

Bronte Economic Development

Loan Forgiveness Grant

Agreement

## **Purpose**

Bronte City Council organized, the Bronte Economic Development Corporation (BEDC) as a Type B Economic Development Corporation. Bronte voters approved the creation of the BEDC and authorized the use of ¼ cent of the sales tax revenues to foster growth and development within the city.

The State of Texas Local Government Code, Title 12, Subtitle C1, Chapter 505.158, Type B Corporations in a municipality with a population of 20,000 or less may conduct a project to include “land, buildings, equipment, facilities, expenditures, targeted infrastructure and projects found by the corporation’s board of director to promote new or expanded business development.” To foster growth and development within Bronte, the BEDC is actively marketing Bronte to attract new business and to assist the existing businesses to grow and thrive.

The BEDC’s purpose is to enhance the economic vitality of the city by encouraging safe and visually appealing business buildings and business sites. To this end, the BEDC is establishing a business improvement Loan Forgiveness Grant. The Business Improvement Loan Forgiveness Grant is to be sponsored, funded, and monitored by the BEDC Board of Directors who may amend, adjust, or eliminate the project at any time. The goal is to assist the existing Bronte small businesses, to assist new businesses to come to Bronte to fill existing or proposed retail spaces, to add jobs, and to generate new property tax revenue and sale tax revenue.

## **Applicant for Loan Forgiveness Grant**

For purposes of this Loan Forgiveness Grant, an applicant shall be a for-profit, retail small business, with \$2 million or less in annual sales, twenty or fewer employees, located within or to be located within the city limits of Bronte, within a retail zoned area. The applicant must be current on all ad valorem and sales taxes.

## **Job Creation**

- a. This Grant is for the creation of new permanent jobs.
- b. Part-Time• \$1,500 per position must prove at least 20 hours per week with one quarter.
- c. Full-Time• \$3,000 per position must prove at least 40 hours per week with two consecutive quarters.
- d. It pays on the following schedule, upon contract's approval by both parties.
  - i. This will be verified using the Quarterly 941/s and TWC Reports.
  - ii. NOTE: Those reports must be provided to the EDC office for all four quarters of the contract's first year.

## **Qualifying Loan Forgiveness Grant Award & Terms**

A loan may be provided for a successfully approved application. The loan shall be for no more than 50% of the proposed project cost. The loan cannot exceed \$10,000 without city council approval. The applicant must match the approved loan amount. The project must be completed within 1 year of the loan award. Upon completion of the project, the loan may be forgiven and transformed into a grant if the project is successfully completed, and all construction related bills paid before the end of the 12-month period. If the project is not completed within 12 months of the loan awarded date, then the loan principal and interest shall be due within an additional 12 months. The loan principal and interest shall be paid monthly starting at the 13th month of the loan. A simple compounded monthly interest rate of 3% shall be applied to the loan starting at the 13th month of the loan. Every application and category will be reviewed on a case-by-case basis. At the start of a project, the loan shall be 50% of the loan provided at loan award. Remainder of the loan provided when the project demonstrates that all materials are ordered with proof of receipts, expenses or money spent and reimbursing for their half. Loan Forgiveness Grant award decisions of Bronte Economic Development Corporation Board of Directors are final.

## **Eligible Projects**

*The eligible projects shall be limited to:*

- Rehabilitate, restore, or enhance the façade, side and rear of a retail building including Structural projects; Painting of the building, brick, stone or masonry installations; Door, window, storefront system/trim replacement or repair; Removal of exterior finishes, signs or façade materials; Awning installations; BEDC approved exterior lighting added to the façade exterior.
- Retail signs
- Parking lot paving and striping.
- Sidewalk installations including ada compliance and patio installations.
- Interior finish
- Inventory
- Job Creation

### **Application Fee and Additional Information Required**

Applicant shall complete the official BEDC Loan Forgiveness Grant application, sign and approve the Loan Forgiveness Grant agreement, and submit the following required documents with the application:

1. Proof of ownership and/or right of occupancy such as a deed/lease
2. If the applicant does not own the property, the applicant shall provide proof that the projects are allowed and authorized by the Owner of the property.
3. Photograph of existing conditions
4. Renderings, elevations, drawings of proposed projects
5. Two cost estimates from two separate contractors/suppliers local, if possible, on all proposed projects.
6. Proof of the required 50% cash match being available. If a loan is required to match the required 50% BEDC Loan Forgiveness Grant, the applicant shall provide a copy of the bank application and notice from the bank that the funds are available as needed.

