

**ORDINANCE No.**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LEON VALLEY, TX.,  
ADDING TO THE CITY OF LEON VALLEY CODE OF ORDINANCES, CHAPTER 1,  
ARTICLE 1.06, ADDING SECTION §1.06.009 CITY OF LEON VALLEY ECONOMIC  
AND COMMUNITY DEVELOPMENT POLICIES AND GUIDELINES FOR FUNDING**

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**WHEREAS**, adding policy and guidelines to vet, approve and/or decline projects by City Staff for specific economic and community development project(s) prior to be being placed before the Economic and Community Development Advisory Committee and City Council; and

**WHEREAS**, City Council now desires to amend Article 1.06 Boards, Commissions and Committees and add Sec. 1.06.009 City of Leon Valley Economic and Community Development Policies and Guidelines For Funding (exhibit A) as recommended by staff.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEON VALLEY, TEXAS:**

**PASSED, ADOPTED AND APPROVED** by the City Council of the City of Leon Valley this the 15th day of February 2022.

**APPROVED**

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**CHRIS RILEY**  
MAYOR

Attest :

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**SAUNDRA PASSAILAIGUE, TRMC**  
City Secretary



Approved as to Form: City Attorney

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City Attorney

## Exhibit A

### **CITY OF LEON VALLEY ECONOMIC AND COMMUNITY DEVELOPMENT POLICIES AND GUIDELINES FOR FUNDING**

**STATEMENT:** The City of Leon Valley (the City) will consider providing funds in accordance with the policies, procedures, and criteria outlined in these guidelines. The City will consider funding agreements for new facilities, expansion of existing facilities, modernization of existing facilities, and community projects.

**NOTHING IN THESE POLICIES AND GUIDELINES OR THE PROJECT APPLICATION SHALL EVER BE CONSTRUED TO IMPLY OR SUGGEST THAT THE CITY IS UNDER ANY OBLIGATION TO PROVIDE ANY FUNDING TO ANY APPLICANT.**

**PRIOR TO ANY PUBLIC EXPRESSION OF A DECISION OR ANY COMMITMENT (LEGAL OR FINANCIAL) TO THE PROPOSAL BY THE APPLICANT, A COMPLETED ORIGINAL OF THIS APPLICATION, INCLUDING ALL SUPPORTING DOCUMENTATION OF COMPETITIVE SITING, AND NARRATIVE IMPACT STATEMENT MUST BE SUBMITTED TO THE CITY OF LEON VALLEY ECONOMIC DEVELOPMENT DEPARTMENT, 6400 EL VERDE ROAD, LEON VALLEY, TEXAS 78238.**

Applications submitted for funding consideration will be determined on a case-by-case basis. All copies of applications submitted shall become the property of the City and may be subject to public disclosure under Texas Public Information laws.

**APPLICABILITY:** The Policies and Guidelines establish that State statutes and adopted City policies relating to economic development shall govern all funding options, programs, and agreements.

**PROCESS:** The Economic Development Director, City Manager or their designee, as needed depending on the project, (Staff) must first review and evaluate any request for economic and community development funds. Staff will look at different factors when approving or denying an application, including but not limited to:

- a) sales tax generation by recipient, be direct or indirect;
- b) number of potential new jobs generated;
- c) type of new job generated;
- d) increase in ad valorem value in proportionate to the size of the award;
- e) decrease the vacancy rate within the city limits;
- f) capital improvements to the property;
- g) Business financials documents provided in the application;
- h) appropriate business for the location;
- i) is within zoning requirements;
- j) increases the quality of life in the community.

Staff will have 14 business days to review and approve or deny the application. If an application is NOT approved by Staff, Staff must provide written notice as to why. The business can resubmit the application with updates within 30 days of written notice.

Staff will provide approved applications to the Economic and Community Development Advisory Committee (ECDAC) and. The ECDAC may recommend approving or denying requests for funding to City Council.

City Council will review and discuss the application during a regular council meeting to approve or deny the application for funding.

The application process is as follows:

1. Completed application submitted to the Economic Development Director;
2. Staff will review the completed application. Staff will provide approval of the application or denial with written notice to the applicant. Denial of application by the Economic Development Director will end the request and the application will not proceed.
  - a. The business can resubmit the application with updates within 30 days of written notice.
3. Review of application by ECDAC;
4. Approval/Disapproval by ECDAC;
5. Approval/Disapproval by City Council;
6. If approved for funding; completion of the project;
7. Business presents supporting documents for final review to the Economic Development Director;
8. Economic Development Director submits a request for funding from the finance department.

