

# Texas Department of Agriculture

## Texas Capital Fund Main Street/Downtown Revitalization Application Workshop

Sid Miller, Commissioner



# Presentation Agenda

- Introduction to the CDBG program
- Texas Capital Fund
  - Infrastructure / Real Estate Program
  - Downtown Revitalization Program
  - Main Street Program
- Scoring
- CDBG Contact Information

# Texas Community Development Block Grant (CDBG) Program

- Texas Department of Agriculture administers CDBG funds for non-entitlement cities and counties in Texas
- Serves 1,015 cities and 244 Counties
- Largest state CDBG allocation in the nation
  - \$61.4M for 2014 program year

# 2015 Texas CDBG Allocation

Fund	Allocation (%)*
Community Development	61.71%
Texas Capital Fund	14.51%
Colonia Fund	12.5%
Disaster / Urgent Need	4.1%
STEP Fund	3.01%
Planning Fund	1.00%

- Downtown Revitalization Program (DRP) 12% of TCF allocation
- Main Street Program (MS) 6% of TCF allocation

\*Totals do not equal 100%

# CDBG Objectives

- Development of viable communities by providing:
  - Decent Housing
  - A suitable living environment; and
  - Expanding economic opportunities
- National Program Objectives
  - Benefit to LMI Persons or Households
  - Elimination of Slum and Blight conditions
  - Urgent Need (URG)

# Slum & Blight



# Slum & Blight



# Slum & Blight





# Slum & Blight



# Slum & Blight



# Slum & Blight





# Slum & Blight



# Texas Capital Fund (TCF) Economic Development Programs

- Infrastructure & Real Estate Improvements
- Main Street Program
- Downtown Revitalization Program



# Infrastructure (INFRA) Program

Applications accepted on the 20<sup>th</sup> of each month

## Eligible Activities for Public/Private Infrastructure

- Water & sewer lines and treatment plants
- Streets, curb & gutter, and sidewalks
- Harbor and channel dredging
- Rail Improvements
- Drainage
- Utilities



# Real Estate (RE) Program

Applications accepted on the 20<sup>th</sup> of each month

Use of Funds: Improvements Owned by Applicant & Leased to Business

- Projects include:
  - Building improvements/renovation
  - Building construction (w/ walls & roof)
  - Site Improvements
  - Land acquisition

# Downtown Revitalization (DRP) & Main Street (MS) Programs

Applications due October 1, 2015

## Eligible use of Funds:

- Water & sewer lines
- Streets, curb & gutter, and drainage
- Sidewalks and lights
- Architectural barrier elimination
- Electric & natural gas lines
- Note: Landscaping is not an eligible use of TCF funds but is eligible as a matching contribution



# DRP/MS

## Ineligible use of Funds:

- Grant or otherwise transfer TCF monies to a business
- Speculation, investment or excess improvements
- Building rehabilitation, building construction, machinery, equipment, and working capital
- Landscaping
- Refinancing or to repay the applicant, a local related economic development entity, a benefiting business or its owners and related parties for expenditures
- Architectural and/or Engineering services
- Demolition of a historic building

# TCF Main Street and Downtown Revitalization Funds

Fund	Award Range
Main Street Program	\$50K-\$150K
Downtown Revitalization Program	\$50K-\$150K



# General Program Eligibility

## Downtown Revitalization Program

- Not designated as a Main Street Community

## Main Street Program

- Designated Main Street City

## Both Programs

- Eligible non-entitlement community
- Ability to manage and administer the proposed project
- Demonstrate satisfactory performance on past contracts
- Eliminate or prevent Slum & Blight

# Application Review

- Objective scoring metrics
- Applications arranged highest to lowest by score
- Highest scoring applications reviewed for eligibility and completeness
- Minor deficiencies are addressed
- Staff makes funding recommendations to Executive
- 2 year contract period to complete project

# Application Scoring

## Downtown Revitalization Program Max. 85 points

- Community Needs (35 points)
- Project Profile Criteria (50 points)

## Main Street Program Max. 95 points

- Community Needs (25 points)
- Project Profile Criteria (50 points)
- Main Street Criteria (20 points)

# Common Programmatic Scoring Categories

DRP/MS

# Poverty Level/Rate (10 Points)

- 5 points if city's ACS 5-year individual poverty rate is equal to or greater than the state's poverty rate
- 10 points if the city's poverty rate is 115% or more of the state's poverty rate
- Note: Poverty Rates change on an annual basis as the ACS 5-Year Survey is updated

<http://factfinder2.census.gov/>

DRP/MS

# Median Income

## (10 Points)

- 5 points if city's ACS 5-year median household income is equal to or greater than Texas's Median Household Income
- 10 points if the city's median household income is 85% or less of Texas's median household income
- Note: Median household incomes change on an annual basis as the ACS 5-Year Survey is updated

<http://factfinder2.census.gov/>

DRP/MS



# Unemployment Rate (5 Points)

- 5 points if city's ACS 5-year Unemployment Rate is equal to or greater than Texas's Unemployment Rate
- Note: Unemployment Rates change on an annual basis as the ACS 5-Year Survey is updated

<http://factfinder2.census.gov/>

DRP/MS

# Economic Development Consideration (5 Points)

- 5 points awarded if the city has passed an economic development sales tax
- Type A and/or Type B



DRP/MS

# Leverage/Match (10 Points)

Percent*	\$ Total	Points awarded
10% <i>required</i>	\$15,000	0
20%	\$30,000	5
30%	\$45,000	10

\*based on an application for the maximum award amount

- 10% cash match is required (\$15,000)
- Additional match may be cash or in-kind
- Match may not come from other state or federal sources
- Resolution must acknowledge award application and match amounts
- Additional match sources must be documented
- Force Account requires approved documentation

DRP/MS

# Sidewalks/ADA Compliance (10 Points)

- 5 points if a minimum of 50% of requested funds will be used for sidewalk and/or ADA compliance activities
- 10 points if 70% of requested funds will be used for sidewalk and/or ADA compliance activities

DRP/MS

# Broad-Based Public Support (10 Points)

- 5 points if providing a letter of support from the County Historical Commission, local design review board, EDC or Chamber of Commerce
- Additional 5 points for letters from 50%+ of the business and/or property owners impacted by the proposed project (includes businesses within 1 block of proposed improvements)
- Note: Map should utilize or be based on the plat map for the Downtown/Main Street area

