



PALESTINE ECONOMIC DEVELOPMENT CORPORATION DOWNTOWN GRANT PROGRAM GUIDELINES

Section 1. Sponsor

Palestine Economic Development Corporation (PEDC)

Section 2. Purpose

The purpose of this Program is to enhance the economic vitality of the City of Palestine by encouraging visually appealing physical improvements to distressed property located within the downtown area of Palestine, TX. Eligible properties must reside within the city limits of Palestine, Texas, and within the areas within the Main Street Overlay District included in this packet. Rehabilitation to properties located within any City of Palestine historic district must obtain approval from the appropriate city boards & commissions prior to grant approval.

Section 3. Grant Amounts

- A. **Small Business Owner-Occupied:** All eligible improvements can be considered for a matching grant for up to 75% of the actual, eligible costs, with a maximum grant amount of \$75,000. Ownership structures involving holding and operating companies will be considered under this category.
- B. **Investor-Owned/Third-Party Leased:** All eligible improvements can be considered for a matching grant for up to 50% of the actual, eligible costs, with a maximum grant amount of \$75,000.
- C. **Microgrants:** In accordance with Texas Local Government Code Section 505.158, the PEDC Board has the authority to consider grants in amounts of less than \$10,000 without requiring final approval from the City of Palestine City Council. All other requirements & restrictions as outlined in these guidelines are still required including the execution of a Performance Agreement between PEDC and Applicant.

Section 4. Eligible Area

Any existing commercial structure within the Palestine City Limits and located in the Main Street Overlay District. Property addresses will be verified to be within the actual official boundary of the Main Street Overlay District with the official City of Palestine Zoning Map, current as of the date of the grant application.

Section 5. Eligible Improvements

A. FAÇADE IMPROVEMENT:

Principal Façade: Improvements to the exterior portion of a building or structure which contains the principal entrance(s) of the building that is visible from the public right of way. Improvements including, but not limited to, items such as removal of non-contributing false façade, painting, reconstruction, rehabilitation and preservation of the façade, building cleaning, tuck pointing masonry,

renovation or replacement of exterior lighting, awnings or other similar improvement (must be in conjunction with other façade improvements).

Side (or rear) Façade: Any exterior portion of a building or structure, not including the primary façade, but that is *visible from the public right of way*.

B. BUILDING STABILIZATION:

Roof replacement and/or repair; Interior structural improvements (floor joists, ceiling repairs or other similar improvements); Building systems improvements (electrical, plumbing, HVAC); improvements made to suit American Disability Act (ADA) standards; other improvements for building stabilization as approved by PEDC Board.

C. SIGN IMPROVEMENTS:

New signs, renovation, or removal of existing signs. Signage must meet the requirements of the City of Palestine signage ordinances and receive the appropriate signage permits to be considered.

D. PROPERTY IMPROVEMENTS:

Items such as fencing, driveway improvement, and parking lot improvements that are visible from the public right of way.

E. MIXED-USE PROPERTY IMPROVEMENTS:

The PEDC can consider funding improvements to properties that serve a mixed use (commercial & residential). However, additional information may be required as a part of the application process to determine the proportionality of the effect of the proposed improvements on the commercial capacity of the building. Properties considered under this category may not be eligible for all forms of improvements listed in Items A – D of this Section but will be considered on a case-by-case basis.

Example: A roof replacement that will cost \$100,000 on a mixed-use property of 5,000 square feet for which 2,500 square feet is used for retail and 2,500 square feet is used for residential. The total project cost may be proportionally observed to equally effect both uses of the building based on square footage, therefore the maximum project cost that could be considered for the grant would be \$50,000 with the PEDC considering funding up to \$37,500 (75% of \$50,000).

Example: ADA improvements that will cost \$25,000 to improve access to the storefront of a building that also has rear access to the second floor containing apartments. The total project cost can be considered for the grant since the improvements exclusively improve access to the store front which does not provide primary access to the second floor, therefore the maximum grant that could be considered would be \$25,000 with the PEDC funding \$18,750 (75% of \$25,000)

Section 6. Application & Approval

- A. Applications must be made on a form provided by PEDC and may be obtained at the Palestine Economic Development Corporation office located at 100 Willow Creek Parkway, Suite A, Palestine, Texas 75801 or on the PEDC website at www.palestinetexas.net.

