

Rental Reinvestment Grant Guidelines

I. Introduction

Since 2019, BCIC's Business Improvement & Growth (BIG) Program has invested over \$4.3 million across 120 projects, helping spark over \$37 million in private investment and new activity in Historic Downtown Brownsville. These efforts have played a big role in the momentum we're seeing today, as downtown reclaims its place as the hub and heart of our city.

The BIG program continues our commitment to working hand in hand with property and business owners committed to investing in Brownsville. Our goal remains the same: to create spaces where entrepreneurs can thrive, support established businesses, preserve the character of our historic core, and build experiences that celebrate our culture and community.

II. About BIG Rental Reinvestment Program

The BIG Rental Reinvestment Program provides **rent reimbursement grants** to new, expanding, or relocating businesses within the **BIG Program Boundaries** (refer to <u>map link</u>). This initiative is designed to strengthen downtown Brownsville's economic activity by **encouraging business growth**, **diversifying the tenant mix**, **improving curb appeal**, **and increasing building occupancy** in the Historic Downtown District.

Through this program, eligible businesses may receive up to 50% reimbursement of monthly rent costs for up to twelve (12) months, with a maximum award of \$15,000 per business. The BIG Rental Reinvestment Program helps entrepreneurs reduce initial startup costs and supports the long-term activation of downtown storefronts and commercial spaces.

Rental Reinvestment at a glance

Who can apply? Tenants (within BIG boundaries, 3–6 months in operation, 2+ onsite employees)

Match: 50% rent reimbursement

Max Award: \$15,000 annually. Broken down into 12 months of rent support (hybrid model)

Timeline: 12 months of continuous operation required

Hybrid rent reimbursement structure:

• Months 1–6: Monthly reimbursement

- Months 7–9: Quarterly reimbursement + sales tax filing
- Months 10–12: Final reimbursement only after proof of continuous operation, rent fully paid, sales tax filings, W-2s, landlord affidavit, and onsite verification

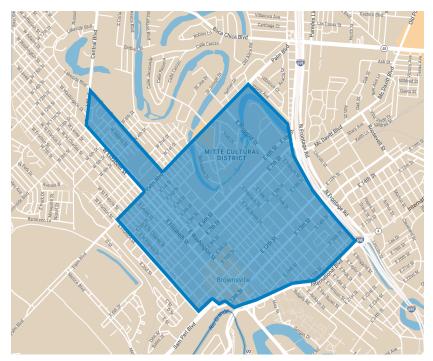
Improvement and rehabilitation grant guidelines are available through this link.

The BIG Program is funded through BCIC's 2026 Operating Budget. Program funding is limited, and the BCIC Board of Directors' consideration of applications is subject to the availability of funds.

IF THE APPLICATION IS DENIED BY THE BCIC BOARD, THE APPLICANT IS SOLELY RESPONSIBLE FOR ANY COSTS ASSOCIATED WITH MEETING THE REQUIREMENTS TO APPLY.

III. Program Boundaries

Properties must be located within the BIG Program Boundaries. Reference this map for eligibility.



<u>Historic Downtown District</u>

In 2019, the National Park Service designated Downtown Brownsville a National Register Historic District. As such, proposed projects must carefully consider building modifications and help preserve the historic elements that contribute to the significance of downtown's rich and diverse architectural character.

All proposed projects must comply with the City's Historic Overlay Regulations and consult the City's Historic Preservation Officer (HPO) for any alterations to the building's facade, including historical elements, windows, doors, signage, paint, and/or awnings. The applicant must obtain a Certificate of Appropriateness from the HPO, when applicable, and submit it with their application.

We encourage applicants to contact the City of Brownsville's Historic Preservation Officer, Juan Velez, at juan.velez@brownsvilletx.gov or call 956-548-6142 for more details.

Understanding Historic Tax Credits

The Historic Tax Credit (HTC) is a federal and state incentive program designed to encourage the preservation and adaptive reuse of historic buildings. Through this program, property owners who rehabilitate certified historic structures can receive a tax credit worth up to 20% of eligible rehabilitation costs on their federal income taxes. In Texas, the Texas Historic Preservation Tax Credit offers an additional 25% state credit, which can be combined with the federal credit for significant savings.

To qualify, the property must be listed or eligible for listing on the National Register of Historic Places, either individually or as a contributing structure within a historic district, such as Historic Downtown Brownsville. All rehabilitation work must meet the Secretary of the Interior's Standards for Rehabilitation, ensuring that improvements preserve the building's historic character.