DRP/MS

# Broad-Based Public Support Continued (10 Points)



DRP/MS

# Benefit to Low- to Moderate-Income (LMI) Population (10 Points)

- 5 points if a city's LMI population is equal to or greater than 51%
- 10 points if a city's LMI population is equal to or greater than 60%
- Note: LMISD data is updated on an annual basis. The most recent spreadsheet can be found at [www.TexasAgriculture.gov](http://www.TexasAgriculture.gov)

DRP/MS

# TCF Grant Training (5 Points)

- 5 points if a current city official/employee has attended a TCF Main Street and/or Downtown Revitalization workshop within the past two (2) calendar years

DRP/MS



# Program Specific Scoring Categories

# Previous Contracts

## (10 points)

- 5 points if the city has been awarded one (1) contract in the preceding 2 program years
- 10 points if the city has been awarded zero (0) contracts in the preceding 2 program years

DRP

# Historic Preservation Ethic Impact (10 points)

- 5 points to applicants that have a current historic preservation ordinance
- Additional 5 points to applicants that have design guidelines for the Main Street project area

MS

# Main Street Program Participation (5 Points)

- For every 2 years of continuous participation in the Main Street Program, the applicant will be awarded 1 point
- Points will be awarded for every 2+ consecutive years



MS

# Main Street Standing (5 points)

- 5 points if city received national recognition the prior year



MS

# Common TCF Deficiencies

## Budget Justifications

- Missing/incomplete cost estimates
- No supporting documentation

## Poor maps/layouts

- Support letters do not clearly match maps

# Texas Dept. of Transportation (TxDOT)

- Is your proposed project located within **TxDOT ROW**?
- If so, you must contact TxDOT before receiving an award  
[http://www.txdot.gov/contact\\_us/form/](http://www.txdot.gov/contact_us/form/)
- Provide TxDOT documentation
  - TxDOT Clearance Notification/Communication



# Contact Information

**Suzanne Barnard**

State Director, TxCDBG

(512) 463-6612

[Suzanne.Barnard@TexasAgriculture.gov](mailto:Suzanne.Barnard@TexasAgriculture.gov)

**Erica Garza**

Assistant Director, TxCDBG

(512) 936-7875

[Erica.Garza@TexasAgriculture.gov](mailto:Erica.Garza@TexasAgriculture.gov)

**Chad Hinds**

Program Specialist, TxCDBG

(512) 936-0232

[Chad.Hinds@TexasAgriculture.gov](mailto:Chad.Hinds@TexasAgriculture.gov)



# **Tapping Into Foundation Resources**

*United Way Nonprofit Connection  
February 2015*

## Before You Begin:

- Understand the environment
- Do your market research
- Gather your information
- Allow ample time

# Where Foundations Fit in the Total Giving Picture

\$335.17 Billion (up 4.4% compared  
with 2012)

- Individuals = 72%
- Foundations = 15%
- Bequests = 8%
- Corporations = 5%

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\*Source: *Giving USA 2014*

# Types of Foundations

All 501(c)(3) of the IRS Code are either private foundations or public charities

- A private foundation receives all of its contributions from relative few sources and often depends on investment earnings as the primary source of ongoing revenue
- A public charity is either publicly supported (derives most of its financial support from the public, or functions to support one or more organizations that are public charities

# Types of Foundations

## Private

- Independent
- Corporate
- Operating

## Public

- Community Foundations
- Population or issue-oriented funds
- Corporate

# Foundations most likely to give grants

- Local foundations
- Major corporations headquartered in your region
- State and local government
- Major corporations with employees or strong sales in your area
- Major foundations not located in your area
- Federal government

# Grantor/Grantee: An Ideal Partnership

## Nonprofits

- Understand the issues
- Have the capacity to solve problems
- Lack needed financial resources

## Funders

- Are concerned about the issues
- Lack the capacity to solve the problems
- Have financial resources to address the problems

# Finding Funding Partners

- Requires serious research
- Look for funders who:
  - Identify interests or have history of funding issues that match your mission and programming
  - Have no restriction regarding their giving
  - Fund in your geographic area



# Develop a Prospect List

- Does the prospect provide the type of support your organization needs?
- Approach the prospect with a targeted request – one size does not fit all
- Prioritize your list and focus on the best prospects first
- Maintain and update your list for future use

# Finding Information on Funders

- Grantmaker web sites
- Grantmaker documents: annual reports, grantmaking criteria, history of funding
- Requests for proposals (Philanthropy News Digest posts RFPs online at <http://foundationcenter.org/phd/rfp/>)
- IRS filings (990-PF)
- Newsletters
- Industry publications: *Chronicle of Philanthropy*, *NonProfit Times*, *Nonprofit Quarterly*, *Stanford Social Innovation Review*)
- News articles

# Print Resources

- *Foundation Directory*
- *Foundation 1000*
- *National Directory of Corporate Giving*
- *Catalog of Federal Domestic Assistance*
- *National Directory of Nonprofit Organizations*
- *Guide to U.S. Foundations, Their Trustees, Officers and Donors*

# Online Resources

The Foundation Center

([www.foundationcenter.org](http://www.foundationcenter.org))

Grants.gov ([www.grants.gov](http://www.grants.gov))

Catalogue of Federal Domestic  
Assistance ([www.cfda.gov](http://www.cfda.gov))

GuideStar ([www.guidestar.org](http://www.guidestar.org))

Philanthropic Studies Index

(<http://cheever.ulib.iupui.edu/psipublicsearch/>)

# \*Government Funding: Warning

- Assign someone to oversee contract management
- Be engaged politically
- Be aware of the difference between what government will pay and what project costs
- Remember who the client is
- Don't forget the small stuff

# Analyze Your Fit with Funders

- Categories of funding available
- Ability to meet stated funder goals
- Recent funding history
- Eligibility of applicant and beneficiaries
- Capacity requirements and your ability to meet them
- Types of assistance/funding mechanism
- Match requirements

# Categories of Support

- Operating (general support or unrestricted income)
- Special projects (funds restricted to a specific program)
- Capacity building
- Capital or equipment
- Endowments

# Develop Your Case

- What do you do?
- Where do you do it?
- Who else does what you do?
- How is what you do different?
- Who are your clients?



