

HearneTx Economic Development Corporations

Hearne Business Development Program

The Hearne Business Development Program is designed to foster investment into the adaptive reuse and revitalization of existing buildings located along Hearne's main travel corridors, while assisting businesses with either opening or expanding their operations in Hearne.

For the purposes of this program, the Hearne Business Corridors will be defined as the business corridors running along Market Street (State Highway 6), Brown Street (U.S. Highway 79), Downtown Heritage District, West Second-First Street, and Alamo Street. The Business Corridors are highlighted in yellow as part of Exhibit A. *Buildings located outside the Business Corridors that are considered historical or of significant age may apply for Hearne Business Development Grant Funds at the discretion of the Hearne Economic Development Corporation Board of Directors.* The Hearne Economic Development Corporation Board of Directors may alter the geographic area at their discretion.

EXHIBIT A



The Hearne Business Development Program is sponsored by, funded, and monitored by the Hearne Economic Development Corporations Boards of Directors who may amend, adjust, or eliminate the program at any time. The grant award decisions of the Hearne Economic Development Corporations Boards of Directors are final.

Scope

The Hearne Economic Development Corporations shall allocate designated funds to the Hearne Business Development Program for each fiscal year. Grants are competitive and will be awarded on a first come/first serve basis until funds are depleted.

Grant requests will be accepted on a quarterly basis. Applications need to be submitted by 5 pm on the last day of October, January, April, or July or in order to be listed on the Board of Directors agenda for consideration. Applicants whose grant is denied may reapply the next quarter, if their application has changed to address the reasons for grant denial.

Grants are to be used only for commercial property. If the property is zoned for both residential and commercial use, grant funds and matching funds may only be used for commercial property portion of the property. Grants may not be used for the construction of new buildings. For the exterior portion of this grant, a building will no longer be considered new once it has been in service for 8 years. For the interior portion of this grant, a building will no longer be considered new once it has been in service for 3 years.

Work must not commence on any projects seeking grant funds until the grant has been approved by the Board of Directors. Work must be completed within one hundred eighty (180 days) from the approval of the grant.

Tenants must have authorization from the property owner in order to apply for a grant and for the improvements proposed for completion.

If needed, a ***certificate of occupancy*** **pre-check list** must be submitted with applications to be considered for grants.

Program Criteria

Businesses applying for the Hearne Business Development Program must be one of the following:

- New business locating in existing buildings along Hearne's Business Corridors
- Existing business expanding their current facility along Hearne's Business Corridors
- Existing business opening an additional location along Hearne's Business Corridors
- Existing business located in business corridors making improvements that will expand the business operating hours or variety of goods and services available in existing facility without changing square footage of business

Additionally eligible businesses must be Independently owned and operated business, which is organized for profit, and is not dominate in its field.

Businesses must be locating in an existing building as this program does not provide assistance for new construction. New construction projects are encouraged to apply for financial incentives through the standard incentive application.

Businesses must be open a minimum of 30 hours per week and employ at least one full-time employee. Business hours will be verified by the Hearne Economic Development Corporation periodically for one year from the date of the business opening/grant completion. Accommodation may be allowed for daily prep-time when business may not be open to public. **Businesses that fail to comply with the business hour requirements must repay 100% of grant funds received.**

Existing businesses that are expanding must either add 50% more employees, 25% new square footage to be eligible for this program, or significantly increase their operating hours or goods/services offered as a result of grant improvements. Examples include: Installation of Vent Hood at Coffee Shop to Allow for Hot Breakfast Items to be Served, Reconfiguration of hair salon and installation of plumbing to offer manicure and pedicure features.

A business will be considered a new business if their application is received within six (6) months of signing their initial lease or closing on building purchase.

Eligible Projects

1. Exterior improvements, such as storefronts, display windows, painting (in conjunction with other improvements), and exterior architectural or security lighting.
2. Exterior enhancements that improve or create additional outdoor space for customer use.
3. Removal of elements that cover original architectural design and details.
4. Signage to include new, replacement or repair
5. Permit Fees
6. Addition and/or replacement of awnings/doors/windows.
7. Overall replacement of architectural design elements that have structural deficiencies.
8. Painting, as part of a more comprehensive improvement project.
9. Landscaping and irrigation (subject to approval of a Landscape Plan).
10. Demolition when required to make additional improvements.
11. Soffit and fascia, as part of more extensive project improvements.
12. Improvements that enhance access and address ADA Compliance issues.
13. Improvements to parking facilities which will include landscaping requirements.
14. Permanent interior improvements, such as walls, flooring, plumbing, electrical, HVAC, and mechanical.
15. Hazardous materials abatement.
16. Interior or Exterior Lighting.
17. Mechanical improvements.

