CITY OF LAREDO

ECONOMIC DEVELOPMENT INCENTIVE PROGRAM ALONG ITURBIDE “IT” STREET (PHASE I) FOR RESTAURANTS AND BARS

I. GENERAL PURPOSE AND OBJECTIVES

Local Government Code, Title 12 Planning & Development Subtitle A. Municipal Planning & Development Chapter 380, Section 380.001 Economic Development Programs

(a) the governing body of a municipality may establish and provide for the administration of one or more programs, including programs for making loans and grants of public money and providing personnel and services of the municipality, to promote state or local economic development and to stimulate business and commercial activity in the municipality;

The City, by adopting the following Iturbide “IT” Street Incentive Economic Development Program, will promote rehabilitation of existing buildings in the downtown Central Business District (CBD) creating a cluster of restaurants and bars aligned with the uses and intent of the Arts & Entertainment District (AE) previously created by City Council and stimulating economic re-development in the downtown Central Business District. The City Council may approve additional terms and incentives as permitted by Chapter 380 of the Texas Local Government Code and by City Council resolution. However, any incentives awarded before the expiration of this program shall carry its full term according to its Chapter 380 Sales Tax Agreement approved by the City Council.

As mandated by state law, the property tax abatement under this policy applies to the owners of real property. All applications shall go through administrative review and approval will be granted by City Council.

II. DEFINITIONS

Businesses – means restaurants and bars as designated by the Building Services Department and physically located with a physical address on Iturbide “IT” Street.

Eligible for reimbursement – means those businesses that meet the definition (restaurant and bars) as designated by the Building Services Department with an approved application and have met all requirements within the program guidelines.

Initial Investment – means the cost of construction and rehabilitation for existing buildings to include furniture fixtures and equipment with a minimum of $25.00 per square foot of occupied space

Occupied Space – the gross leasable area improved within the building to be used by the business and as per approved floor plan on file

Boundaries (Phase 1) – any property or business located on Iturbide Street from Santa Ursula Ave. to Flores Ave.

Boundaries (Phase 2) – any property or business located on Iturbide Street Flores Ave. to Juarez Ave.
1% Sales Tax – the City’s 1% sales tax receipts as reported and collected by the State Comptroller and not to exceed the initial investment.

$25.00 a square foot – an excess of $25.00 a square foot for the total amount of space invested, documented, and certified by notary.

5 year term period – the period in which the business owner applicant is eligible for reimbursement upon presentation of the documents and approved by City.

III. MUNICIPAL SALES TAX REIMBURSEMENT

A. BUSINESSES LOCATED ON ITURBIDE “IT” STREET (PHASE I) ELIGIBLE FOR REIMBURSEMENT OF THE CITY’S 1% SALES TAX

1. Qualified businesses with an approved application from City Council may be eligible for reimbursement of their own generated sales tax equal to 1% of the City’s portion for up to a maximum of their initial investment of building improvements, furniture, fixtures and equipment as long as this initial investment is at a minimum of $25.00 per square foot of occupied space and within a 5 year period of the certificate of occupancy issued date.

2. Reimbursement of the 1% sales tax would be processed and managed at the City of Laredo Tax Department. The business owner and applicant named in the application approved by the City Council would have to present documentation of the following:
   a.) Copy of the application signed and approved by the building department
   b.) Receipts of the investment totaled and certified by affidavit and signed and sealed by Notary.
   c.) Total of invoices documenting investment need to exceed a $25.00 a square foot for the area of improvement as stated in the application.
   d.) Amount requested for reimbursement should not exceed cumulative an amount higher than initial investment and within the 5 year term period.

B. BUSINESSES LOCATED ON ITURBIDE “IT” STREET ELIGIBLE FOR REHABILITATION PERMIT FEE WAIVERS

   a. New Business Application
   b. Food Handlers Permit
   c. Water Pollution Control Division
   d. Parking Meter Permit
   e. Fire Code Inspection

   Note: Re-inspections fees are not waived

C. APPLICATION FEE

   a. The non-refundable application fee for Iturbide “IT” Street reimbursement sales tax on is $100.00
   b. Applications are available online at www.cityoflaredo.com/building or at 1120 San Bernardo Ave.
RESOLUTION NO. 2016-R-130

DESIGNATING AND CREATING AN ECONOMIC DEVELOPMENT INCENTIVE PROGRAM WITHIN THE ARTS AND ENTERTAINMENT DISTRICT ALONG ITURBIDE “IT” STREET FROM SANTA URSULA AVE. TO FLORES AVE. AS (PHASE I) FOR BARS AND RESTAURANTS ONLY, TO INCLUDE THE REIMBURSEMENT OF THE CITY’S PORTION OF THE SALES TAX (1%) WITH A CAP EQUAL TO THE START UP INVESTMENT AND OVER A 5 YEAR TERM, THE WAIVING OF PERMIT FEES FOR REHABILITATION OF EXISTING BUILDINGS AS ALLOWED BY THE LOCAL GOVERNMENT CODE, TITLE 12 PLANNING & DEVELOPMENT, SUBTITLE A, MUNICIPAL PLANNING AND DEVELOPMENT, CHAPTER 380, SECTION 380.001 ECONOMIC PROGRAMS.