# Organize Your Case Statement

- Mission
- Organizational history
- Program descriptions
- Organizational chart
- Legal documents
- Financial data
- Board profile

# Elements of the Proposal

- Summary/abstract
- Introduction/capability statement
- Problem/needs statement
- Program description/methodology
- Evaluation plan
- Dissemination plan
- Future funding
- Budget
- Attachments

# Common Proposal Mistakes

- Focusing on problems rather than solutions
- Addressing specific problems with general solutions
- Using buzzwords and jargon
- Preparing budgets that don't make sense
- Repeating exact phrases from funder's guidelines

# Some Final Thoughts

- Proofread your proposal MANY times
- Recruit an outside reviewer to be sure the proposal makes sense
- Budgets are the most precise part of the proposal: be sure the numbers add up
- Don't promise what you can't deliver
- Grants are legally binding contracts

# Would You Fund This Proposal?

- Does it make sense?
- Is it interesting?
- Did you answer questions posed?
- Do sentences flow logically?
- Is grammar accurate?
- Is punctuation correct?
- Did you spell-check?
- Did you make the points you intended to make?

# What's Next?

- If grant is funded...
  - Acknowledge funder's support
  - Observe reporting responsibilities
  - Clarify any additional requirements
  - Stay in touch
- If grant is not funded...
  - Accept rejection gracefully
  - Request feedback
  - Consider later re-submission


# More Online Resources

- Association for Healthcare Philanthropy ([www.ahp.org](http://www.ahp.org))
- Association of Fundraising Professionals – Greater Houston ([www.afphouston.org](http://www.afphouston.org) )
- Association of Professional Researchers for Advancement ([www.apragreaterhouston.org](http://www.apragreaterhouston.org) )
- BoardSource ([www.boardsource.org](http://www.boardsource.org) )
- The Center on Philanthropy at Indiana University ([www.philanthropy.iupui.edu](http://www.philanthropy.iupui.edu) )
- CharityChannel ([www.charitychannel.com](http://www.charitychannel.com) )
- *Chronicle of Philanthropy* ([www.philanthropy.com/jobs](http://www.philanthropy.com/jobs) )
- Council for the Advancement and Support of Education ([www.case.org](http://www.case.org) )
- Grant Professionals Association – Southeast Chapter (<http://grantprofessionals.org/chapters?id=176> )
- Guidestar ([www.guidestar.org](http://www.guidestar.org) )

# More Online Resources

- GuideStar ([www.guidestar.org](http://www.guidestar.org) )
- Independent Sector ([www.independentsector.org](http://www.independentsector.org) )
- National Center for Charitable Statistics ([www.nccs.urban.org](http://www.nccs.urban.org) )
- Nonprofit Risk Management Association ([www.nonprofitrisk.org](http://www.nonprofitrisk.org) )
- Planned Giving Council of Houston ([www.pgch.org](http://www.pgch.org) )
- Public Relations Society of America- PRSA ([www.prsa.org](http://www.prsa.org) )
- Texas Center for Grants Development ([www.texasctrgrants.org](http://www.texasctrgrants.org) )
- *The NonProfit Times* ([www.careercenter.npt.com](http://www.careercenter.npt.com) )
- VolunteerMatch ([www.volunteermatch.org](http://www.volunteermatch.org) )





# **HISTORIC DOWNTOWN LA GRANGE**

Stacey Norris  
February 5, 2015



# Why La Grange Chose to Invest in Revitalization

- 
- Decline in Downtown Businesses
  - There was a need to create a sense of purpose for the downtown Square
  - In 1995, started application for Main Street Program, approved in 1996
    - 3 local financial institutions committed funds for the first year of the program
    - Program Coordinator was made staff of City Government
    - Advisory Board was created

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# Public Investment


\$6.5million

1995-2014

- Pocket Park
  - 2012 - Fayette County Founders Park
  - \$60,000 – County expense





- 
- Fayette County Courthouse Renovation
    - Project started in 2003
      - 3 story atrium uncovered and restored
      - A cistern predating courthouse was uncovered
      - All woodwork was completely refinished
      - New elevator
      - Exterior was cleaned and repointed
    - Grant from the Texas Historic Courthouse Preservation Program, \$4 million
    - Courthouse originally built in 1891, J. Riley Gordon was the architect



Street, view of  
clock tower scaffolding





- Paint & Sign Grants
  - Administered by Main Street Program
  - Funded by EDC - \$10,000 per year



- Façade Grants
  - Administered by Main Street Program
  - Matching grant, Funded by EDC - \$30,000 per year

# City Government Investment

- New Sidewalks on all 4 sides of the Square
  - Capital Fund Project
- Relocating of 3Phase Line
  - Power lines underground coordinated with sidewalk renovation
  - City funded, \$400,000 over 3 years

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# Private Investment

\$6million

1995-2014

# Clear Title Company





# Edward Jones Investments



# Texas Quilt Museum





# Downtown Business Overview





23

• Shopping/Dining Places

13

• Professional Services

6

• Government Offices

4

• Arts & Culture





What Brings  
People  
Downtown?

# La Grange Uncorked



1<sup>st</sup> year – 400 participants  
2<sup>nd</sup> year – 600 participants  
3<sup>rd</sup> year – Planning for 800 participants

## Profit

1<sup>st</sup> year - \$12,000  
2<sup>nd</sup> year - \$16,000  
3<sup>rd</sup> year – anticipating \$19,000

Sponsorships, Ticket price \$40



# La Grange Uncorked



Event is held 3<sup>rd</sup> Saturday in March.

Partnership between La Grange Main  
Street & Chamber of Commerce





# Trick or Treat on the Square



Children from La Grange and the surrounding areas come to the Square to Trick or Treat at the local businesses.

Approximately 600-800 trick or treaters.



# Partnerships



La Grange Rotary Club sponsored Halloween Games on the Courthouse lawn to raise funds for a water project.





# Schmeckenfest

Event is held 1<sup>st</sup> Thursday in December.

Celebrated its 7<sup>th</sup> year with a record crowd of over 1,300 attendees.



