

**FOR AN SL4B COMMERCIAL REDEVELOPMENT
AND REINVESTMENT GRANT PROGRAM**

A. Purpose. The purpose of this Policy is to provide for the SL4B's reimbursement of funds to qualifying projects to promote local economic development.

B. Policy and Program Goals. The goals of this Policy and Program are to:

1. Promote economic growth;
2. Attract quality retail & community amenities;
3. Substantially enhance community aesthetics;
4. Create vibrant activity centers;
5. Support pedestrian-friendly environments;
6. Cultivate community identity; and
7. Foster transformative reinvestment in commercial areas.

C. Policy. The SL4B may enter into Performance Agreements with Applicants for Reimbursement Incentive payments for portions of Qualifying Projects that consist of Qualifying Expenditures.

D. Definitions.

Act means the Development Corporation Act, codified in Chapters 501 through 505 of the Texas Local Government Code.

Applicant means a person who submits an Application to the SL4B.

Application means the form developed by the SL4B and submitted by an Applicant, whereby the Applicant is seeking a Reimbursement Incentive under the Program for a potential Qualifying Project that would include Qualifying Expenditures.

Board means the Board of Directors of the SL4B.

Land Use Plan means the City's high-level document that outlines policy direction and guidance for development, redevelopment and land use decisions. The Land Use Plan is published as Chapter 6 of the City's Comprehensive Plan and furthers the Comprehensive Plan's overall vision and sets out a specific land use vision and goals for the City and outlines actions that will achieve those goals to ensure Sugar Land continues to thrive.

Performance Agreement means the agreement between a successful Applicant and the SL4B (and/or the City, if applicable) that outlines the scope of the Qualifying Project and the terms for the Applicant to receive a Reimbursement Incentive, and that meets the requirements of Section 501.158 of the Act.

Policy means this Sugar Land 4B Corporation Policy for an SL4B Commercial Redevelopment

and Reinvestment Grant Program.

Program means the SL4B Commercial Redevelopment and Reinvestment Grant Program, created by this Policy.

Program Staff means those employees in the City's Department of Redevelopment or designated department charged with implementing and administering the Program.

Property means a commercial parcel of land, with a unique identifying address, owned by an Applicant, located within City limits, and that is the subject of the proposed project.

Qualifying Expenditures means those portions of a Qualifying Project eligible for reimbursement under Sections 501.103 and 505.152 of the Act, as may be amended.

Qualifying Project means a project that meets the requirements of the Program and is found to be eligible for a Reimbursement Incentive and that promotes local economic development through projects that rehabilitate and/or enhance commercial properties.

Reimbursement Incentive means the funds the SL4B pays to an Applicant under the Program, towards those portions of a Qualifying Project that consist of Qualifying Expenditures excluding permitting fees and sales tax.

SL4B means the Sugar Land 4B Corporation.

E. Reimbursement Incentive Overview.

1. A Reimbursement Incentive is available for up to 20% of a Qualifying Project's total cost. The percentage eligible for a Reimbursement Incentive will be determined on a case-by-case basis, but will in no event exceed the total amount paid by the Applicant for Qualifying Expenditures.
2. The minimum investment and grant funding amounts for Qualifying Projects will be determined by the Board on a project-by-project basis and will be negotiated with the Applicant as part of the Performance Agreement.
3. Applicants with approved Applications will be required to enter into a Performance Agreement that outlines the terms for receiving a Reimbursement Incentive. Additionally:
 - a. Work on a Qualifying Project must both start and be fully completed *after* the agreement is signed, or the project will be wholly disqualified;
 - b. Projects started prior to the agreement being signed will not be reimbursed; and
 - c. If the Applicant is not the sole owner of the Property, any and all other owners will be required to also sign the agreement.

4. Reimbursement Incentives under the Program will be disbursed according to the terms of the Performance Agreement for the Qualifying Project.
5. Funding for the Program will be determined based on funding availability from the SL4B.
6. No Reimbursement Incentives will be given for partially completed projects. All improvements must be fully completed and all required paperwork must be submitted.
7. A portion of the project must be for improvements eligible for funding under the Act (i.e. Qualifying Expenditures). Only those portions of a Qualifying Project that consist of Qualifying Expenditures are eligible for a Reimbursement Incentive under the Program.