Ineligible Projects

1. Physical or visual removal of architecturally important features.
2. Installation of aluminum or vinyl siding
3. Painting, when not associated with other improvements.
4. Inspection fees.
5. Any service provided by a contractor not registered with the City of Hearne, unless the project does not require a registered contractor.
6. Improvements construction prior to execution of final agreement.
7. Routine maintenance activities that are part of normal property ownership.
8. Fencing.
9. Improvements to a property that has any judgment liens, and is not current on all mortgage and tax obligations.
10. Statues, fountains, or decorative water features.
11. Construction of new buildings.
12. Improvements to properties that are residential or improvements to any portions of property that are residential.
13. Improvements to properties that have non-conforming uses.
14. Equipment.
15. Renovation on a speculative basis.
16. Furniture.
17. Temporary/moveable partitions.
18. Projects located in a building/facility that have received other financial incentives from the Hearne Economic Development Corporation in the last 5 years. Other financial incentives refer to either direct cash incentives or sales tax rebates applied for under the City of Hearne Incentive policy and does not refer to grant programs.

Routine maintenance consists of recurring work a building owner does to keep an entire building or each system in a building, in ordinarily efficient operating condition. This includes: inspection, cleaning, and testing of the building structure or each building system; and replacement of damaged or non-working parts with comparable available replacements.

Two bids from registered contractors are required and must be included with the application. If contractors are not required to be registered, two bids from experienced professionals must be submitted.

Funding Criteria:

❖ Small Business Permit Fee

Provides 50% reimbursement of certain permit fees for small businesses locating in the City of Hearne or limited purpose annexation area. Applies to small for-profit businesses that do not qualify for other incentives or grants.

Eligible Permits

- Comm. Building Permit
- Certificate of Occupancy
- Comm. Electrical Permits
- Grease Trap Application/Permit
- Comm. Inspections
- Comm. Mechanical Permits
- Comm. Plumbing Permits
- Comm. Sprinkler Permits
- Sign Permit

❖ Signage Grant

Provides up to 75% of the cost of new signage, installation, and removal of existing signage. (\$5000 maximum grant)

Requirements

- Requires "Committee" Design Compliance
- Similar Signage Must Be Removed
- Flush mount or hanging signs attached to façade (No pole signage)
- Minimum of 2 different colors (3 preferred)
- Two bids, with one from area sign business

❖ Awning Grant

Provides up to 75% of the cost of new awning, installation, and removal of existing awning. (\$5,000 maximum grant)

Requirements

- Freestanding Cloth or Metal Awnings
- Must extend at least 3 feet from facade
- Awning Colors are Restricted
- Two bids required

❖ Façade Improvement Grants (2:1 Match)

Funds for exterior improvements in the will be \$50.00 per linear foot of façade frontage visible from the main street the property faces, per lease year. Multi-tenant buildings will not be eligible for exterior grants. The board may consider on a case by case basis a cooperative-type/ co-tenancy businesses in which the different entities share a common space that is accessed from one entry and operate during the same business hours.

Applicant must meet City Ordinance codes and/or regulations and may be restricted on the types of projects allowed.

For businesses purchasing a property, a lease term of 5 years shall be used for the purposes of calculating eligible grant funds.

EXTERIOR FRONTAGE	1-Year Lease	<i>Require d Match</i>	2-Year Lease	<i>Require d Match</i>	3-Year Lease	<i>Require d Match</i>	4-Year Lease	<i>Require d Match</i>	5-Year Lease	<i>Require d Match</i>
10 LF	\$500	\$250	\$600	\$300	\$900	\$450	\$1,200	\$600	\$1,500	\$750
20 SF	\$1,000	\$500	\$1,200	\$600	\$1,800	\$900	\$2,400	\$1,200	\$3,000	\$1,500
25 LF	\$1,250	\$625	\$1,500	\$750	\$2,250	\$1,125	\$3,000	\$1,500	\$3,750	\$1,875
30 LF	\$1,500	\$750	\$1,800	\$900	\$2,700	\$1,350	\$3,600	\$1,800	\$4,500	\$2,250
50 LF	\$2,500	\$1,250	\$3,000	\$1,500	\$4,500	\$2,250	\$5,000	\$2,500	\$5,000	\$2,500
75 LF	\$3,750	\$1,875	\$4,500	\$2,250	\$5,000	\$2,500	\$5,000	\$2,500	\$5,000	\$2,500
100+ LF	\$5,000	\$2,500	\$5,000	\$2,500	\$5,000	\$2,500	\$5,000	\$2,500	\$5,000	\$2,500