# Other Events



Movie Nights on the Square  
Flag Day Ceremony  
Patriot Day Ceremony





# **REVITALIZATION – WHAT TO EXPECT**



# Some Issues You May Face

- Historic preservation – it's pretty in someone else's backyard but I paid for this building, why can't I do what I want?
- To have ordinances or to not have ordinances on items including but not limited to:
  - Signs
  - Exterior Paint Colors
  - Façade Designs – awnings, lighting, windows, etc.
- Cheerleaders for Downtown Revitalization – not only for moral support but for private investment
- Volunteers/Committee members to help, YOU can't do it all
- And of course FUNDING for staff & professional development and public improvements

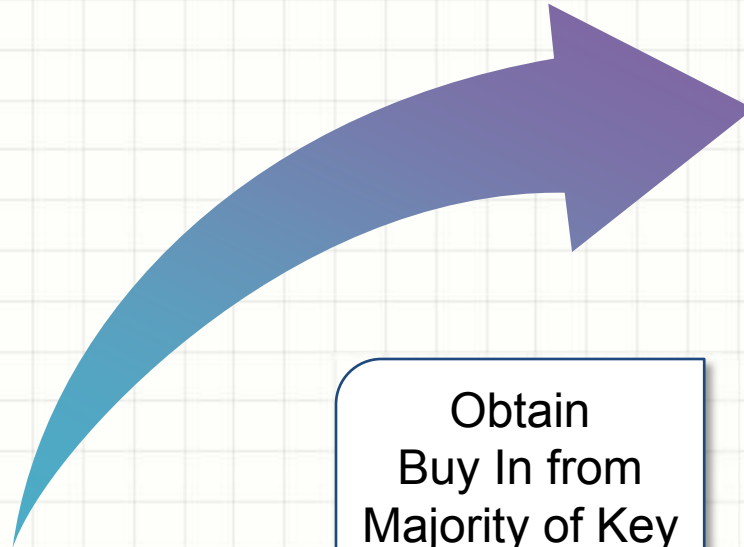
# My Advice

Have a Vision:  
Define Your  
Challenges &  
Set Realistic  
Expectations

Obtain  
Buy In from  
Majority of Key  
Stakeholders

Don't Be  
Afraid to Fail

But Be  
Prepared for  
Success





**QUESTIONS?**

# Thank You

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## Contact information

Stacey Norris

[SNorris@CityofLG.com](mailto:SNorris@CityofLG.com)

979-968-3017

155 E Colorado Street  
La Grange, TX 78945

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## *Make It Local*

# Finding Downtown Development Resources within Your Own Community

Steve Spillette

CDS Market Research

5 February 2015



BRINGING BACK  
MAIN STREET



# Why Focus on Local Resources

- Often required
- Custom solutions
- Accountability
- Reliability
- Diversity of sources
- Demonstration of community commitment



# Typical Local Assistance Approaches

- Chapter 380 agreements
- Economic Development Sales Tax
- TIRZ
- Hotel occupancy tax
- Management districts
- Financing / revolving loan funds
- Small business development agencies

# Typical Local Assistance Approaches

- Property owner / business associations
- Main Street organizations
- Cultural / civic groups
- 501(c)(3) and philanthropy



# Things to Keep in Mind

- Know your market – the demand side
- A common goal, or disparate treatment?
- Organizational capacity – administration, operations, maintenance

# Chapter 380 Agreements

- From State Local Government Code
- Extremely flexible
- Grants or loans to private entities
- Requires a “program”, economic development agreement to spell out objectives
- Risk-free practice: future payments equivalent to incremental tax generation
- “Area 380s”