F. Preferred Development Outcomes. All Applications will be considered on a case-by-case basis. Although the SL4B will consider all Applications that meet the eligibility requirements outlined in this Policy, the SL4B is interested in supporting projects that are expected to produce a transformative impact to the City's areas of commerce. Applicants are encouraged to submit a project proposal that accomplishes two (2) or more of the following preferred development outcomes:

1. Modernization of building facades. Improvements should modernize building facades by transforming existing urban landscapes into contemporary and visually appealing environments that are attractive to new commercial and retail tenants.
2. Creation of public spaces. Improvements should incorporate placemaking elements that contribute to a distinct visual identity, such as unique outdoor seating areas, plazas, pocket parks, parklets, and/or open communal spaces.
3. Promotion of walkability. Improvements should prioritize pedestrian-friendly design by promoting safer walkability of commercial areas. Implementation of new sidewalks, pedestrian paths, or plazas to link various commercial uses to parking zones and/or other surrounding uses is ideal (*see* example on Page 65 of the Land Use Plan).
4. Creation of vibrant activity centers. Improvements should encourage the development of distinct and vibrant activity centers within the City by facilitating the creation of welcoming and engaging public spaces that attract visitors and residents alike.
5. Enhancement of parking infrastructure. Improvements should revitalize parking lots across the City, transforming neglected spaces into well-maintained, safe, and functional assets for the community. Parking lot improvements should be transformative and create inviting environments through resurfacing, lighting improvements, landscaping enhancement, pedestrian walkways, and more.
6. Stimulation of a substantial economic impact. Project proposals should showcase a significant community transformation. Targeted investments in key areas should generate substantial and long-lasting economic benefits.

7. Innovation through transformative public projects that the City has not seen before.

G. Project Proposal Criteria. Project proposals should include quotes/estimates for a variety of improvements to retail properties/commercial centers, including, but not limited to:

1. Façade improvements;
2. Exterior treatments, including painting and siding;
3. Construction of new site amenities and open space improvements;
4. Plazas;
5. Shade structures;
6. Outdoor seating & table areas;
7. Parklets;
8. Pedestrian improvements;
9. Pedestrian walkways through large surface lots;
10. Permanent outdoor seating & table areas;
11. Pedestrian-scale lighting;
12. Bicycle infrastructure & amenities;
13. Commercial awnings;
14. Signage improvements;
15. Wayfinding and branding signage;
16. Parking lot improvements;
17. Repaving or resurfacing;
18. Replacement of excess surface parking with open space amenities;
19. Public art improvements, such as murals;
20. Improvements to public right-of-way or infrastructure; and
21. Other building or site modernization improvements as determined by the SL4B Board of Directors.

Maintenance-related projects are strongly discouraged and may not be approved

Project proposals must be substantially transformative and rehabilitative as determined by Program Staff and the Board, in their sole discretion.

H. Property Eligibility.

1. Properties should be multi-tenant retail centers within the City that are at least twenty (20) years old and have at least fifteen thousand (15,000) square feet of gross leasable space.
2. Applicants must be the property owners of the multi-tenant centers.
3. Preference may be given to projects located in or around a designated “Redevelopment Area” as defined by the Land Use Plan. However, all eligible multi-tenant retail centers are strongly encouraged to apply. These target areas may shift or expand over time as the City refines its strategic priorities.
4. Property taxes must be current.

5. The Property must be covered by a valid and current commercial insurance policy.

I. General Application Requirements and Procedures.

1. Application Process.

- a. Interested applicants are encouraged to contact Program Staff to discuss their project and their potential eligibility for the Program, as well as to ask any questions about the Program and how to complete the application process.
- b. Applicants are accepted on a rolling basis and must follow the adopted application process to be considered for a Reimbursement Incentive. The full Application must be completed in its entirety and submitted to Program Staff.

2. Submission Process. The following items must be submitted, and subsequently determined to be sufficient by Program Staff, for an Application to be considered complete:

- a. Completed Application;
- b. Project proposal that includes:
 - (1) Concept for façade or other exterior improvements, showing the design or aesthetic of the proposed project;
 - (2) Detailed scope of work and/or architectural drawings and/or renderings of the improvements, reflecting placement, materials, and colors; and
 - (3) Proposed project timeline;
- c. Photographs of the existing exterior conditions of the building and/or project site, including photos of the specific items to be addressed within the scope of work;
- d. A copy of the Property deed to confirm ownership of the property;
- e. A copy of the Property tax bill to confirm that taxes are current; and
- f. Proof that the Property is covered by a valid and commercial insurance policy.

