

RESOLUTION NO. 2024-0117-R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEMPLE, TEXAS, RENEWING AND AMENDING THE STRATEGIC INVESTMENT ZONE GRANT PROGRAM POLICY; PROVIDING A REPEALER; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING AN EFFECTIVE DATE; AND PROVIDING AN OPEN MEETINGS CLAUSE.

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**Whereas**, Article III, Section 52-a of the Texas Constitution authorizes the State Legislature to provide for the creation of programs for the making of loans and grants of public money for the public purposes of development and diversification of the economy of the State;

**Whereas**, the State Legislature, in Chapter 380 of the Texas Local Government Code, has authorized home rule cities to establish programs for making loans and grants of public money to promote state and local economic development and to stimulate business and commercial activity in the City - the City previously adopted a Strategic Investment Zone (SIZ) Grant Program Policy under the authority granted by this Chapter of the Local Government Code, establishing eligibility criteria to determine who may receive SIZ grants;

**Whereas**, the City's Economic Development Policy provides that an SIZ Grant Program Policy can be created by resolution, providing more flexibility for change when issues are identified - as time came for renewal of the Economic Development Policy, due to the sunset provision contained in the ordinance, the SIZ Grant Program Policy was also reviewed;

**Whereas**, upon review, minor amendments correcting grammar and formatting errors are recommended - additional amendments recommended for approval include:

- The addition of a new definition to clarify a façade as being any public-facing exterior of a building allowing eligible activity for improvements of a façade to improve any side of the building open to the public;
- Clarification of eligible activities for Sidewalk and Alley improvements to better define improvements to alleyways;
- To promote applicants seeking design services prior to applying for SIZ grant funding, Section 8(a) has been amended to allow funds spent on professional design services as defined in Section 7(f) prior to applying for an SIZ grant as eligible for reimbursement under an approved SIZ grant and executed Chapter 380 agreement; and
- An additional provision under Section 8(d) to allow consideration of the amount of funds available for SIZ grants in evaluating whether to recommend granting an SIZ grant application to the City Manager or City Council.

**Whereas**, Staff recommends Council renew the SIZ Grant Program Policy as well as adopt the proposed amendments to the SIZ Grant Program Policy; and

**Whereas**, the City Council has considered the matter and deems it in the public interest to authorize this action.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TEMPLE, TEXAS, THAT:**

**Part 1: Findings.** All of the above premises are hereby found to be true and correct legislative and factual findings of the City Council of the City of Temple, Texas, and they are hereby approved and incorporated into the body of this Resolution as if copied in their entirety.

**Part 2:** The following Strategic Investment Zone (SIZ) Grant Program Policy is hereby adopted by the City of Temple, Texas and replaces any previously adopted resolution regulating the same:

**STRATEGIC INVESTMENT ZONE (SIZ) GRANT PROGRAM POLICY**

**Section 1. Authority; establishment of SIZ Grant Program Policy.**

- (a) Pursuant to Article III, Section 52-a of the Texas Constitution, Chapter 380 of the Texas Local Government Code, and Section III.B of the City's adopted Economic Development Policy, the City will consider offering additional economic incentives for development within certain corridors of the City ("SIZ Grant Corridors") through Strategic Investment Zone Grants ("SIZ grants").
- (b) The City is committed to establishing long-term economic vitality in SIZ Grant Corridors and seeks to encourage redevelopment and diversification within these corridors. To promote state and local economic development and stimulate business and commercial activity, the City established a Strategic Investment Zone Grant Program ("the Program") in Section III.C of the City's Economic Development Policy in which persons who meet the Program's eligibility criteria may receive SIZ grants.
- (c) Section III.C of the City's Economic Development Policy authorizes City Council to adopt a Strategic Investment Zone (SIZ) Grant Program Policy to implement the Program by resolution. Under this authority, this SIZ Grant Program Policy is adopted.

**Section 2. Definitions.**

**"Eligible costs"** means a SIZ grant applicant's actual cash investment in an eligible activity.

**"Eligible activity"** means an eligible activity for SIZ grant funding provided under Section 7 of this Policy.

**"Façade"** means any exterior public facing side of a building including sides of a building which face a public right-of-way, alleyway, or public parking area, but does not include a side of a building which has a fence or other barrier between the building and the public right-of-way or alley.

**Section 3. No vested right to receive a grant.**

The existence of the SIZ Grant Program does not create any vested rights to receive a grant or convey a property interest to any person to receive a grant. The approval or denial of a SIZ grant application under this Policy is at the sole discretion of City Council or the City Manager, depending on the amount of the grant request.