### **Application and Approval Process**

1. Applications shall be applied to the BEDC via email at [brontetx@wcc.net](mailto:brontetx@wcc.net) or by mail at: BEDC, P.O. Box 370, Bronte, TX 76933.
2. Applications shall be received no later than noon by the First Thursday of each month to be considered at the BEDC regular meeting which is second Monday of each month at 4:00 p.m. If not received by noon on the first Thursday, the application will be considered at the monthly meeting following the current month.
3. Incomplete applications shall not be considered and will be returned to the applicant.
4. Application form and the agreement can be picked up at City Hall, 114 S. Washington St., Bronte, Texas.
5. All required attachments shall be provided.
6. The application will be considered and must be approved by the BEDC Board of Directors.
7. Application approval notice shall be provided in writing. If an BEDC Loan Forgiveness Grant award has certain provisions, conditions, or other requirements of the BEDC, said provisions, conditions or other requirements shall be provided in writing.

### **Funding of the Loan Forgiveness Grant**

1. The applicant shall be obligated to complete the project in accordance with the application within 12 months of the BEDC loan award. No modifications of the projects shall be permitted without prior BEDC approval. Failure to obtain such written approval prior to making any modifications shall render the applicant ineligible to receive the business improvement loan, or if funds were dispensed, ineligible for the loan to convert to a grant.
2. The applicant shall be responsible for all City permits.
3. All projects, as presented in the application, must be completed in their entirety. Failure to complete all of the stated projects shall render the applicant ineligible to receive the grant funding.
4. Upon approval of the loan and during the construction of the projects, a representative of the BEDC shall have the right, at reasonable times, to have access to and inspect the work in progress.
5. The applicant shall agree to remain in business and to not sell or assign such business or building to another person or entity for a period of twelve (12) months from the date of the approval of the loan forgiveness grant without prior BEDC board approval.
6. Approval of the application and funding of the loan shall be with the understanding and with a written loan agreement.
7. Upon written notification to the BEDC, by the applicant, that a project has been completed, an inspection by an BEDC representative shall be made to confirm that such project has been completed in accordance with the application, written agreement, plans submitted with the application and any approved modification thereto. Such notification shall include, but not be limited to documentation of paid receipts for materials, labor, permits, inspection reports, or any other item that the BEDC may reasonably deem necessary for determining the project's completion.
8. The Laws of the State of Texas shall govern the interpretation, validity, performance and enforcement of this project Loan Forgiveness Grant and venue for any lawsuit or other proceeding involving this program shall be in Coke County, Texas.
9. If any provision of this project Loan Forgiveness Grant is held to be invalid or unenforceable, the validity and enforceability of the remaining provisions shall not be affected.

The undersigned acknowledges and agrees to abide by and be subject to the terms and conditions of the Bronte Economic Development Corporation Loan Forgiveness Grant as described herein.

**Applicant:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email address: \_\_\_\_\_

Telephone Number: Home or cell (circle): \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**PROPERTY OWNER:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email address: \_\_\_\_\_

Telephone Number: Home or cell (circle): \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## Bronte Economic Development Corporation Loan Forgiveness Grant Application

Date of Application: \_\_\_\_\_

### Application Information

Name of Applicant: \_\_\_\_\_

Applicant Contact Email: \_\_\_\_\_

Applicant Telephone Number: \_\_\_\_\_

Business Name: \_\_\_\_\_

Address of the Business Improvement: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

### Business Owner (if different than above)

Name of Business Owner: \_\_\_\_\_

Business Owner Email: \_\_\_\_\_

Business Owner Telephone Number: \_\_\_\_\_

Business Address of Business Owner: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

### Property Owner (if different than above)

Name of Business Owner: \_\_\_\_\_

Business Owner Email: \_\_\_\_\_

Business Owner Telephone Number: \_\_\_\_\_

Business Address of Business Owner: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

**Describe the proposed business projects:**

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1. Provide Proof of ownership or right of occupancy such as a deed/lease.
2. Provide written authorization that the applicant is allowed to make projects and is authorized by the owner of the property.
3. Provide photographs of existing conditions.
4. Provide renderings, elevations, drawing of proposed projects.
5. Provide two detailed cost estimates from two local separate contractors/suppliers of all proposed projects.
6. Provide proof that the applicant has the required 50% cash match. If a loan is required to match the required 50% BEDC loan grant, the applicant shall provide a copy of the bank application and notice from the bank that the funds are available as needed.

I(we) hereby certify that, to the best of my (our) knowledge the above information is accurate as provided:

**Applicant Name (please print carefully):**

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**Signature/Date** \_\_\_\_\_

**Building owner approval of application name (please print carefully):**

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**Signature/Date** \_\_\_\_\_