3. Review Process.

- a. If funding is available, Program Staff will conduct an initial completeness and eligibility review on all received Applications to determine if an Application is complete. Applications will be reviewed for eligibility when they are determined to be complete by Program Staff.

- b. Applications will then be reviewed by a staff committee composed of multiple City departments to determine eligibility based on Program requirements as well as alignment with Program goals and preferred development outcomes.
 - c. Once review of an Application is complete, the Applicant will be notified whether or not the project has been determined to be a Qualifying Project.
 - d. All eligible, completed Applications will be evaluated and submitted for approval on a case-by-case basis to the Board (and/or City Council, if applicable).
4. Post-Award Process.
- a. If an Application is approved by Program Staff, Program Staff will provide the Applicant with a Performance Agreement with the SL4B that outlines the terms and conditions that must be met in order to receive a Reimbursement Incentive for the project.
 - b. If the Reimbursement Incentive will exceed the amount that the City's City Manager would be authorized to approve for the City without City Council approval, then the Performance Agreement must be approved by the Board.
 - c. The Applicant may begin work on the Qualifying Project once the Performance Agreement has been executed by both the Applicant and the SL4B (and/or the City, if applicable). If the Applicant is not the sole owner of the Property, all other owners will be required to also sign the Performance Agreement.

J. Performance Agreement.

1. Once a Performance Agreement is approved, generally the successful Applicant will have six (6) months to begin construction. The Performance Agreement may provide that if the work does not begin within that six (6) month period, the Applicant will be notified in writing that the Performance Agreement may be terminated with no Reimbursement Incentive awarded or available to the Applicant. Generally, the Performance Agreement will provide that the Applicant will have one (1) to two (2) years from the date of the executed agreement to complete the project, which will be determined based on the scope of work. Depending on the scope of the project and/or project timeline, extensions may be granted on a case-by-case basis at the SL4B general manager's sole discretion.
2. Successful Applicants that enter into a Performance Agreement with the SL4B (and/or the City, if applicable) for a Reimbursement Incentive will be required to indemnify, defend, and hold the SL4B, City, as well as any of its officers, directors, employees, harmless from any claims, damages, losses and expenses, including but not limited to attorneys' fees, arising from the agreement.
3. Successful Applicants that enter into a Performance Agreement with the SL4B (and/or the City, if applicable) for a Reimbursement Incentive will be required to maintain insurance

in amounts and types sufficient to cover the Qualifying Project and to protect the SL4B and/or the City from any potential liability related in any manner to their obligations under the agreement.

4. Successful Applicants that enter into a Performance Agreement with the SL4B (and/or the City, if applicable) for a Reimbursement Incentive will be required to grant the SL4B and/or City an unrestricted right to use, for any lawful purpose, any photographs or video footage taken of the Qualifying Project, owned by the Applicant and to which Applicant has the authority to grant such permission, and to use the Applicant's name in connection therewith if the SL4B and/or City choose.
5. In accordance with Section 501.158 of the Act, a Performance Agreement will include:
 - a. A schedule of additional payroll or jobs to be created or retained at the Property as a result of the Qualifying Project;
 - b. The capital investment that the Applicant will be making in the Qualifying Project; and
 - c. Terms under which repayment of the Reimbursement Incentive will be made if the Applicant breaches any obligations of the Performance Agreement that survive the expiration or termination of the agreement.
6. The SL4B (and/or the City, if applicable) may impose any other conditions in a Performance Agreement with an Applicant that the SL4B and/or City deem necessary to promote the purposes of this Policy and the Program.

K. Payment of Reimbursement Incentives.

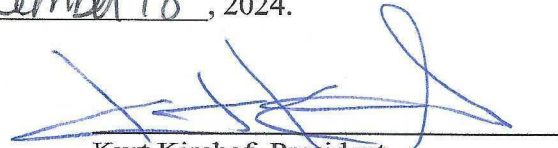
1. The Program will offer Reimbursement Incentives on a reimbursement basis only, per each Performance Agreement. Under no circumstances will Reimbursement Incentives be disbursed as a cash advance prior to project costs being incurred and the scope of the project being fully completed.
2. Reimbursement Incentives are disbursed only after a reimbursement request is submitted per the requirements of the Performance Agreement. After work has been completed on a Qualifying Project, the Applicant must submit a complete reimbursement package to the party designated in the Performance Agreement. The reimbursement package must include:
 - a. Copies of all permits required to be obtained for the construction or installation of the Qualifying Project;
 - b. Copies of receipts and sufficient supporting documentation showing that all contractors and/or materials have been paid in full for their work on the Qualifying Project. Documentation may include receipts, invoices, cancelled checks and/or bank statements;