For a property owner, receiving historic tax credits can mean:

- 1. Substantial financial benefit, offsetting a portion of rehabilitation costs.
- 2. Improved project feasibility, making larger or more complex restorations financially attainable.
- **3.** Enhanced property value and long-term community recognition for preserving Brownsville's architectural heritage.

When combined with BCIC's BIG Program, historic tax credits can significantly reduce the net cost of investment, making preservation-driven redevelopment both achievable and rewarding.

For information on historic tax credits and requirements, visit the Texas Historical Commission: <a href="https://thc.texas.gov/preserve/grants-tax-credits-and-funding/historic-preservation-tax-credits-and-

IV. Rental Reinvestment Program

The BIG Rental Reinvestment Program offers rent reimbursements to new-to-market businesses expanding or relocating to Historic Downtown Brownsville. The program aims to strengthen downtown's economic activity, diversify the existing business mix, improve downtown's curb appeal, assist with employee retention and increase occupancy.

Eligibility

New, expanding, or existing businesses choosing to relocate to Historic Downtown Brownsville and contribute to the existing business mix. Existing downtown businesses wanting to expand their gross rentable space are also eligible.

Eligible applicants must:

- Be located within the <u>BIG Program Boundaries</u>.
- Hire or employ at least two (2) employees, not including the business owner. Employees must be on-site and cannot be remote workers.
- Be in operation for at least three (3) months but no more than six (6) months.
- Submit a Profit and Loss statement and cash flow statement with their application.
- Existing downtown businesses older than six (6) months are eligible if they have expanded their gross rentable space

Although any business may apply, the BCIC Board of Directors may consider businesses that:

- Diversify the existing business mix downtown (e.g., artisan retail, specialty restaurants, entertainment).
- Promote public health and wellness, including but not limited to healthy menu offerings, wellness services, fitness studios, or mental health-related services.

Ineligible applicants:

The following individuals or entities are not eligible to receive assistance under the Rental Reinvestment Program:

- Elected officials of the City of Brownsville as well as City of Brownsville employees
- BCIC board members or staff (current).
- Former BCIC board members, former BCIC staff, and former City employees who were involved in the administration or oversight of BCIC grant programs, for a period of 12 months after the end of their service or employment.
- Appointed members of City of Brownsville boards and commissions who are required to file a Personal Financial Statement (PFS) under Chapter 145 of the Texas Local Government Code, during their service and for 12 months thereafter.
- **Immediate family members** of any of the individuals above, as defined by Texas Gov. Code Chapter 573 (consanguinity and affinity, including former spouses when children of the marriage are living).

Grant Award Amount

Program Participants may be reimbursed up to twelve (12) months of rent, with a maximum reimbursement of fifteen thousand dollars (\$15,000) for the year for any business. The rent reimbursement works as follows:

Program participants may receive up to 50% of their monthly rent, not to exceed \$1,250. The rent
reimbursement amount will be determined by the monthly rent as stipulated in the Certified Lease
Agreement.

 Rent reimbursements must be requested monthly by submitting an invoice from the business to BCIC, showing proof of rent payment, and submitting a Profit and Loss statement from the previous month.

Health & Wellness Incentive

BCIC encourages businesses that promote public health and wellness, such as those offering healthy food, wellness services, or fitness-based offerings. Participating businesses may be featured more prominently in BCIC's communication platforms, including Border & Sea and Success Stories, and may be invited to represent their sector at workshops, information sessions, or other community engagement events.

Minimum Applicant Standards

At a minimum, the applicant must:

- Be in operation for a minimum of three (3) months, but no more than six (6) months before applying.
- Submit a complete BIG Rental Reinvestment Program application, including all required documents.
- Sign a minimum two-year lease agreement.
- Obtain a Certificate of Occupancy from the City's Planning and Redevelopment Department and be open to the public before submitting an application.
- Submit Profit and Loss and cash flow statements for the months it has been operating.
- Additionally, the business must submit a Profit and Loss statement with each reimbursement request.
- Provide a Business Plan Executive Summary, Marketing Plan, and One-Year Business Pro Forma.
- Applicants are encouraged to meet with a business advisor with UTRGV's Small Business
 Development Center (SBDC) or Entrepreneurship and Commercialization Center to compile new or
 review existing business plan documents.
- Applicants who have graduated from the eBridge Center's Kauffman Program will be given greater consideration.
- Ensure the proposed business will open at least six (6) days a week.
- Create a free Google Business Profile with the business name, address, contact information, and hours of operation and establish a social media presence.
- Contribute to downtown's business mix, as determined by the BCIC Board.
- Attend trainings and workshops to help the business succeed and ensure longevity.
- Be in good standing and shall not be involved in any litigation, owe taxes, or have liens filed against any prior business or the property listed in the application.