#### **Section 4. SIZ grant funding cycle.**

- (a) The City may (but is not obligated to) establish SIZ grant funding cycles. If established, the funding cycle for SIZ grants will be from October 1<sup>st</sup> to September 30<sup>th</sup> each year.
- (b) The City will designate a specific amount of funding available for each SIZ grant funding cycle. Upon exhaustion of those funds, the City has no obligation to fund additional grants.

#### **Section 5. Strategic Investment Zone Grant Corridors.**

The City's SIZ Grant Corridors will consist of two zones: The Commercial Zone and the Downtown Zone. The zones are depicted in Exhibit A, attached and incorporated into this Policy.

#### **Section 6. Maximum amount of grants.**

- (a) Table 6-a, below, provides the maximum City match of eligible costs and maximum dollar amounts of SIZ grant funding for eligible activities.

<b>Table 6-a</b>		
<b>SIZ Grant Corridors</b>		<b>Maximum SIZ Grant Funding</b>
		<b>City Match of Eligible Costs      Dollar Amount of SIZ Grant Funding</b>
<b>Downtown Zone<sup>a</sup></b>		20%      \$115,000
	<b>Downtown Mixed-Use Development</b>	20%      \$30,000
	<b>Sign Improvements</b>	50%      \$2,500
<b>Commercial Zone<sup>b</sup></b>		20%      \$85,000
	<b>Sign Improvements</b>	50%      \$2,500

<sup>a</sup> This row applies to the maximum amount of SIZ grant funding that a SIZ grant applicant may receive for all eligible activities performed on a single piece of real property within the Downtown Zone with the exception of downtown mixed-use development and sign improvements.

<sup>b</sup> This row applies to the maximum amount of SIZ grant funding that a SIZ grant applicant may receive for all eligible activities performed on a single piece of real property within the Commercial Zone with the exception of sign improvements.

- (b) A SIZ grant applicant may request the maximum amount of SIZ grant funding applicable to the applicant's real property location and proposed eligible activities, but the total amount of SIZ grant funding that the applicant may receive is limited by the amount of the applicant's eligible costs.

- (1) Only a portion of the applicant's actual cash investments in an eligible activity may be reimbursed; an applicant's in-kind contribution may not be reimbursed under the SIZ grant program.
- (2) Final SIZ grant reimbursement will be measured at the time the eligible activity is completed and is subject to the City's verification of the applicant's eligible costs.
- (c) If the City approves a SIZ grant application, as part of the SIZ grant funding, the City will waive City platting, zoning, and building permit fees for all eligible activities approved in the application; however, the City cannot waive water or wastewater tap fees.

## **Section 7. Eligible activities.**

The following are activities eligible for SIZ grant funding:

- (a) **Façade Improvements.** Replacement or upgrade of an existing façade with City approved materials or removal of an existing façade to expose an original façade, provided that the façade improvements must comply with the Main Street Guidelines, if feasible. Feasibility will be determined by the City's Planning & Development Department. Façade improvement costs eligible for SIZ grant funding include costs of labor, exterior demolition for removal of slip covers, and materials and costs of design, as provided under Paragraph (f), below.
- (b) **Sign Improvements.** Installation of a new sign or the replacement of a dilapidated sign, provided that the design of the sign complies with any applicable Main Street Guidelines, if feasible. Feasibility will be determined by the City's Planning & Development Department. Sign improvement costs eligible for SIZ grant funding include costs of labor, demolition, landfill, construction, and materials.
- (c) **Landscape Improvements.** Installation of new or additional landscaping. Landscaping improvement costs eligible for reimbursement include costs of labor, ground preparation, materials and plants (including softscapes such as trees, shrubs, ground coverings, soil, mulch, and the like and decorative hardscapes such as arbors, retaining walls, pavers, etc.), irrigation systems, curbed islands, and construction.
- (d) **Sidewalk & Alley Improvements.** Construction of new sidewalks, curb and guttering, replacement of existing sidewalks or curb and guttering, and improvement of the driving surface of alleys. Sidewalk improvements costs eligible for reimbursement include costs of labor, demolition, landfill, materials, construction, and equipment.
- (e) **Outdoor Seating Improvements.** Installation and repair of outdoor seating areas, including awnings, canopies, tables, chairs, planter boxes, space conditioning devices (such as affixed or large heaters, fans, and misters), and ornamental fencing. Outdoor seating improvement costs eligible for reimbursement include the costs of labor, demolition, landfill, materials, construction, and equipment.