#### **ELIGIBILITY:**

1. Any new business planning to locate within Leon Valley, or any business currently located within the city limits, shall be eligible for this program, provided the improvements to the property will promote new or expanded business development, ad valorem, sales tax revenue, provide new jobs, and/or have other significant economic impact to the community.
2. All buildings and facilities located within the city limits at the time of application shall be eligible for this program.
3. Funding proposals for routine maintenance or to remedy ordinance violations will not be accepted.
4. Funding for marketing campaigns will not be accepted. Large, individual, and/or removable, business specific advertisement items like a monument, pylon, post channel letter, dimensional letter, wayfinding, electronic message and/or blade signage for an individual business will not be accepted. Large, general, interchangeable, signage for multi-tenant properties will be considered.
5. "Business" - defined as an occupation, profession, or trade in the purchase and sale of goods or services.
6. Business must be in good financial health and business must not be insolvent.

#### **GUIDELINES:**

1. Proof of applicant's ownership of the subject facility or facilities, or proof that the owner of such facility has approved the submission of the application for economic and community development funding, is required.

2. The owner of an operated business within a leased facility must provide a letter or statement from the property owner, or representative, attesting to the owner's knowledge of the business's application for economic and community development funding. Copies of the lease agreement of the leased facility shall be required.
3. A letter from a commercial bank, savings and loan institution, credit union, mortgage company, insurance company, or pension fund attesting to the business's eligibility to secure a loan from their institution shall be required.
4. Business financials must be included with the application. Business financial documents must include the following:
  - a. Profit and loss statement for the previous 12 months.
  - b. Balance sheet for the previous end of year or end of quarter.
  - c. A copy of the previous year's tax return for the business, if applicable.
  - d. New businesses, without any financial documents, must provide their business plan as part of the application.
  - e. New businesses should demonstrate how they plan to be successful in the area.
  - f. New businesses must provide lease contract or property ownership documents with their application.
5. Unless otherwise specified or agreed to, the funding available to any one application, business establishment, or property owner at one physical location (address) shall be no more frequent than a one (1) year period. The application time-period is determined by the project completion date.
6. Unless otherwise specified or agreed to, funding disbursements approved the City Council shall be provided on a reimbursement basis. Upon completion of improvements and provision of paid receipt, funds are dispersed to the applicant, and are not to exceed the limits set forth in the funding agreement. In-kind contributions are not acceptable as any part of the applicant's match. Only cash matches of the applicant's expenditures may be used. Copies of the inspection reports are required for reimbursement. Photographs of the completed work may be required for reimbursement.
7. The applicant must submit, at minimum, two (2) bids for construction work, if possible. The bid amount must be competitive and/or reasonable for the type of work being completed. The applicant must provide justification for the selection of the company doing work. Staff has right to request additional bid if price is non-competitive and/or unreasonable. Failure to provide competitive and reasonable bid can result in denial of application.
8. The applicant shall be obligated to make the improvements in accordance with the application submitted to and approved by the City Council. Thereafter, any modifications must first receive the written approval of the City Council. Failure to obtain such written approval prior to making any such modifications shall render the applicant ineligible to receive funding.
9. The applicant shall be responsible for obtaining all applicable permits related to the improvement project, and failure to do so will render the applicant ineligible to receive funding.

10. All application improvements presented must be completed in their entirety. Failure to do so shall render the applicant ineligible to receive funding.
11. The applicant shall not begin any improvements submitted for funding prior to receiving written approval of funding from the City Council. Applications for started or completed projects will not be accepted, nor will they be eligible to retroactively receive any funds.
12. The applicant must agree to complete the improvement project within six (6) months of receiving written approval of funding from the City Council. Failure to complete the improvements within the required time period shall result in the loss of funds allocated for the project. If extenuating circumstances are present, the applicant may apply for an extension prior to the end of the six-month period. A copy of the Certificate of Occupancy (CO) issued by the City of Leon Valley must be submitted to the Economic Development Director.
13. The applicant must agree to remain in business and to not sell or assign such business to another person or entity for a period of twelve (12) months from the date of approval of his/her application.
14. In accordance with the requirements of the funding agreement, applicant is in default of its obligations under the funding and is required to reimburse the City funds received if the business (applicant) fails to remain open, or the business or property is sold or transferred, within twelve (12) months after the provision of economic and community development funds.
15. Applicant must agree that in the event of default of its obligations, the City has the right to reimbursement for all economic and community development funding received, and any attorney's fees or costs incurred while seeking reimbursement.
16. The applicant must certify that the applicant does not employ, nor will it employ any undocumented workers (an individual who, at the time of employment, is not lawfully admitted for permanent residence to the United States or authorized under law to be employed in that manner in the United States).
17. A Leon Valley Economic & Community Development Grant sign must be displayed at the subject property for a minimum of three (3) months to publicly recognize the grant program.
18. If the owner has a grand re-opening, the owner must invite city officials to the official ribbon cutting.

**APPLICATION:**

1. Application forms are available at Leon Valley City Hall and online at the City of Leon Valley website: <https://www.leonvalleytexas.gov/economicdevelopment/page/leon-valley-ecd-funds> Applications submitted must be on the form provided by the City.
2. Businesses applying for funds must submit one original application with attached supporting application documents.
3. Only complete applications will be considered for funding. Please review the application carefully

before completion prior to submittal. The Economic Development Director and/or staff will review for completion within fourteenth days of submission. Incomplete items, if any, will be identified, and the applicant will be given an opportunity to complete and re-submit.

