



Downtown Destination Creation Loan-To-Grant Program

About the Program:

To encourage new destination business investments and extended hours of operation in Downtown Gainesville, Texas, the Gainesville Economic Development Corporation created the Downtown Destination Creation (DDC) Loan-To-Grant Program to incentivize businesses that primarily work to attract new customers from outside of Gainesville to patronize businesses in Downtown Gainesville. The Downtown Destination Creation Loan-To-Grant program provides matching Loan-To-Grant funds toward qualified primary jobs and fixed site improvements in compliance with Sections 501.101 and 501.103 of the Texas Local Government Code. Below are the program policies and qualifying business types. An application for this program is subject to GEDC Board approval.

Qualified Applicants:

For-profit businesses (existing or new to Gainesville) with a successful record in business and/or prospective business owners with a detailed business plan and financial support.

- New/Unique Dining Concepts
- Wineries/Breweries/Distilleries
- Entertainment
- Production Facilities & Studios with Retail Space/Customer Experiential Space (i.e., Artisans & Makers)
- Commercial uses for upper floor spaces (i.e., office space, vacation rentals, rooftop venue, balcony)
- Existing businesses making destination creation investments and expansion will be considered.

Qualified Development Area:

- Properties in City of Gainesville Central Area Zoning

Qualifying Improvements:

- Exterior Façade (including murals/public art)
- Utility Upgrades
- Asbestos & Environmental Remediation
- Code Compliance
- Signage
- ADA Accessibility
- Roof Installation/Repair
- HVAC Improvements
- Mechanical/Electrical/Plumbing/Broadband
- Demolition
- Fire Suppression
- Foundation Repair
- Grease Trap Installation
- Roof-top Venue/Balcony
- Performance/Educational Amenities

- Interior Site Improvements Attached to the Building
- Other Fixed Improvements on a Case-by-Case Basis and consistent with state law
- Business Process Equipment for Manufacturing and Production eligible under the following NAICS Code Sectors: 311 to 339 Manufacturing; 512 to 516 7115 Artists, Painters, Jewelers, Sculptors, Recording (audio/video), and other Artisans and Makers.
- Ineligible Expenses:
 - Residential use improvements (i.e., loft apartments), real estate acquisition costs, inventory, working capital, and operations payroll/labor.
 - Portions of investments receiving other GEDC incentives are not eligible for an additional 15% match. For example: Facade grants

Loan-To-Grant Award:

Qualified applicants that receive an Approval Letter from the Gainesville EDC Board are eligible to receive up to \$100,000 in DDC Loan-To-Grant funds reimbursed upon Certificate of Occupancy and proof of receipts. Businesses open until at least 8:00 p.m. two nights per week will receive priority consideration over competing projects. The minimum Loan-To-Grant available for this program is \$10,000 (project at least \$67,000 in total qualified expenditures). The maximum Loan-To-Grant available for this program is \$100,000 (project at least \$670,000 in total qualified expenditures).

The GEDC Board of Directors reserves the right to provide a higher negotiated grant with an applicant that would be a major business catalyst for the Downtown area generating significant customer traffic and/or sales tax revenue based on project competitiveness and demonstrated need.

Applicants may want to consult their accountant when applying for this incentive as it may be subject to federal income taxes.

Repayment:

Loan-To-Grant proceeds will be granted in 1/2 increments over a two-year period beginning with the Date of the Certificate of Occupancy. Annual reporting will be required including grant recipient: Proof of Occupancy, Hours of Operation, Annual Sales, Number of Employees (PT/FT), and samples of Marketing efforts.

Process:

Applicants must fill out an application and cannot begin work until such application is approved by the GEDC Board of Directors. Upon application, GEDC Staff will meet with the applicant and verify all submitted documentation. Depending on the design and scope of the project, GEDC Staff may seek feedback from the City of Gainesville Staff. GEDC Staff may request additional follow-up documentation, including company financial information. Upon verification, the complete application will be placed on the next agenda for the GEDC Board of Directors meeting. The GEDC Board will vet the application and vote whether to approve, deny or request additional information. The applicant is encouraged to attend this meeting to answer any specific questions from the GEDC Board. Upon approval, the applicant will need to sign a Performance Agreement with Gainesville EDC. The applicant and their contractor(s) must comply with all City of Gainesville ordinances and development standards, and they must stay in compliance with all City of Gainesville ordinances and development standards throughout the life of the Downtown Destination Creation Grant Performance Agreement. This includes obtaining all necessary permits from the City of Gainesville. Work done out of compliance with City of Gainesville requirements may result in breach of contract with the GEDC and forfeiture of funding eligibility. Upon completion of improvements, GEDC and City of Gainesville Staff shall verify compliance and process a reimbursement based on applicant's proof of paid receipt(s).