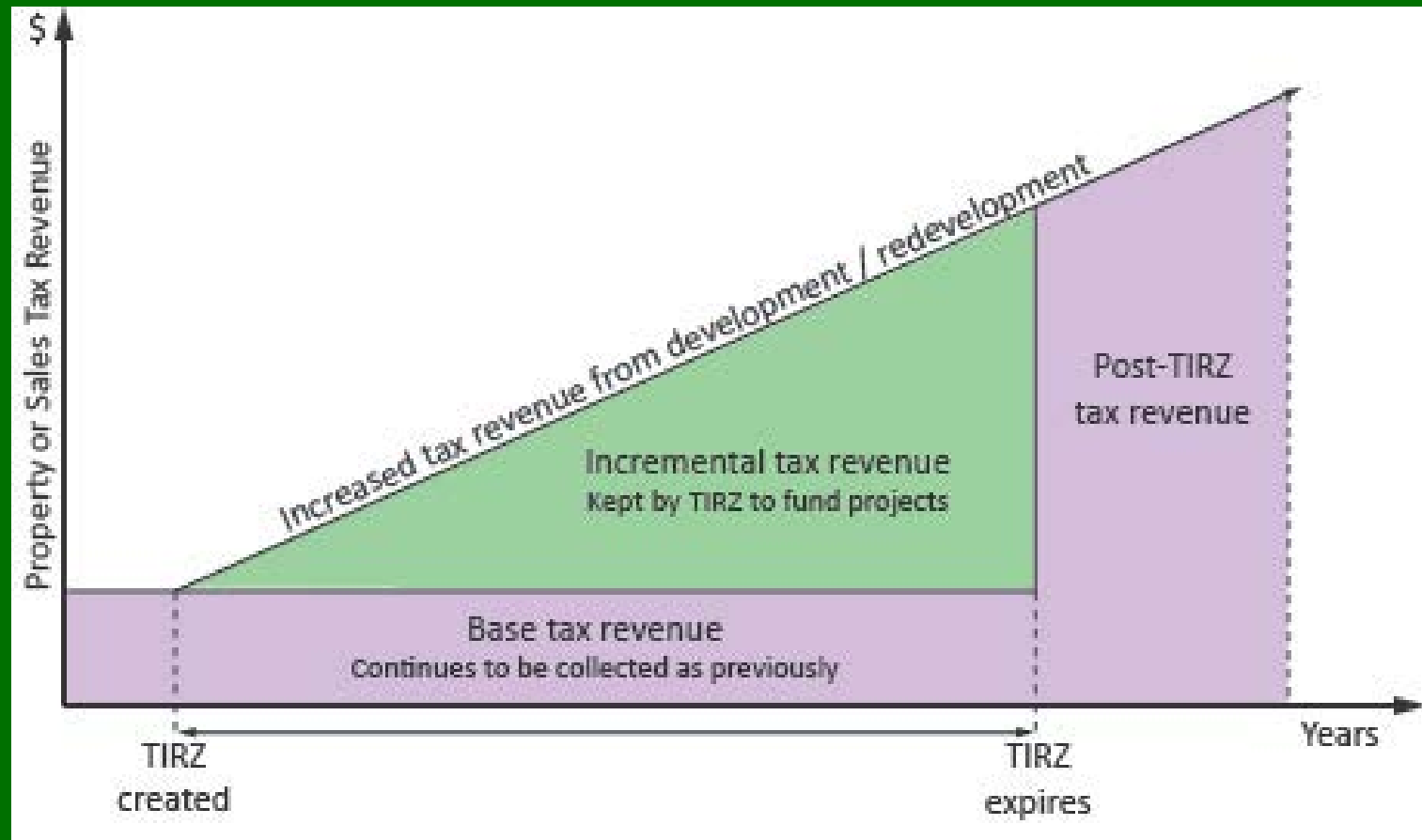
# Economic Development Sales Tax

- 4A or 4B – 4B more easily applicable to downtown projects
- Up to 0.5 cent
- Separate local government corporation (EDC)
- Direct public facility investments or Chapter 380 agreements

# Tax Increment Reinvestment Zone (TIRZ)

- “Base year” tax generation continues to flow to General Fund
- Incremental taxes stay within TIRZ
- Generally fund public facilities / infrastructure
- Can assist private projects in certain circumstances (Dallas, Houston)
- Can issue debt

# Tax Increment Reinvestment Zone (TIRZ)



# Tax Increment Reinvestment Zone (TIRZ)

- Some potential downsides:
  - Bureaucracy, administrative costs
  - Geographic equity issues
  - Insufficient incremental tax revenue

# Hotel Occupancy Tax

- MUST be used to promote out-of-town visitation, hotels and meetings
- Potential downtown uses:
  - Visitor center, conference / convention center
  - Tourism marketing
  - Visitor wayfinding and transportation
  - Arts / culture / historic preservation (MUST enhance tourism)

# Management Districts

- Property owners assess/tax themselves
- Created in state legislature, separate from city
- Public area maintenance and operations (“clean and safe”), events and programming
- Economic development, marketing, advocacy
- Planning and design, small capital projects
- Downsides: politically difficult, limited funds



# Financing / Revolving Loan Funds

- Help property and business owners close capital gaps
- Small to large amounts
- Usually require other matching capital sources, take subordinate lien position
- Particularly helpful for façade / building rehab
- Startup commercial occupants
- Challenge: initial capitalization



# Small Business Development

- Technical assistance / mentoring by local small business development agencies (often no extra charge)
- Can be tied to grant / loan program



**Marion's  
Small Business  
Boot Camp  
FALL 2014**

Marion (VA) Town Hall Council Room  
138 West Main Street  
Marion, VA 24354  
Contact Ken Heath or Olivia McDonald  
(276)783-4190 or [ohall@marionva.org](mailto:ohall@marionva.org)  
Course is offered at NO COST but  
pre-registration is REQUIRED

**"POP UP MARION"  
BUSINESS BOOT CAMP  
SYLLABUS**  
6:00 p.m. - 9:00 p.m.  
Marion Town Hall (Council Chambers)

Wednesday, October 1st:	Introduction to Small Business & Business Plan Outline
Wednesday, October 8th:	Credit
Wednesday, October 15th:	Legals & Financials
Wednesday, October 22nd:	Marketing: Principles for Success
Wednesday, October 29th:	PRESENTATIONS

Logos on the left: The Chamber of Commerce of SMITH COUNTY, Virginia; WELLS FARGO. Logos on the right: Main Street, People, Inc., and a building logo labeled MAIN STREET.

# Private / Civic / Philanthropic

- Property owner / business associations
- Main Street organizations
- Cultural / civic groups
- 501(c)(3) and philanthropy



## *Make It Local*

# Finding Downtown Development Resources within Your Own Community

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# Realizing Your Vision: Tools for Success

Bringing Back Main Street  
Houston-Galveston Area Council

Kate Singleton  
Community Revitalization Strategies  
February 5, 2015

# Overview: Tools for Success

- Planning tools including design standards and zoning regulations, historic preservation regulations, building codes
- Financial tools including incentive programs Texas cities can use to help create vibrant downtowns that can be used with planning tools
- Voluntary vs. Mandatory



# Creating Programs to Encourage Revitalization and Reinvestment

It is important to develop programs and incentives that meet the **overall goals** of the community and support revitalization and economic development.

Some “tools” are not seen as typical incentives but they are part of a larger package that can be significant for downtown revitalization and development.

# What are your Goals?

- Decide what **goals** you want the program/tools to achieve
  - Job creation
  - Building rehabilitation
  - Support new uses for vacant and deteriorated buildings
  - Reward property owners who invest in downtown
  - Beautification
- Again, do these also respond to the overall economic development goals of your community?
- Develop a comprehensive package—not piecemeal



# Program Goals

- Goals provide “political” reason to implement a program. Articulate how program/tools meet goals for downtown revitalization that align with the overall economic development strategy for your town.
- Downtown is an important component of any comprehensive economic development strategy

# Planning Tools for Downtown: Purpose and Practice

- Planning Tools are part of an OVERALL revitalization and economic development strategy.
  - Design/historic preservation standards
  - Zoning/Form Based Codes
  - Building Codes

# Downtown Design/Historic Design Standards

- Why?

- Community preference and vision—reflective of YOUR community's preference
- They offer “predictability” for property owners
- Define “character” and uniqueness of your downtown—creating places people want to be
- Protect property values and investment Means to develop a foundation for success including marketing and economic development
- “Maintenance” based
- Address key features of downtown and the buildings

# Design Standards are not just about the historic buildings, they include:

- Streetscape—trees, flowers, lights, sidewalks, information kiosks
- Parking areas: landscaping, fencing, signage
- Signage—Way Finding and on buildings
- Historic/Existing Buildings
- New Construction

# A word about historic preservation....

- Many times “historic preservation” has a bad connotation....it shouldn't.
- Preservation standards are maintenance based and actually easy to follow.
- Preservation standards can be part of downtown design standards—along with new construction
- And, why do you think people visit your town....because of the Walmart?