- (f) **Design.** Design services to improve the aesthetics of façades and adjacent outside areas of buildings visible from or on public right-of-way provided by a business with a registered or licensed interior designer, architect, landscape architect, or engineer on staff.
- (g) **Life Safety Improvements.** Installation of fire suppression systems or elevator systems that meet City of Temple Code and state requirements. Life safety improvement costs eligible for reimbursement include the costs of labor, materials, equipment, construction, and installation.
- (h) **Downtown Mixed-Use Development.** Interior finish-out of new residential units in a mixed-use development. This activity is only eligible for reimbursement if the real property in which the new residential units are located is in the Downtown Zone. Downtown Mixed-Use costs eligible for reimbursement include the costs labor, demolition, materials, equipment, and construction.

## **Section 8. SIZ grant application process.**

### **(a) Application and approval prior to work.**

- (1) Except for professional design services under Section 7(f), to be eligible for SIZ grants an applicant must submit an application, receive approval from the City, and execute a Chapter 380 development agreement with the City prior to commencing the work for which the SIZ grant is sought. Costs for professional design services under Section 7(f) may be reimbursed for services provided prior to approval, but will only be eligible for grant funding upon approval of an SIZ grant application and execution of a Chapter 380 development agreement.

### **(b) Applicant requirements.**

- (1) To be eligible for a SIZ grant, the applicant must be the owner of real property located within a SIZ Grant Corridor or a lessee of real property located within a SIZ Grant Corridor with a valid lease to the property and the signed and notarized consent of the owner of the property to apply for the SIZ grant and perform the application's proposed eligible activities.
- (2) An applicant may receive multiple SIZ grants for a single piece of real property up to the maximum dollar amount of SIZ grant funding allowed under Table 6-a. Upon reaching the maximum dollar amount of funding, a piece of real property is not eligible for additional SIZ grant funding for five (5) years. After five (5) years, the City may grant additional SIZ grant funding due to changes in use or property ownership, undue hardship, or other significant event or cause or special circumstance.
- (3) If an applicant owns or leases a single building comprised of two separate addresses that are occupied or will be occupied by separate legal entities, the applicant may receive the maximum amount of SIZ grant funding allowed under Table 6-a. for each address.

**(c) Application submission.**

Applications must be submitted on an application form provided by the City, fully and accurately completed, and signed by the owner of the property or the property's lessee, as applicable. Forms are available in the **City's Planning & Development Department (PDD) or on the PDD website** and must be submitted to the PDD per City Staff's instructions. A completed application must contain a rendering of all proposed improvements, including eligible activities, and a written description of the same. When the proposed scope of work requires professional work by an engineer or architect, the plans must be sealed by an engineer or architect prior to the issuance of the applicant's building permits for the work. Submission of an application does not vest any right to receive SIZ grant funds.

**(d) Evaluation of applications.**

- (1) In evaluating whether to recommend granting a SIZ grant to an applicant to City Council or the City Manager, City staff will consider the following criteria:
  - A. The extent to which the real property for which a grant is sought is blighted or fails to meet City codes or regulations;
  - B. The extent to which the proposed eligible activity complies with applicable Main Street Design Guidelines;
  - C. Whether the applicant has the financial resources to complete the improvements described in the application;
  - D. Whether the applicant has ever violated the terms of a Chapter 380 development agreement or City building codes or permits in the past;
  - E. Whether the real property is unlikely to redevelop without an incentive by the City;
  - F. Whether the proposed use or eligible activity would implement elements of the City's Comprehensive Plan or a Master Plan adopted by City Council;
  - G. Whether the property is in an overlay that requires higher standards than other areas of the City;
  - H. Whether the improvements will remedy deteriorated City infrastructure;
  - I. Whether there is a lessee for the real property; and
  - J. Whether the proposed eligible activity is estimated to provide a good return on investment (ROI) to the City

- i. ROI will be determined using the Temple Economic Development Corporation's ROI model.

K. The amount of funding that would remain available for future SIZ grants.

**(e) Forwarding of applications and recommendations.**

City Staff will forward SIZ grant applications along with City Staff recommendations to City Council or the City Manager, depending on the amount of the requested SIZ grant funding, for review and approval or denial.

**(f) Approval or denial of applications.**

- (1) The City Manager will review applications requesting SIZ grant funds below or equal to the City Manager's spending authority. The City Manager will approve, in whole or in part, or deny reviewed application in the sole discretion of the City Manager.
- (2) City Council will review applications requesting SIZ grant funds over the City Manager's spending authority. City Council will approve, in whole or in part, or deny reviewed application in the sole discretion of the City Council.