- B. Applications must be submitted to the PEDC office located at 100 Willow Creek Parkway, Suite A, Palestine, Texas 75801 or via email to edcadmin@palestine-tx.org.
- C. Proof of ownership (i.e., Warranty Deed) of the property will be required of Applicants.
- D. Certificates of Insurance for the property will be required of Applicants.
- E. An Applicant operating in a leased facility may apply with the consent of the property owner. Copies of an executed lease agreement and proof of ownership will be required.
- F. All applications must contain competitive cost estimates (bids) from a minimum of two (2) licensed and bonded contractors or suppliers. Detailed cost estimates, including material types, paint color samples and finishes are required. If two cost estimates are unable to be obtained, a written declination to bid by a licensed and bonded contractor may be considered as a substitute for one of the required estimates.
- G. PEDC may request additional information or clarification from Applicant.
- H. Application should include photos of the existing condition to be improved and a rendering of improvements to be made.
- I. PEDC may approve an application grant with provisions, conditions, or other requirements as it may from time to time deem appropriate.
- J. Applicants will be notified in writing of PEDC's approval or disapproval of an application.
- K. PEDC will present approved applications for grants totaling \$10,000 or more to the City of Palestine City Council for final approval. **Applications that do not receive City Council approval shall be deemed as denied.**
- L. If approved, Applicant will be required to enter into a Performance Agreement with PEDC detailing the full terms and conditions of their specific grant.

Section 7: Restrictions

- A. Labor provided by the Applicant or his/her employees may not be included in the cost estimate of the project and is not reimbursable through this Grant Program or attributable as part of the Applicant's match of funds.
- B. Grant Program funds are limited to materials and labor directly contributing to the eligible improvements defined herein. General contracting fees and city permitting fees are not eligible costs for reimbursement.
- C. Grant funding will be limited to one (1) grant to any one (1) Address during a fiscal year. **Total possible funding per grant application is \$75,000 maximum.**
- D. Business facilities that also serve certain residential purposes (i.e. mixed-use buildings) can be considered. **However, any buildings that serve as the domicile of the building's owner (regardless of proportionality) are not eligible for grant funds.**
- E. If a property is sold, utilized, or conveyed for a purpose not originally intended by the grant application, whether by owner or by leasing tenant, within two years of grant funding being awarded to the applicant, the applicant may be required to reimburse the PEDC immediately for the full amount of the grant.
- F. Applicants, businesses and/or property owners which owe outstanding financial obligations to PEDC or the City of Palestine, such as liens, court fines, city utility bills, or delinquent sales or property taxes are not eligible.

- G. Applicants, business and/or property owners with threatened, contemplated or active lawsuit or other legal administrative or dispute resolution proceeding against the PEDC or the City of Palestine are not eligible.
- H. Improvements must be made in accordance with project drawings, specifications, and information provided in the application, and as approved by PEDC and the appropriate city departments. Any modifications to the scope of any proposed improvements shall be subject to PEDC and City of Palestine review.
- I. Applicant must obtain all applicable permits related to the improvement project prior to any grant funds being distributed.
- J. Applicant may not knowingly employ an “undocumented worker” as that term is defined by Tex. Gov’t. Code Sec. 2264.001.
- K. Improvements as described in Section 5 Items A – E of these guidelines **may not commence prior to** execution of a Performance Agreement by the PEDC, and Performance Agreements for grants of \$10,000 or more will require approval by the City of Palestine City Council before the agreement can be executed.
- L. Improvements must commence within sixty (60) days of and be completed within nine (9) months of the approval of the Performance Agreement by PEDC and the City of Palestine. Any extensions to the project completion date can be considered as an amendment to the Performance Agreement subject to approval by PEDC and the City of Palestine.
- M. Grants of \$10,000 or more are subject to final approval by the City of Palestine City Council. Applications that do not receive City Council approval shall be deemed as denied.
- N. Applicant shall fully comply with all federal and Texas laws which includes but is not limited to Applicant’s compliance with Title VII, Civil Rights Act of 1964, as amended, the Texas Labor Code, the Drug Free Workplace Act of 1988, and the Americans with Disabilities Act, as well as Applicant’s refraining from discrimination of persons based on race, color, religion, sex (including pregnancy, childbirth, and related medical conditions; sexual orientation), national origin, disability, age, citizenship status, genetic information, political affiliation or participation in civil rights activities. Furthermore, while the City of Palestine fully supports the exercise of freedom of speech, the City of Palestine will not financially support or fund projects that incorporate or promote ideas of hate or which are intended to vilify, humiliate, or incite hatred against a group or a class of persons on the basis of race, religion, skin color, sexual identity, gender identity, ethnicity, disability or national origin.