Applicants are required to expend all matching funds prior to receiving grant funds. Upon notification from the applicant that work has been completed in a satisfactory manor, the applicant may request expenditure of grant funds. Grant funds may be expended at 50% of project completion and 100% project completion. The applicant may request that grant funds be paid directly to contractors. If grant funds are paid directly to the applicant, the applicant must provide sufficient evidence within ten (10) business days of receiving funds that they have been expended to contractor. Sufficient evidence shall include a copy of the check issued to contractor and a signed invoice indicating amount paid and check number from the contractor.

Hearne Business Development Program

Please submit a separate application for each type of grant. Combined applications will not be accepted. Applications must include a copy of business plan, a copy of certificate of design compliance, and two bids from appropriate businesses/contractors. Incomplete applications will not be presented to the Board of Directors for review. Applications must be completed in their entirety to be considered.

Type of Grant		<input type="checkbox"/> Interior (New)	<input type="checkbox"/> Interior (Existing)	<input type="checkbox"/> Exterior
Date:		Grant Funds Requested:		
Applicant Name:		Matching Funds:		
Applicant Business:				
Type of Business:		Hours of Operation:		
Number of Employees:		<input type="checkbox"/> Full Time	<input type="checkbox"/> Part Time	
Does the Business Generate Taxable Sales?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Member of Downtown Merchants Group	<input type="checkbox"/> Member of Hearne Chamber of Commerce	
Number of Years In Business:		Business Owner(s):		
Business Address:				
Business Phone Number:		Business Email:		
Business Website:				
Property Owner(s):				
Names of Contractors/Companies Supplying Bids:				
Description of Project:				
Source of Matching Funds:				
Primary Project Contact:				
Phone Number:		Email Address:		
Additional Information About Project:				

I, _____,
acknowledge that I am receiving a grant from the Hearne Economic Development Corporation.

I, _____, also acknowledge that myself and my business,
_____, have read the requirements for receiving grant funds and
will follow all the restrictions as required as part of the grant program. If I am found in violation
of terms of the grant program, I understand that I will be required to repay all expended grant
funds.

Signature, Grant Applicant

Date

State of Texas

County of Robertson

I, _____, personally appeared before me, and being first
duly sworn declared that he/she signed this application in the capacity designated, if any, and
further states that he/she has read the above application and the statements therein contained
are true.

Notary Public's Signature

(Personalized Seal)

FOR OFFICE USE ONLY	Date Received:	<input type="checkbox"/> Application 100% Complete <input type="checkbox"/> Two Bids Submitted <input type="checkbox"/> Certificate of Design Comp. <input type="checkbox"/> Business Plan <input type="checkbox"/> Correct Business Type	
Board Meeting Date:	Applicant Notified of Meeting Date:	Approved	Denied
Award Date:	Completion Deadline:	Date Completed:	

Property Owner Authorization

(This portion of the application must be completed if applicant is not the property owner)

I, _____, hereby affirm that I am the owner of property located at _____, Hearne, TX, give my authorization for _____ to make the improvements outlined and described in the attached Grant application.

Signature, Property Owner

Date

State of Texas
County of Robertson

I, _____, personally appeared before me, and being first duly sworn declared that he/she signed this application in the capacity designated, if any, and further states that he/she has read the above application and the statements therein contained are true.

Notary Public's Signature

(Personalized Seal)

Acknowledgement of Repayment Penalties for Employing Undocumented Workers

Section 2264.051 of the Texas Government Code requires that Economic Development Corporations put certain language in any agreement involving public subsidies to businesses. The language must specify that the business does not and will not knowingly employ an undocumented worker. The language must also require repayment of the subsidy with specified rate and terms of interest if the business is convicted of federal immigrations violations under 8 U.S. Code Section 1324a(f).

I, _____, acknowledge that I am receiving a grant

from the Hearne Economic Development Corporation. I, _____,

also acknowledge that myself and my business, _____, does not and

will not knowingly employ an undocumented worker. If I, _____ or

my business, _____, is convicted of federal immigrations violations under

8 U.S. Code Section 1324a(f) within three (3) years of receiving a grant from the Hearne Economic Development Corporation, I will be required to repay the entirety of the grant funds plus interest at the annual interest rate of 6% from the date of violation until paid.

Signature

Date