

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;

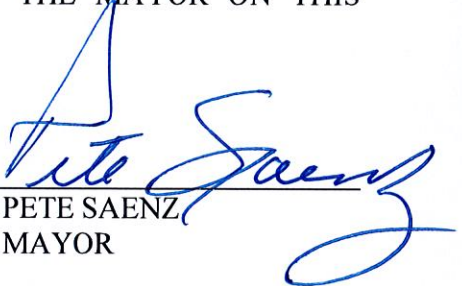
WHEREAS the creation of this incentive program will incentivize businesses to redevelop and rehabilitate buildings in the downtown area that are currently vacant, substandard and in need of property maintenance, therefore, eliminating blight nuisance, and creating an environment conducive to business 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 I.

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.

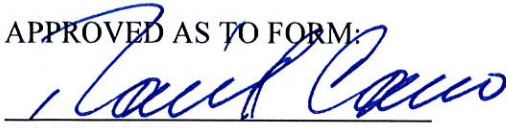
PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR ON THIS 1 DAY OF November, 2016.


PETE SAENZ
MAYOR

Attest:

HEBERTO “BETO” RAMIREZ
ACTING CITY SECRETARY



APPROVED AS TO FORM:

RAUL CASSO,
CITY ATTORNEY

Resolutions 16.

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