Section 8. Evaluation of Applications

- A. PEDC reserves the sole discretion to recommend or deny approval of a grant application to City Council. The Applicant accepts that decisions relating to the recommendation to award grant funds involves subjective judgments on the part of PEDC, including the aesthetics of the proposed project, the proposed project as an improvement to the property, the benefit to the City of Palestine, total funds to be expended by Applicant, productive life of improvements and the availability of funds budgeted by PEDC.

- B. The following factors shall be considered in determining whether or not to award grant:

Visual Appeal: Improvement in the attractiveness of the location and the level of blight or deterioration removed; design chosen is complimentary to the building’s architecture and is tasteful and consistent with surrounding businesses; paint chips/sign material are to be submitted with application and final project must reflect what was submitted and approved; level of improvement impact on overall appearance of facility.

Economic Impact: Amount of additional funding expended by business; appropriateness of business to overall economic development in the surrounding neighborhood; improvements that add to the tax roll

value; traffic level of roadways adjacent to improvement; mitigation of health and safety issues; reuse of vacant or underutilized property.

Improvements Made for Accessibility: Improvements and modifications implemented to ensure that buildings and businesses are usable and inclusive for individuals with disabilities. These improvements aim to remove barriers and create environments that accommodate people with diverse needs.

Accessibility improvements may include the installation of ramps, elevators, and wider doorways in buildings, the addition of tactile signage, and improvements to publicly accessible restroom facilities to suit ADA standards.

Historic Preservation: Improvements made to protect and conserve historically significant buildings, structures, sites, and cultural artifacts for the benefit of present and future generations. Historic preservation efforts may involve restoration, rehabilitation, or adaptive reuse of historic properties to ensure they remain functional and relevant while preserving their historical character. This practice helps communities maintain a sense of identity, fosters tourism, and contributes to the overall cultural richness of a region.

- C. PEDC reserves the right to utilize outside resources it deems necessary for assistance in its decision-making process.
- D. Preference may be given to applicants who have not received funding from PEDC within the previous 12-month period.
- E. PEDC reserves the right to waive any requirement(s) herein contained, and/or add any requirements it deems appropriate in making its determination of approval or disapproval of a grant application.

Section 9. Funding

- A. Upon execution of a Performance Agreement, the PEDC shall furnish Applicant with 50% of its total grant award as outlined in the Performance Agreement.
- B. Applicant shall provide PEDC with written notification and verification of project completion by letter stating that all improvements have been completed in accordance with the application, approval and Grant Agreement, and that full payments have been made for all labor and materials with attached paid receipts for materials and labor, cancelled checks, required permits, inspection reports, release of liens and project photographs. Incomplete improvements or projects that are completed for less than the initially estimated costs will be remedied in accordance with the provisions of the Performance Agreement.
- C. Upon the PEDC's receipt of a notification of completion, an on-site inspection may be made by a representative or representatives of PEDC. Such inspection shall not be considered in any way as a reflection of PEDC's approval on the quality, safety, or reliability of the improvements, such being the sole responsibility of Applicant.
- D. Following on-site inspection, PEDC will review the findings and request additional information, if needed, and notify the Applicant of compliance or items of non-compliance. Failure to correct the items of non-compliance within thirty (30) days of notice thereof shall be cause for cancellation of the Performance Agreement and result in any remedies contained therein.
- E. Upon a finding by the PEDC board of directors of project completion and approval, payment of the remaining 50% grant funds will be made.

Section 10. General

- A. The PEDC Board and City of Palestine City council reserves the right to amend or end this Grant Program as it may from time to time find desirable.
- B. This Grant Program does not vest any person with any legal rights not related to the enforcement of a Performance Agreement executed pursuant to this Grant Program.
- C. The provision or delivery of these guidelines and criteria to an interested party does not constitute an offer of an improvement grant to that party.
- D. The adoption of these guidelines and criteria does not limit PEDC's discretion whether to recommend or deny a grant to an applicant, which absolute right of discretion PEDC and the City of Palestine City Council reserves, whether or not such discretion may be deemed arbitrary or without basis of fact.
- E. The adoption of these guidelines and criteria does not create any property, contract, or other legal rights in any person to have PEDC provide grant funding.
- F. **PEDC, ITS EMPLOYEES, AND ITS AGENTS, DO NOT ATTEST TO THE QUALITY, SAFETY, OR CONSTRUCTION OF A PROJECT ELIGIBLE FOR, OR RECEIVING GRANT FUNDING. THEREFORE, PEDC, ITS EMPLOYEES AND AGENTS SHALL BE HELD HARMLESS BY THE APPLICANT/APPLICANTS FOR ANY PROJECT WHOSE APPLICATION HAS BEEN APPROVED OR HAS RECEIVED ACTUAL GRANT FUNDING.**