WHEREAS the City Council of the City of Laredo desires to see the redevelopment and revitalization of the downtown central business district; and,

WHEREAS the creation of the arts and entertainment district within the downtown district has promoted the development of businesses with restaurants and bars clustering along Iturbide “IT” Street; and,

WHEREAS the City has found the need to incentivize these business owners to make it feasible for them to invest in bringing existing and in some cases historical buildings to building code compliance for the purpose of their use and occupancy; and

WHEREAS the State of Texas, through the local government code, Chapter 380 provisions allows for economic development programs to reimburse sales tax receipts and the waiving of permit fees as incentives to stimulate business and commercial activity within the municipality and;

WHEREAS the creation of this incentive program will incentivize businesses to redevelop and rehabilitate buildings in the downtown area that are currently vacant, substandard and in need of property maintenance, therefore, eliminating blight nuisance, and creating an environment conducive to business and entertainment; and,
WHEREAS the City Council supports the attached guidelines, which set the general framework for how the Iturbide “IT” Street Incentive Program will incentivize business development for restaurants and bars within Phase 1.

NOW THEREFORE BE IT RESOLVED,

1. That the City Council hereby adopts the Iturbide “IT” street Incentive Program for restaurants and bars.

2. The City Council further resolves the Building Development Services Department will be responsible for the program, and authorizes the Department to prepare an application, and administrative procedures for implementation of the program.

3. The City Council further resolves that the attached guidelines will serve as the framework for the implementation of the program.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR ON THIS 1 DAY OF November, 2016.

PETE SAENZ
MAYOR

Attest:

HEBERTO “BETO” RAMIREZ
ACTING CITY SECRETARY

APPROVED AS TO FORM:

RAUL CASSO,
CITY ATTORNEY
City Council-Regular
Meeting Date: 10/17/2016
Initiated By: Horacio De Leon, Assistant City Manager
Staff Source: Horacio De Leon, Assistant City Manager

SUBJECT
2016-R-130 Designating and creating an Economic Development Incentive Program within the Arts and Entertainment District along Iturbide "IT" Street from Santa Ursula Ave. to Flores Ave. As (Phase I) for bars and restaurants only, to include the reimbursement of the City’s portion of the sales tax (1%) with a cap equal to the start up investment and over a 5 year term, the waiving of permit fees for rehabilitation of existing buildings as allowed by the Local Government Code, Title 12 Planning & Development, Subtitle A, Municipal Planning and Development, Chapter 380, Section 380.001 Economic Programs.

VENDOR INFORMATION FOR COMMITTEE AGENDA

PREVIOUS COUNCIL ACTION
N/A

BACKGROUND
N/A

COMMITTEE RECOMMENDATION
N/A

STAFF RECOMMENDATION
N/A

Fiscal Impact

Fiscal Year:
Budgeted Y/N?:
Source of Funds:
Account #:
Change Order: Exceeds 25% Y/N:

FINANCIAL IMPACT:
N/A

Attachments

2016-R-130
PROJECT CERTIFICATION APPLICATION

I. Application Checklist – please submit the following documentation

- A completed application form
- New Business Application – Application must be reviewed and approved by the following:
  - Building Development Services (including Zoning, Building Code, Right of Way and Environmental divisions), Planning Department/Historic Preservation: $50.00 Permit Fee Waiver & Sign Permit Fee Waivers
  - Health Department Food Handlers Permit including $50-$400 Permit Fee waiver based on # of employees)
  - Utilities Department Water Pollution Control Division (Permit Fee waiver?)
  - Fire Department Fire Code Inspection ($50 Permit Fee Waiver)
  - Traffic Department Parking meter Division ($12.50 Permit Fee Waiver plus $7.50 Daily Fee Waiver)

- Proof of ownership, such as a warranty deed, AND contract agreement with the owner of the property
- A reduced 11 x 17 floor plan & site plan with a written detailed project description /scope of work including
- A detailed line item budget showing the cost breakdown for the project including quotes

Incomplete applications will not be processed for certification until all required documents shown in the above checklist are submitted within 15 days after the application is received.

You must apply for tax abatement before any building permits are issued for your property and before any improvements are made to your property. It takes 30-60 business days to complete the Tax Abatement Agreement approval process after the issuance of the NEZ Certification depending on the complexity of your project. All building permits must be pulled within the 12 month period that certification was approved, or within 12 month period that the tax abatement was approved or you will be required to re-apply for NEZ incentives.

II. Applicant/Agent Information

1. Applicant: ________________________________________________________________

2. Contact Person: ___________________________________________________________

3. Address: 
   Street  City  State  Zip
   ________________________________________________________________

4. Phone Number: __________________________________________________________

5. Fax No.: ________________________________________________________________
6. E-Mail: ________________________________

7. Agent (if any): __________________________

8. Address:  

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<thead>
<tr>
<th>Street</th>
<th>City</th>
<th>State</th>
<th>Zip</th>
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9. Phone No.: ______________________________

10. Fax No.: ______________________________

11. E-Mail: ________________________________

PROJECT ELIGIBILITY

1. Please list down the addresses and legal descriptions of the project. Attach a map showing the location of the project.