- c. Copies of receipts and sufficient supporting documentation showing the amount paid for Qualifying Expenditures. Documentation may include receipts, invoices, cancelled checks and/or bank statements;
 - d. A letter from the Property owner(s) warranting that the Qualifying Project has been completed according to the requirements of the Performance Agreement; and
 - e. Detailed color photographs of all completed improvements.
3. Receipts and invoices required to be submitted hereunder must, at a minimum, include the invoice date, scope of work, contractor name and contact information (if applicable), cost, and copies of cancelled checks or bank statements. The invoices must clearly indicate the nature of the expense and that such expense is related to the Qualifying Project.
 4. Applicants must submit a complete reimbursement package within three (3) months from the date the Qualifying Project is completed.
 5. Program Staff will review reimbursement packages for completeness within thirty (30) days from receipt. If an Applicant is missing information, Program Staff will notify the Applicant in writing and provide them an additional thirty (30) days to provide any missing or incomplete information. If the reimbursement package is not complete at the end of that additional thirty (30) days, the SL4B will have no obligation to pay the Reimbursement Incentive.
 6. The SL4B will pay the Reimbursement Incentive no later than three (3) months after a reimbursement package for a Qualifying Project has been determined to be complete by Program Staff.
 7. If the final costs of the Qualifying Expenditures are less than the original amount approved, the SL4B will have the right to reduce the Reimbursement Incentive accordingly.

L. Additional Program Requirements.

1. All rehabilitation work and design features must comply with all applicable City codes and ordinances, as well as state and federal law.
2. All applicable permits must be obtained.
3. Not all properties and/or projects meeting this Program's eligibility requirements will be able to receive a Reimbursement Incentive. Eligibility and awards under this program will be determined by the SL4B and Program Staff in their sole discretion.
4. Eligibility for a Reimbursement Incentive is based on current funding available for the Program. Lack of funding may result in the rejection of otherwise eligible Applications.

PASSED AND APPROVED on September 18, 2024.



Kurt Kirchof, President

ATTEST:



Linda Mendenhall City Secretary

APPROVED AS TO FORM:

DAnn Shea Smith



Sugar Land 4B Corporation
SEPTEMBER 18, 2024

AGENDA REQUEST NO: IV.A.

AGENDA OF: Sugar Land 4B Corporation Meeting

INITIATED BY: *Jessica Huble, Assistant Director of Redevelopment*

PRESENTED BY: *Jessica Huble, Assistant Director of Redevelopment*

RESPONSIBLE DEPARTMENT: Community Planning & Redevelopment

AGENDA CAPTION:

PUBLIC HEARING 4:00 P.M.: Receive and hear all persons desiring to be heard on **SUGAR LAND 4B CORPORATION RESOLUTION NO. SL4B-R-24-18:** A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUGAR LAND 4B CORPORATION, ADOPTING A CORPORATION POLICY FOR AN SL4B COMMERCIAL REDEVELOPMENT AND REINVESTMENT GRANT PROGRAM.

Consideration of and action on **SUGAR LAND 4B CORPORATION RESOLUTION NO. SL4B-R-24-18:** A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUGAR LAND 4B CORPORATION, ADOPTING A CORPORATION POLICY FOR AN SL4B COMMERCIAL REDEVELOPMENT AND REINVESTMENT GRANT PROGRAM.

RECOMMENDED ACTION:

Approval of Resolution No. SL4B-R-24-18, adopting a 4B Corporation policy for a Commercial Redevelopment and Reinvestment Grant Program.

EXECUTIVE SUMMARY:

The City' of Sugar Land's two-year action plan identifies redevelopment as the top priority, which includes the redevelopment of Sugar Land's commercial areas.

The City is at a transitional moment in its history. Today, approximately 4% of the land within the city limits is undeveloped. Meanwhile, housing and commercial developments from the 1970s, 1980s, and 1990s are aging and market preferences are shifting. Ultimately, Sugar Land is competing with other places around the Houston region and the United States for residents and businesses. Sugar Land should respond to market shifts and adapt to remain competitive and continue to be a prominent destination.