4. All applications, attachments, and copies submitted shall become the property of the City.
5. Applications submitted for funding consideration will be determined on a case-by-case basis.
6. Applicants must agree that in the event of default of its obligations, the City has the right to reimbursement for all economic and community development funding received, and any attorney's fees or costs incurred while seeking reimbursement.
7. The ECDAC meets on the second Monday of each month. Applicants should allow for a review period of three weeks. The ECDAC will consider applications on the first meeting available after the review period.

**APPROVAL:**

1. The Economic Development Director must approve the application. Denial of application will be given with written notice to applicant. Denial of application by Economic Development Director will end the request.
2. The Economic and Community Development Advisory Committee shall review approved applications for consideration. EDCDA can provide approval or denial of application. Application will continue to City Council after EDCDA recommendation.
3. The City Council may award funds to an applicant, with certain provisions, conditions, or other requirements the City deems necessary or appropriate. The City retains the right to request more than one (1) bid for the project to be undertaken.
4. If the City Council does not approve an application, re-application by the business may not take place for a period of six (6) months from the date of the written notice informing the applicant of the City Council not approving the initial application.
5. A business may only re-apply for funding one (1) time after the initial application.

**PERFORMANCE AGREEMENT:**

Projects exceeding \$10,000; The City of Leon Valley and awarded business enterprise that it funds directly or makes expenditures that benefit an eligible project must enter into a written performance agreement. At a minimum, the performance agreement will contain:

1. A schedule of additional payroll or jobs to be created or retained;
2. The capital investment to be made by the business enterprise; and
3. The terms for repayment of the economic and community development funds investment if the business fails to meet the performance requirements specified in the agreement.

**FUNDING:**

1. Upon notification of project completion by the applicant to the economic development director, an inspection is required by a City staff representative or representatives to confirm that such project has been completed in accordance with the application, or any approved modifications thereto. Such notification shall include, but not be limited to, documentation of paid receipts for materials, labor, permits, inspection reports, and/or any other item that the City may reasonably deem necessary for determining the project's completion.
  - a. Inspection - Compliance with Proposed Project
    - i. Within thirty (30) days following the inspection required (paragraph 1), and confirmation of completion of the project in accordance with the application, or any approved modifications, the City shall issue a letter of approval. The applicant will receive a copy of such letter. Funding shall take place following the date of the approval letter.
  - b. Inspection– Non-Compliance with Agreement
    - i. The economic development director will issue a letter to the applicant indicating all areas of non-compliance within fourteen (14) days following the inspection, presentation of receipts as provided, and after a determination is made that the project has not been completed in accordance with the application, or any approved modifications. The applicant shall then have sixty (60) days from the date of such letter to make the modifications necessary to bring the project into compliance. Failure to complete such modifications within said sixty (60) day period shall be deemed a default of applicant's obligations under the economic and community development funding agreement.
2. The City Council retains discretion to accept or reject applications received.

**FAILURE TO MEET PERFORMANCE AGREEMENT REQUIREMENTS:**

1. If the subject business is closed, abandoned, sold, or transferred within a six (6) month period after the funding amount is paid to the recipient or the opening of the business, whichever is later, the applicant shall be required to reimburse the City for 50% of the funding amount received. Thereafter, until the twelve (12) month anniversary date of such approval, the applicant shall be required to reimburse the City for 25% of the fund amount received.
2. Payments due pursuant to paragraph one (1) hereof, must be made in full to the City within thirty (30) days after the date of written notification by the City that the applicant/owner is in default of any of the funding requirements set forth herein. The form of such payment shall be a cashier's check or money order, payable to the City of Leon Valley – Economic and Community Development Fund.

**NOTICE:**

1. The Economic Development Director shall deliver a copy of these guidelines to any applicant for his/her review. Delivery hereof does not constitute an offer of a grant or loan to the applicant.

2. The laws of the State of Texas shall govern the interpretation, validity, performance, and enforcement of this funding program. If any provision of this program is invalid or unenforceable, the validity and enforceability of the remaining provisions are not affected.

**CITY OF LEON VALLEY ECONOMIC AND COMMUNITY DEVELOPMENT  
POLICIES AND GUIDELINES FOR FUNDING**

**ACKNOWLEDGEMENT OF RECEIPT**

APPLICANT:  
BUSINESS NAME:  
ADDRESS:  
PHONE NUMBER:

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

CO-APPLICANT:

BUSINESS NAME:

ADDRESS:

PHONE NUMBER:

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

PROPERTY OWNER/LANDLORD:

ADDRESS:

PHONE NUMBER:

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

Sign, date, and return this acknowledgment page to the City of Leon Valley. Please retain the guidelines and criteria for your records