases existing water/wastewater capacity
 - No existing utilities to structure
 - Extends water/wastewater lines (improves additional properties)
 - Impact fees may be ranked depending upon percentage of fees to eligible expenses
- **Increases Population - 0-5 Points**
 - Increases consumer traffic (day or night)
 - Increases quality residential units
 - Increases walkability or pedestrian activity/accessibility
- **Interior/Code Improvements - 0-5 points**
 - Asbestos and mold abatement
 - Fire suppression systems
 - ADA improvements
- **Other - 0-15 Points**

Including, but not limited to:

 - Partners with other businesses (i.e., shared parking)
 - Project is a "target" business (i.e., grocery, pharmacy, locally owned)
 - Promotes development of Denton arts and entertainment
 - Longevity of business
- **Fire Suppression System – 40 points**
 - Fire Suppression Systems applications automatically receive the maximum score