As the last remaining vacant properties within the City develop, the focus is shifting to promoting commercial redevelopment and reinvestment to preserve and enhance the value of existing areas of commerce.

On August 21, 2024, staff workshopped the proposed Commercial Revitalization Grant with the board. The Commercial Revitalization Grants will be awarded via Performance Agreement outlining a reimbursement of up to 20% for qualifying projects that consist of qualifying expenditures. Qualifying expenditures are defined as portions of the qualifying project that are eligible for reimbursement under Sections 501.103 and 505.152 of the Development Corporation Act.

All applicants will be considered on a case-by-case basis and are encouraged to submit a project proposal that accomplishes two (2) or more of the following preferred development outcomes:

1. Modernization of building facades.
2. Creation of public spaces.
3. Promotion of walkability.

4. Creation of vibrant activity centers.
5. Enhancement of parking infrastructure.
6. Stimulation of substantial economic impact.
7. Innovation through transformative public projects that the City has not seen before.

Eligible properties are defined as:

1. Properties should be multi-tenant retail centers within the City that are at least twenty (20) years old and have at least fifteen thousand (15,000) sq. ft. of gross leasable space.
2. Applicants must be the property owners of multi-tenant centers.
3. Preferences may be given to projects located in or around a designed "Redevelopment Area" as defined by the Land Use Plan. However, all multi-tenant retail centers are strongly encouraged to apply.
4. Property taxes must be current.
5. The Property must be covered by a valid and current commercial insurance policy.

If the reimbursement incentive exceeds the 4B Corporation's General Manager (City of Sugar Land's City Manager or designee) approval threshold of \$100,000, the Performance Agreement must be approved by the SL4B Board. Once the Performance Agreement is approved, the applicant will have six (6) months to begin construction; and one (1) to two (2) years from the date of the executed agreement to complete the project.

Staff recommends approval of Resolution No. SL4B-R-24-18, adopting a 4B corporation policy for a Commercial Redevelopment and Reinvestment Grant Program.

BUDGET

EXPENDITURE REQUIRED:

CURRENT BUDGET:

ADDITIONAL FUNDING:

FUNDING SOURCE:

ATTACHMENTS:

	Description	Type
▢	1.3 SL4B Commercial Revitalization Grant Program	Resolutions

Adopted by Res. No. _____

Date of adoption: _____

Effective Date: _____

RESOLUTION NO. SL4B-R-24-18

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUGAR LAND 4B CORPORATION, ADOPTING A CORPORATION POLICY FOR AN SL4B COMMERCIAL REDEVELOPMENT AND REINVESTMENT GRANT PROGRAM.

WHEREAS, commercial redevelopment and reinvestment in the City of Sugar Land (“City”) is a means to preserve and enhance the value of existing areas of commerce; and

WHEREAS, commercial redevelopment and reinvestment supports the creation of distinct and vibrant activity centers by promoting attractive and welcoming public spaces, renovated storefronts and building facades, and pedestrian-friendly settings; and

WHEREAS, commercial redevelopment and reinvestment promotes new or expanded business enterprises in the City by stimulating redevelopment, reinvestment, and aesthetic improvements of aging retail properties and commercial centers; and

WHEREAS, portions of some commercial redevelopment and reinvestment projects may consist of infrastructure improvements that fall within Section 501.103 of the Development Corporation Act, codified in Chapters 501 through 505 of the Texas Local Government Code (the “Act”); and

WHEREAS, portions of some commercial redevelopment and reinvestment projects may consist of park space, parklets, and open space improvements that fall within Section 505.152 of the Act; and

WHEREAS, commercial redevelopment and reinvestment projects help create and retain jobs in the City; and

WHEREAS, the Board of Directors would like to incentivize commercial property owners in the City to engage in projects that rehabilitate and/or enhance their commercial properties, by providing some reimbursement for those portions of the projects that fall within the Act; and

NOW THEREFORE, the Board of Directors wishes to adopt a policy establishing an economic development program to promote local economic development by reimbursing commercial property owners for portions of projects that rehabilitate and/or enhance their commercial properties that fall within the Act; NOW, THEREFORE,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS
OF THE SUGAR LAND 4B CORPORATION:**

Section 1. That the Board of Directors adopts the following policy:

SUGAR LAND 4B CORPORATION POLICY