



# City of Denton

City Hall  
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Denton, Texas  
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## AGENDA INFORMATION SHEET DOWNTOWN TIF BOARD

**DEPARTMENT:** Economic Development

**CM/ DCM/ ACM:** Bryan Langley

**DATE:** May 23, 2018

### **SUBJECT**

Receive a report, hold a discussion and give staff direction regarding changes to the Downtown Reinvestment Grant Program's funding source, policy, and procedures.

### **BACKGROUND**

The Downtown Reinvestment Grant Program was created in 2007. The purpose is to provide small (\$5,000-\$25,000) cash reimbursement grants for capital improvements to buildings in the downtown area. The grant program is designed to assist downtown building and business owners with projects, and it is tied to preserving the history of Denton by restoring the buildings.

The grant gives the Downtown Task Force, Economic Development Partnership Board, and City Council some control over the design of rehabilitations and new construction, as there are no design standards in place for downtown. Further, the improvements can enhance the taxable value of the buildings, adding to the tax base. Finally, the Downtown Reinvestment Grant Program is the only incentive tool Denton has that is available for small businesses. The program is strictly for capital improvements, not operating costs. It is set up as a single-payment reimbursement to property owners per building/business, and in some situations, tenants.

Reimbursement grants are available for the following types of projects:

- **Facade Rehabilitation** is defined as the removal of slipcovers or non-historic/added facades, repointing brick or replacing mortar joints, replacing or restoring cornices, removing paint from brick, replacing windows, restoring transom windows, roof and foundation work.
- **New Awnings & Signs** is defined as replacing, adding or repairing awnings & signs. Signs may include signboards, projecting signs and pedestrian signage (includes window sign, hanging sign and awning/canopy sign).
- **Impact Fee Reimbursement** is the reimbursement for City of Denton water, wastewater, and roadway impact fees
- **Utility Upgrades** includes upgrades to water, wastewater and electrical service, including interior upgrades as well as exterior service upgrades.

During the FY 2017-18 budget deliberations, Council directed the grant program be funded via the Downtown Tax Increment Reinvestment Zone (TIRZ #1) fund beginning in FY 2018-19.

Through FY 2016-17, the grant was funded through mixed beverage tax revenue. Grants of \$10,000 or less are subject to review by the Downtown Task Force and approval by the City Manager; grants of more

than \$10,000 are reviewed by the Downtown Task Force and the Economic Development Partnership Board and approved by City Council.

In the grant application review process, a scoring matrix is used. At this time, all six categories are worth five points each, for a possible total score of 30. During the April 12, 2018, Downtown Task Force discussion of the grant, it was noted that smaller projects have difficulty scoring enough points to achieve the upper range of scoring. At the May 10, 2018 meeting, Task Force members suggested the following changes:

- Fund the grant through monies collected by the Downtown TIRZ #1, beginning in FY 2018-19 and in future years for the life of the TIRZ;
- Add a category for “Interior/Code Improvements,” which would include asbestos and mold abatement and fire suppression systems;
- Remove the “Location” category, as everything would have to be within the Downtown TIRZ #1 to be eligible for grants;
- At the beginning of the “Other” category add the language “Included but not limited to...”
- Add “Longevity” in the “Other” category, to the existing “Shared Parking/Target Business/Promotes Arts & Entertainment Downtown; and
- Give “Other” category 10 points.

#### **PRIOR ACTION/REVIEW (Council, Boards, Commissions)**

April 12, 2018 – The Downtown Task Force met and discussed possible changes to the Downtown Reinvestment Grant (“the Grant”).

May 10, 2018 –The Downtown Task Force met and recommend the following changes to the TIRZ # 1 Board (10-0):

- Fund the grant through monies collected by the Downtown TIRZ, beginning in FY 2018-19 and in future years for the life of the TIRZ;
- Add a category for “Interior/Code Improvements,” which would include asbestos and mold abatement and fire suppression systems;
- Remove the “Location” category, as everything would have to be within the TIRZ to be eligible for grants;
- At the beginning of the “Other” category add the language “Including, but not limited to...”
- Add “Longevity” in the “Other” category, to the existing “Shared Parking/Target Business/Promotes Arts & Entertainment Downtown; and
- Give “Other” category 10 points.

#### **STRATEGIC PLAN RELATIONSHIP**

The City of Denton’s Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

**Related Key Focus Area: Economic Development**

**Related Goal: 3.4 Encourage development, redevelopment, recruitment, and retention**

#### **EXHIBITS**

1. Agenda Information Sheet

2. Revised Downtown Reinvestment Grant Ordinance and Application (with markup)
3. Revised Downtown Reinvestment Grant Ordinance and Application (without markup)
4. Presentation

Respectfully submitted:  
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