Time to Complete:

Applicants will have up to eighteen (18) months upon approval by the GEDC Board to complete their project, unless approved for an amended timeline or as otherwise provided in the Performance Agreement. Upon reimbursement, the applicant must remain in business on the property throughout the life of the Downtown Destination Creation Loan-To-Grant Performance Agreement. Failure to remain in business on the property for the minimum time could result in forfeiture of Loan-To-Grant conversion. The GEDC Board reserves the right to require repayment of unearned Loan-To-Grant funds.

Marketing:

Applicant/Grantee acknowledges that information provided by applicant and obtained by GEDC may be used in GEDC marketing, press releases, social media posts, websites, etc.

Downtown Destination Creation Loan-To-Grant Program Contact

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DOWNTOWN DESTINATION CREATION LOAN-TO-GRANT PROGRAM

INCENTIVE APPLICATION

NOTE: Application must be submitted and approved before any work is done on your project.

Please return completed application with necessary attachments and signatures to the Gainesville Economic Development Corporation, 311 S Weaver St, Gainesville, TX 76240. If you have application questions, please contact Gainesville EDC staff at (940) 665-5241.

Applicant Name: _____ Date: _____

Legal Business Entity Name: _____

Mailing Address: _____

Phone Number: _____ Email: _____

Building Owner (if different from applicant): _____

Project Site/Address: _____

Tax ID Number: _____

**Business must remit sales tax, unless improvement is for second floor commercial use*

NAICS Code (First 4-digit): _____

Existing Business: Yes or No

Type of Business:

- New/Unique Dining Concept Specialty Retail Entertainment
- Production Facilities & Studios w/ Retail Space/Customer Experiential Space
- Brewery/Winery/Distillery 2nd Floor Commercial Use (specify): _____

Days/Hours of Operation: _____

**Businesses open until at least 8:00 p.m. two nights a week will receive priority ranking.*

Type of Work (check all that apply):

- Exterior Façade Signage Paint (Exterior/Interior)

- Utility Upgrades
- Environmental
- Building Renovation
- Awnings
- Demolition
- Property Repairs
- Mechanical/Electrical/Plumbing
- ADA Accessibility
- Fire Code Improvements
- Property Beautification
- Other (specify): _____

Description of Fixed Site Improvements: _____

_____ (provide itemized attachment(s) if necessary)

Business Process Equipment for Manufacturing and Production:

_____ (provide itemized attachment(s) if necessary)

Total Anticipated Improvement Costs: _____

**Attach all estimates for work subject to the applicable uses of this grant program*

Name/Contact Info of General Contractor: _____

Type of Financing (check all that apply):

- Self-Funded
- Business Loan
- Private Equity

Name/Contact Info of Banker (if applicable): _____

Describe how your business will contribute to Downtown Gainesville’s economic vitality and attract customers from outside Gainesville. Also, describe any new concept/improvement your business will provide that’s not currently in Gainesville:

Does your business have other existing locations? Yes No

If yes, where? Length of business at location(s): _____

Describe owner(s) background and industry experience:

Type of Project: New Location Relocation Expansion

Is this project competitive? Are other area cities being considered for this project? Yes No

Will the product be manufactured on site? Yes No

If yes, describe (including any export activity): _____

Anticipated Job Creation (specify FT/PT): _____

Average Job Wage: _____

Value Type	Estimated Amount (\$)
Annual Taxable Sales (before/after improvements)	
Real Property Value (before/after improvements)	
Business Personal Property (Inventory/FF&E)	
Annual Mixed Beverage Sales (if applicable)	

Attachments Requested (if available):

- Building Plans/Renderings
- Contractor/Other Estimates
- Photos of Existing Location(s)

- **City of Gainesville Permit(s)(when received)**
- **Proof of Insurance**
- **Letter of Property Owner (if different than Applicant) Approval**
- **Sales Tax Permit**
- **Lending Institution Letter of Support**
- **Business Plan**
- **Business Owner(s) Resume**

I have met with Gainesville EDC Staff and have read and fully understand the Downtown Destination Creation Loan-To-Grant Program policies and procedures. I intend to use this Loan-To-Grant program for the aforementioned renovation projects to advance historic Downtown Gainesville as a destination for unique businesses that will draw visitors to the community. I understand that that the loan-to-grant conversion (50% each year) will be based on my continued operations and my annual reporting is deemed sufficient and complete by GEDC. *I have not received, nor will I receive insurance monies for this redevelopment project.*

I understand that if awarded this grant, any deviation from the approved project may result in the violation of the Performance Agreement and partial or total withdrawal and/or repayment of the Loan-To-Grant. If I am awarded a grant for any work pursuant to this program and the completed work is altered for any reason within the term of the Performance Agreement, I may be required to reimburse GEDC for the full amount of the Loan-To-Grant.

Business Name: _____

Applicant Signature: _____

Applicant Name (printed): _____

Property Owner Signature (if different): _____

Property Owner Name (printed): _____

Date: _____

This section to be completed by GEDC Staff

GEDC Staff Review: _____ **Date:** _____

Staff Recommendation: Approve Deny More Information Needed

GEDC Board Action: Approve Deny More Information Needed **Date:** _____