**Section 9. Chapter 380 development agreement.**

- (a) An applicant who had their SIZ grant application approved by the City Manager or City Council must enter into a Chapter 380 development agreement with the City prior to performing work on the application's eligible activities. If an applicant fails to comply with this requirement, they will not be eligible for SIZ grant funding reimbursement.
- (b) By signing a Chapter 380 development agreement, the applicant agrees to:
  - (1) Begin and complete the applicant's eligible activities as provided by this Policy, unless otherwise provided in the development agreement;
  - (2) Give the City the right to inspect the work described in the development agreement and the financial records associated with the same during reasonable business hours upon the City's request;
  - (3) Perform all of the work described in the grant application in accordance with all applicable City codes and regulations, including pulling all applicable building permits prior to commencing work; and
  - (4) Maintain all eligibility activity improvements while owning or leasing the property.
- (c) The failure of an applicant to satisfy all of the terms and conditions of the applicant's development agreement relieves the City of any obligation to provide grant funds under this Policy or as described in the agreement.

## Section 10. Timeline of work.

- (a) Table 10-a, below, provides the timeline in which work must begin and complete for eligible activities that were awarded SIZ grant funding.

Table 10-a		
<b>SIZ Grant Award Amount</b>	<b>Time after Approval Date by which Eligible Activity Work Must Begin</b>	<b>Time after Approval Date by which Eligible Activity Work Must Complete</b>
≤\$10,000	9 months	1 year
>\$10,000	1 year	2 years

- (b) City Staff may allow an applicant up to two (2) administrative extension of up to ninety (90) days for the completion of the application's eligible activity.
- (1) To be eligible for an extension, an applicant must submit a request for an extension on a form provided by City, fully and accurately filled out, to the Planning & Development Department no later than thirty (30) days prior to the eligible activity's completion date.
  - (2) Failure to timely submit a proper extension request or complete an eligible activity by the extension's expiration date may result in the City denying SIZ grant reimbursement.
  - (3) Additional or untimely requests for extensions may be approved only by City Council or the City Manager, depending on the amount of SIZ grant funding, and are approved or denied at the sole discretion of City Council or the City Manager, as applicable.

## Section 11. SIZ grant reimbursement.

- (a) SIZ grant reimbursement will be made within thirty (30) days of the date the work described in the development agreement is completed, inspected, and accepted by the City.
- (b) Regardless of Subsection (a), the City may require an applicant to submit proof of eligible costs, including providing to the City itemized invoices that differentiate eligible costs from other improvement costs and cleared checks or bank statements, prior to grant reimbursement and may deny or adjust grant reimbursement based on the applicant's actual cash investment in the completed eligible activity.



## Section 12. Special circumstances.

- (a) City Council and the City Manager, depending on the amount of SIZ grant funding, may waive any of the provisions of this Policy in cases of change in use of a property or property ownership, undue hardship, or other significant event or cause or special circumstance.
- (b) Any waiver is at the sole discretion of City Council or the City Manager, as applicable.



**Part 3:** All ordinances or resolutions, or portions thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed.

**Part 4:** It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this Resolution are severable and, if any sections, paragraphs, sentences, clauses, or phrases of this Resolution should be declared invalid by the final judgment or decree of any court of competent jurisdiction, such invalidity will not affect any of the remaining sections, paragraphs, sentences, clauses, or phrases of this Resolution, since the same would have been enacted by the City Council without the incorporation in this Resolution of any such invalid section, paragraph, sentence, clause, or phrase.

**Part 5:** Nothing in this Resolution may be construed to affect any suit or proceeding pending in any court, any rights acquired or liability incurred, or any cause or causes of action acquired or existing, under any act or prior resolution or ordinance; nor may any legal right or remedy of any character be lost, impaired, or affected by this Resolution.

**Part 6:** This Resolution will take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Temple, Texas, and it is accordingly so ordained.

**Part 7:** It is hereby officially found and determined that the meeting at which this Resolution was passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act.

PASSED AND APPROVED this the 18<sup>th</sup> day of **April, 2024**.

THE CITY OF TEMPLE, TEXAS

DocuSigned by:

*Timothy A. Davis*

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TIMOTHY A. DAVIS, Mayor

ATTEST:

APPROVED AS TO FORM:

DocuSigned by:

*Jana Lewellen*

BE0FCD886A84BA...

Jana Lewellen

City Secretary

DocuSigned by:

*Kathryn Davis*

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Kathryn H. Davis

City Attorney