Table 1  Property Ownership

<table>
<thead>
<tr>
<th>Address (Project Location)</th>
<th>Zip Code</th>
<th>Subdivision Name</th>
<th>Lot No.</th>
<th>Block No.</th>
<th>Base Year Valuation</th>
<th>Tax Year</th>
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2. For each property listed in Table 1, please check the boxes below to indicate if:
   - □ There are taxes past due or:
   - □ There are City liens; or

Table 2  Property Taxes and Liens

<table>
<thead>
<tr>
<th>Address</th>
<th>Property Taxes Due</th>
<th>Weed Liens</th>
<th>Board-up/Open Structure Liens</th>
<th>Demolition Liens</th>
<th>Paving Liens</th>
<th>Order of Demolition</th>
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(Please see attached sheets of paper as needed.)
If there are taxes due or liens against any property in the City of Laredo you may not be eligible for NEZ incentives.

3. Does the proposed project conform to the City of Laredo zoning?  □ Yes  □ No

4. Please provide the name of the business and describe the proposed “IT” Street project:
___________________________________________________________________________________________
___________________________________________________________________________________________
___________________________________________________________________________________________
___________________________________________________________________________________________
___________________________________________________________________________________________
___________________________________________________________________________________________

5. Is this a rehabilitation / remodeling project?  YES  □  NO □

6. How much is the total development cost of your project?_______________________________________

Table 4
Itemized Budget of the Project

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<th>Item</th>
<th>Amount</th>
<th>Notes</th>
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**TOTAL**

***Capital investment includes only real property improvements such as new facilities and structures, site improvements, facility expansion, and facility modernization. Capital Investment DOES NOT include land acquisition costs and/or any existing improvements, or personal property (such as machinery, equipment, and/or supplies or inventory).***

7. Will the eligible rehabilitation work equal to at least 25% of the Webb County Appraisal District (WEEBCAD) assessed value of the structure during the year rehabilitation occurs?  □ Yes  □ No

8. How much is the total square footage of your project? __________________sq. ft.

III. INCENTIVES - What incentives are you applying for?

Municipal Property Tax Abatements

□ 5 years  □ More than 5 years  □ Apartments
□ Residential Owner Occupied  □ Residential Rental Property  □ Commercial
Development Fee Waivers

☐ All building permit related fees (including Plans Review and Inspection
☐ Plat application fee (including concept plan, preliminary plat, final plat, short form replat)
☐ Zoning application fee
☐ Board of Adjustment Application Fee
☐ Demolition Fee
☐ Structure Moving Fee
☐ Street Utility Easement vacation application fee

Impact Fee Waivers

☐ Water (Meter Size_______) (No. of meters_____________) ☐ Transportation

Release of City Liens

☐ Weed Liens ☐ Paving Liens ☐ Board up-open structure Liens ☐ Demolition Liens
IV. ACKNOWLEDGMENTS

I hereby certify that the information provided is true and accurate to the best of my knowledge.

I understand that the approval of fee waivers and other incentives shall not be deemed to be approval of any aspect of the project and that the application must be ratified by the City Council. I understand that I am responsible in obtaining required permits and inspections from the City and in ensuring the project is located in the correct zoning district.

Please mail or fax your application to:
Building Development Services Department
1120 San Bernardo, Laredo, Texas 78040
P: 956.794.1625 F: 956.795.2998

Electronic version of this form is available on the City of Laredo website. For more information on the NEZ program, please visit our website at www.cityoflaredo.com/building

For Office Use Only

Application No.__________________  In which NEZ? ________________  Council District ___________

Application Completed Date: ________________  Conform with Zoning? □ Yes □ No

Type: □ Single Family   □ Multi-Family   □ Commercial   □ Industrial

□ Community Facilities   □ Mixed Use

Construction Completion Date: □ before NEZ □ after NEZ

Ownership/Site Control □ Yes □ No

WEEBCAD Account No. ___________________ Consistent with the NEZ plan? □ Yes □ No

Minimum Capital Investment? □ Yes □ No

Rehabilitation at or higher than 25%? □ Yes □ No  Meet Mixed-Use Definition □ Yes □ No

Tax current on this property? □ Yes □ No  City liens on this property? □ Yes □ No

Tax Current on other properties □ Yes □ No  City liens other properties? □ Yes □ No

This Property

Weed Liens □ Yes □ No

Board-up/open structure liens □ Yes □ No

Demolition liens □ Yes □ No

Paving liens □ Yes □ No

Order of Demolition □ Yes □ No

If not certified, reason

Certified? □ Yes □ No

Date certification issued? ________________________

Other Properties

Weed Liens □ Yes □ No

Board-up/open structure liens □ Yes □ No

Demolition liens □ Yes □ No

Paving liens □ Yes □ No

Order of Demolition □ Yes □ No

Date certification issued? ________________________

__________________________________________________________________________________________