# Why Standards....

....to ensure you keep  
your district intact  
and the property  
owners can use the  
new state tax credit  
and the federal tax credit



# Zoning/Ordinances/Codes

- It is important to look at what ordinances are already in place and see if there are any that conflict with downtown redevelopment goals.
- Can you have apartments upstairs?
- Parking, use, health and safety, sidewalk (can you have sidewalk dining?)
- Form Based Codes: Street and building types (or mix of types), build-to lines, number of floors, and percentage of built site frontage specified.
- Building Codes: Does your town use the IEBC? Historic buildings can use Chapter 13 in IEBC.



# Why is the building code important?



- St. Joseph's Catholic Church conversion into a residence
- If it had not been deemed historic, then the stained glass windows (irreplaceable) would have had to come out
- The egress from the basement would have been altered cutting into part of the foundation to raise the height of the door
- Code would have required changes to the exterior and interior that would have destroyed important historic features
- This code allows for equivalencies of materials; brick, lathe and plaster walls have a 1 hour equivalency.

# Financial Incentives and Tools

- Layering of incentives: financial and planning/code
- Types of financial incentives
  - Grant and/or loan programs
  - Tax abatements
  - Federal tax credits
  - New State tax credit
  - Texas Capital Fund grants--infrastructure
  - TIRZ funds
  - Sales tax rebate for labor used in rehabs of buildings listed on the National Register
  - Transfer of Development Rights

# Programs and How to Pay?

- Establish Grant/loan programs
  - Creating jobs by providing space for businesses in downtown buildings
  - 4B funds
  - TIRZ funds
  - Chapter 380
  - Chapter 11.24—Historic Tax Abatement program for cities
  - Management Districts/Public Improvement Districts (PIDS)
  - Bond funds—target downtown
  - Chapter 375 Municipal Management Districts
  - Foundations

# Federal Tax Credit

- A. There is a 20% Investment Tax Credit for Buildings listed on the National Register of Historic Places
  - 1. Must be 'income producing' properties
  - 2. Must be listed in NR or deemed eligible for NR
  - 3. Must be a 'certified rehabilitation'
  
- B. There is a 10% Investment Tax Credit for historic properties not eligible for the National Register
  - 1. Applies only to non-historic, non-residential buildings
  - 2. Buildings listed in NR are not eligible for 10% credit. This includes buildings that are contributing to downtown historic districts.
  - 3. It must have been "placed in service"-occupied before January 1, 1936.

# State Tax Credit

- 25% tax credit on franchise tax
- Must spend \$5,000
- Listed on the National Register/or contributing to a district or RTHL
- Must be income producing
- Still working to figure out how small the project can be for it to make sense

# If you have a Preservation Commission....

- TAX CODE

SUBTITLE C. TAXABLE PROPERTY AND EXEMPTIONS

CHAPTER 11. TAXABLE PROPERTY AND EXEMPTIONS

SUBCHAPTER A. TAXABLE PROPERTY

§ 11.24. HISTORIC SITES. The governing body of a taxing unit by official action of the body adopted in the manner required by law for official actions may exempt from taxation part or all of the assessed value of a structure or archeological site and the land necessary for access to and use of the structure or archeological site, if the structure or archeological site is:

- (1) designated as a Recorded Texas Historic Landmark under Chapter 442, Government Code, or a state archeological landmark under Chapter 191, Natural Resources Code, by the Texas Historical Commission; or
- (2) designated as a historically or archeologically significant site in need of tax relief to encourage its preservation pursuant to an ordinance or other law adopted by the governing body of the unit.

Acts 1979, 66th Leg., p. 2243, ch. 841, § 1, eff. Jan. 1, 1980. Amended by Acts 1995, 74th Leg., ch. 109, § 21, eff. Aug. 30, 1995.

# Examples

- TIRZ funds used to pay for environmental remediation in buildings.
  - Make sure that you are going to generate an “increment”
  - Geographic area—is it big enough to produce an increment?
- 4B funds used to pay for rehabs that include roof, electrical, HVAC in conjunction with SBDC providing assistance to the businesses including developing the business plan.
- Using the Federal Tax credit with a local historic tax abatement and then the TIRZ to do infrastructure improvements.
- Subsidize rents
- Targeting downtown infrastructure improvements when buildings are being rehabbed.
- If you put housing on the second floor, parking reduced
- Historic buildings that are rehabbed use Chapter 133 of the IEBC
- Use funds to take water lines to rear of buildings so that each building can be sprinkled—that is the expensive part.



# Voluntary vs. Mandatory

Design standards: Voluntary or Mandatory

Ordinance is a mandatory—buildings renovated according to adopted design standards.

Voluntary: if you take the money, you do it the way we want.

# Either Way.....

Tie incentives to doing something and have a application and review mechanism

Include in the application review:

If building renovation: review of the design by qualified professional and review board

Business plan—great role for SBDC

Clawback: if you mess up, we get the money back.

Kate Singleton

CRS Group

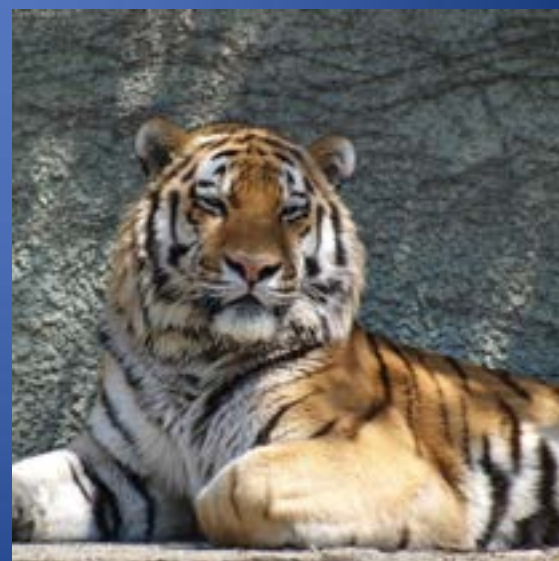
[Kate@CRSgroupusa.com](mailto:Kate@CRSgroupusa.com)

214.543.8565



# Bastrop County **BEST**

How competitors have  
benefited from becoming  
partners.....



