



## **Commercial Property Demolition and Lot Clearing Grant Program Policy**

### **OVERVIEW**

The City of Leon Valley is committed to sustaining the highest standard of development and quality of life for its citizens. Enhancement and expansion of the city's economy are critical elements of that sustainability. Economic development is highly competitive; thus, incentives are often necessary to attract, retain businesses, and generate investment in the community.

The Commercial Property Demolition and Lot Clearing Grant Program is intended to encourage redevelopment of blighted, underused, derelict, substandard, and vacant lot commercial properties in order to improve the economic and community vitality of commercial areas. Blighted properties significantly limit the potential for higher development standards on adjacent properties and negatively impact the overall economic growth of Leon Valley.

Through this program, grants will be provided for the demolition of qualified and underutilized commercial properties. This will help move these properties to the redevelopment market. The program will also provide grants to clear vacant property, if said property is developed for commercial and/or retail use. This program does not apply to residential properties or home-based businesses.

### **ELIGIBILITY CRITERIA**

A commercial property owner may be eligible for assistance under this program for any commercial property. Demolition projects involving more than one parcel may be considered as separate projects for purposes of grant applications and awards, notwithstanding common ownership.

The property must meet all the following conditions:

1. The property must not be party in a legal suit or action naming the City of Leon Valley, Bexar County, State of Texas or any domestic jurisdiction.
2. The property must be free of any lien(s).
3. The property must not be part of any criminal or regulatory investigation by any agency.
4. The property must not be part of any civil inquiry.
5. The property must not have received a demolition grant in the last ten (10) years or has received any economic development funding in the last three (3) years from the City of Leon Valley for the same property.
6. The property must not be in foreclosure proceedings.
7. The property must not be listed under any protected designation that does not allow for demolition.
8. Grants will not be awarded to property owners whose demolition was approved and covered by insurance.



9. The Applicant shall have not received, nor will receive insurance monies for the revitalization project.

## **APPLICATION PROCESS**

An application must be submitted in the approved format to the Economic Development Department by the property owner. If the property has multiple owners, all owners must sign the application. Staff will verify ownership information.

1. The Economic Development Director will review the application and provide approval or denial of application.
  - a. A denied application will be given a written response. The applicant can resubmit a modified version of the denied application within 30 days of written notice. All denied letters will be submitted to council.
  - b. If the council wishes to bring the application before the body, two (2) members must sponsor the application to be placed on the agenda.
2. The approved application, the proposed performance measures, and the recommendation of the Director will be placed on the City Council agenda for review. They will provide their recommendation for approval or denial. The City Council will have the final vote to either approve or deny the grant application.
3. The grant incentive will consist of a check(s) payment, based on an agreed reimbursement payment schedule entered between the City and the property owner.

## **PROGRAM REQUIREMENTS**

The applicant must meet all the requirements. If the applicant fails to meet requirements, 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.

1. The owner(s) shall include three estimates detailing the demolition costs or clearing work and scope of work.
2. The application shall describe the owner's plans for the property after the demolition takes place, as well as a project timeline with their application.
3. Applicants are to provide photographs of the project site as part of the application request and after the project is completed, as a condition of final grant funding.
4. Awards are **not** retroactive. The demolition grant must be approved before any demolition activity begins.
5. All applicable City regulations must be met. City approvals and permits must be obtained before the demolition commences.
6. Completion of demolition must occur within six months (6) of the grant approval.



7. After the demolition process is complete, supporting documentation (receipts, invoices, etc.) is required to be submitted to and approved by City Staff.
8. The owner must start the permitting process to develop within six months (6) after the completion of demolition. Exemptions and Extension must be granted by the City Council.
9. The owner must have erected a structure within twenty-four months (24) after the completion of demolition. Exemptions and Extension must be granted by the City Council.
10. A Leon Valley Economic & Community Development Grant sign must be displayed at the subject property during the demolition, construction and for a minimum of three (3) months after completion.
11. The owner must have a grand opening and invite city officials to the official ribbon cutting.
12. 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).
13. If sold, before re-development is completed, the City will be paid back 2.5 times the amount of the grant within 30 days of closing.
14. All applicants must enter into a separate performance agreement with the City. The terms will be determined by the applicant and the Director of Economic Development. This performance agreement must be approved by the City Council. Staff will look at different factors, 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;
  - e. decrease the vacancy rate within the city limits;
  - f. capital improvements to the property;
  - g. appropriate business for the location;
  - h. zoning requirements;
  - i. increases the quality of life in the community.

## **PROGRAM PREFERENCE**

Preferences will be given to applicants whose development has a significant increase in ad valorem tax, increase sales tax revenue, provide new jobs, and/or have other significant economic impact to the community.

## **FUNDING ALLOWANCE**

The funding recommendation will be made by the Economic Development Director and must be approved by the council. Funding is limited to \$100,000 and subject to availability of economic development funds.

Tax abatement agreements can be considered in lieu of direct payment from the City.