



Legislation Details (With Text)

File #: TIF17-011 **Version:** 1 **Name:**

Type: Tax Increment Reinvestment
Zone Number One Board

File created: 11/7/2017 **In control:** Tax Increment Reinvestment Zone Number One Board

On agenda: 11/17/2017 **Final action:**

Title: Receive a report, hold a discussion, and give staff direction regarding changes to the Downtown Reinvestment Grant Program, funding source, policy, and procedure.

Sponsors:

Indexes:

Code sections:

Attachments: 1. EcoDevo Downtown Grant Program

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

Agenda Information Sheet

DEPARTMENT: Economic Development

CM/ ACM: Bryan Langley

Date: November 17, 2017

SUBJECT

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

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. It also gives the Downtown Task Force, Economic Development Partnership Board, and City Council 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.

Currently, 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. This procedure will not have to change for FY 2017-18 grants.

In FY 2018-19, when the funding source is shifted to the Downtown TIF Fund, the policy will have to be updated to reflect the new funding source and the procedure will need to be altered in the following ways:

1. The Downtown Implementation map will have to be changed to the Downtown Tax Increment Finance zone map (TIF #1).
2. The approval system should be amended as such: the Downtown Task Force will have first review of the grant application and will make a recommendation to the Downtown TIF Board. For grants \$10,000 and under, the TIF Board will make a recommendation to the City Manager for final approval. For grants over \$10,000, The Task Force will make a recommendation to the TIF Board, who will make a recommendation to City Council for final approval.
3. This also creates an opportunity to add items to the grant that previously have not been included, such as fire suppression systems, air curtains, and upgrades to water and sewer lines outside the property lines.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

October 24, 2017 - City Council held a work session regarding the Downtown TIF, and a majority of the members agreed to continue the Downtown TIF. Council directed that the funding for the Downtown Reinvestment Grant Program come from the Downtown TIF fund beginning in FY 2018-19.

September 2017 - During budget discussions, Council opted not to fund the Downtown Reinvestment Grant program from mixed beverage taxes beginning in FY 2017-18. Council directed staff to use the remaining fund balance of \$75,000 for the 2017-2018 FY grants (the \$25,000 grant for the Monroe Pearson Building will come out of this year's fund, even though it was approved in FY 16-17). Councilmembers asked if the grants could be funded through the TIF and what changes might have to be made, if so.

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. Grant application

Respectfully submitted:
Caroline Booth
Director, Economic Development

Prepared by:
Julie Glover
Economic Development Program Administrator