It started in 1997 with a cup of coffee and  
a County Judge that had a vision.....



An the idea grew.....



Until it became a vital part of our County's  
success.





# So who makes up BEST?

- County Judge
- Precinct Commissioner (rotating)
- County Planning & Tourism
- Mayors
- City Managers
- School Superintendents
- EDC Presidents
- Chamber Presidents
- Appraisal District
- Special Guests

BEST gathers at a monthly breakfast meeting to collaborate, promote open communication, share assets, discuss challenges, highlight each city's successes, and foster opportunities for partnerships. The program has resulted in countless ongoing, collaborative projects, saving all three cities money and benefiting approximately 75,000 citizens of Bastrop County. Communities that once were rivals on and off the football field are now benefiting from a cooperative spirit created and enhanced by the BEST Communications Program.



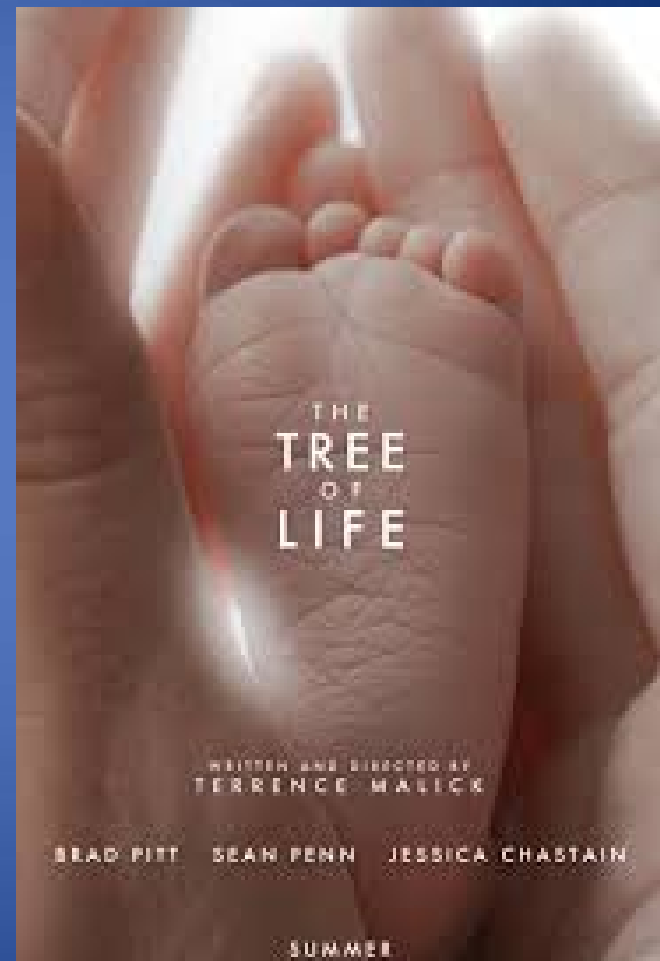
2005



2013

We designed logos to create a united brand.

# We created partnerships in film.....



We created economic development  
partnerships.....



And then we had a fire.....



And that's when we proved.....

that our **BEST** teamwork was  
priceless.

# So what has **BEST** accomplished?

- Joint work with CAPCOG
- Joint work with TxDOT
- Joint work with CAMPO
- Joint work with HUD
- Joint work with our Texas Legislature
- Joint work in Ec Dev & Tourism
- And the list goes on.....



And we feel we have only just  
begun.....





# REGIONAL ASSISTANCE



Jeff Taebel, FAICP  
Director of Community and Environmental Planning

# H-GAC Region



**13**  
counties

**134**  
cities and towns

**12,500**  
square miles

**6+ million**  
residents



## Livable Centers Studies



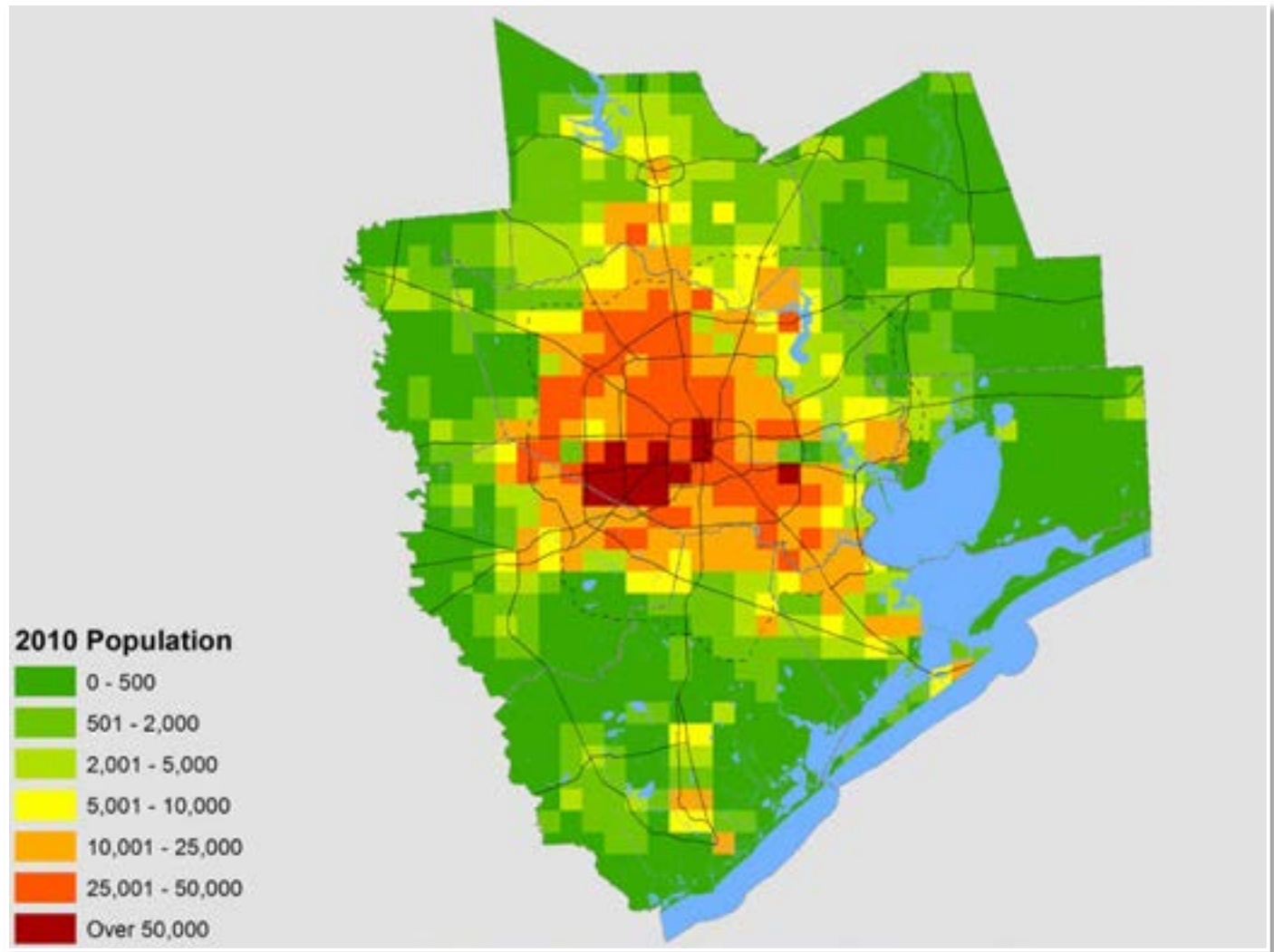
## Special Studies



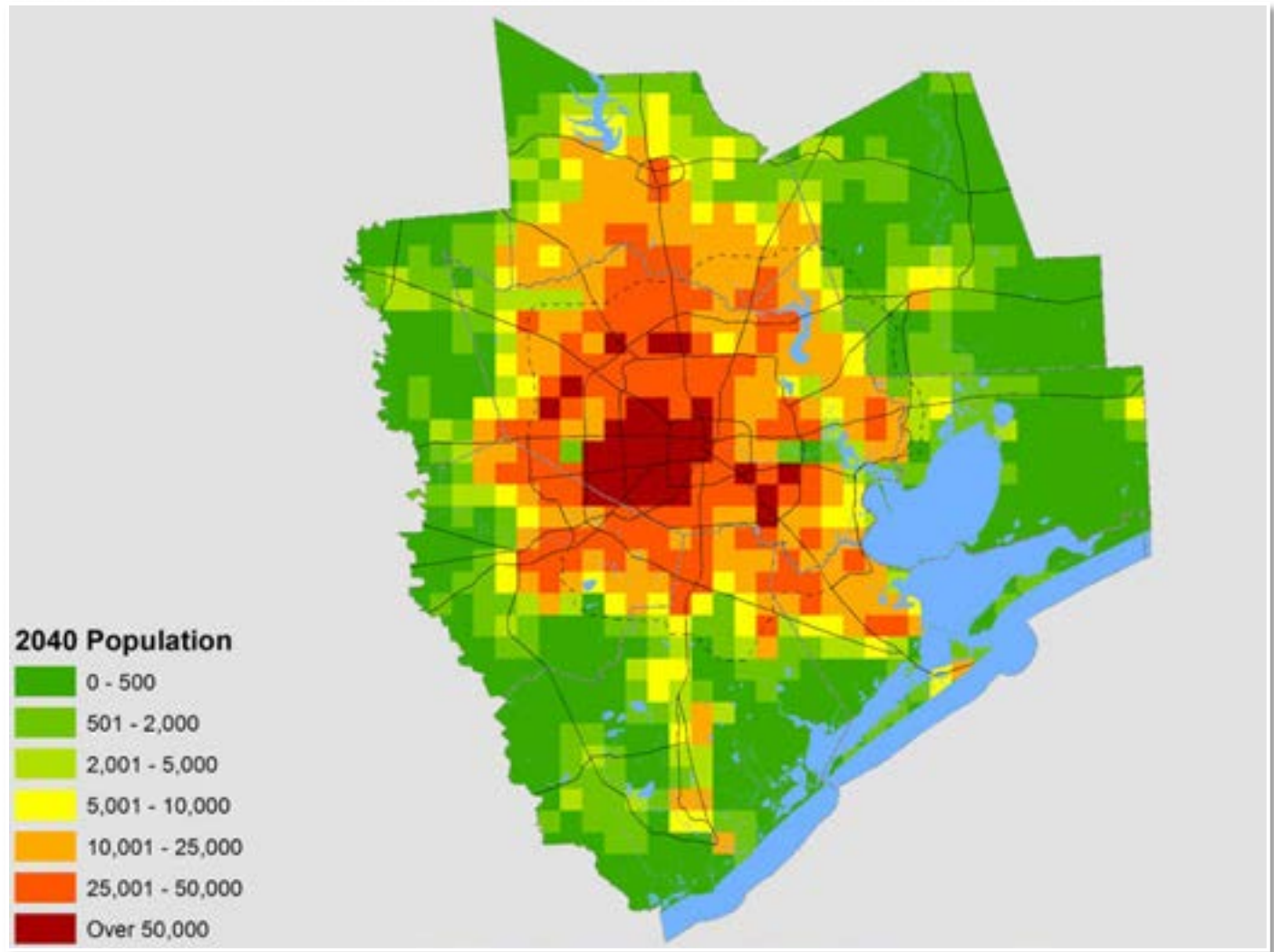
**AUSTIN** *County*  
TEXAS

Vision and Strategic Plan

# Forecasting



# Forecasting





## Downtown Public Spaces Improvements Grants



Bay City

## Community Trees Grant Program



Alvin



# Technical Assistance

**EDA Grants**

**Contract Programs**

**Bringing Back  
Main Street:  
One-on-One Assistance**

- Bay City
- Cleveland
- Columbus
- Eagle Lake
- Hempstead
- Palacios
- Prairie View
- Weimar
- Wharton

# Moving Forward



**What resources do  
communities need  
to create vibrant downtowns?**

# Contact Information

**JEFF TAEBEL, FAICP**

Director of Community and Environmental Planning



Houston-Galveston Area Council

[jtaebel@h-gac.com](mailto:jtaebel@h-gac.com)

[www.h-gac.com](http://www.h-gac.com)