V. Application Submission

Eligible applicants applying for the Rental Reinvestment Program must submit their application via <u>BCIC's</u> <u>website</u>. The application must be completed in its entirety, and all required documents must be included for the application to be considered complete and submitted. Required documents include:

- Certificate of Occupancy issued by the City of Brownsville's Planning and Redevelopment Department
- Certified Lease Agreement
- Profit and Loss Statements for the months the business has been in operation.
- Cash Flow Statements for the months the business has been in operation.
- Business Plan Executive Summary and Marketing Plan
- One-Year Operating Pro Forma
- Form 503 Assumed Name Certificate issued by the Cameron County Clerk's Office, if applicable.
- Texas Sales and Use Tax Permit issued by the Texas Comptroller's Office.
- The Previous Two Years of Tax Returns for each applicant listed.
- Floor Plan(s) submitted to the Building Permits and Inspections Division.
- Digital photos of the building façade and storefront and interior of the business
- Applicants with an existing business relocating to downtown or an existing downtown business expanding their gross rentable space must submit a completed application and a Profit and Loss statement.

VI. Application Deadline & Review

Applications are accepted continuously, with a strict deadline of the second Friday of each month to allow for a 30-day application review. No exceptions will be granted regarding this deadline. BCIC Staff will review all applications and work with the applicant to collect any pending information. All applications must be presented and approved for funding by the BCIC Board of Directors. Applicants will be notified in writing whether their application was approved or denied. The applicant must be available to answer questions about the application or project.

VII. Appeals Process

Applicants denied program participation by the BCIC Board may appeal the decision in writing within thirty (30) days of denial and must submit the appeal to the BCIC Office. Appeals are reviewed by assigned BCIC staff and one of the Board's subcommittees. The reviewers will compile a recommendation of whether to reverse the denial. They will be taken to the BCIC Board at the next available meeting. All appeal decisions are final.

VIII. Participation Agreement

Applicants whose applications have been approved by the BCIC Board will be required to sign a Participation Agreement. The agreement will be prepared by BCIC staff and reviewed with the Program Participant. The agreement shall state specific terms, such as the effective agreement date and obligations required by the Program Participant and BCIC. At a minimum, the Program Participant agrees to:

- Rent the premises listed above for a minimum of twenty-four (24) months. The Lease may not expire before the Agreement Term.
- Operate its business at the premises at least six (6) days a week, for a minimum of eight (8) hours a day.
- Applicants must hire or employ at least two (2) employees, not including the business owner. All
 employees must be physically employed and working onsite at the business location within the BIG
 Program Boundaries. Proof of employment must be provided through documentation filed with the
 State of Texas, such as the Employer New Hire Report or the Employer's Quarterly Report to the Texas
 Workforce Commission or Comptroller of Public Accounts.
- Meet with a business advisor to establish or review and revise its business plan executive summary and a one-year business pro forma; and attend training and workshops dealing with topics that will help the business succeed.
- Promptly submit written monthly reimbursement requests in accordance with the Reimbursement Schedule and follow the Reimbursement Guide included in the Guidelines.
- Provide satisfactory evidence that one hundred percent (100%) of the monthly rent has been paid.
 In-kind contributions by the Participant or others or waived rent by the lessor will not be considered for reimbursement or count as rent payments.
- Notify BCIC in writing and email of any changes to the Lease; or adverse, material changes to the Premises.
- Allow BCIC to promote the participant and project using photographs in printed promotional materials, press releases, websites, and social media outlets.
- Place a sign provided by BCIC on the building to create awareness for the BIG Program.
- BCIC will request a repayment of funds if, within twelve (12) months of signing the Program Agreement, the property or business is sold transferred, or the business closes or violates the terms of the agreement. Funds will be owed with a 5-10% interest.

IX. REIMBURSEMENT REQUESTS

Required documentation for reimbursements, which will be detailed in the participation agreement, but, at a minimum, includes:

- An invoice from the Program Participant to BCIC.
- Bank statement showing a cashed check.
- If paid with a credit card, the credit card receipt must be included along with the credit card statement showing payment.
- If paid with mobile or peer-to-peer payment apps such as Google Pay, Apple Pay, Venmo, or Cash App, the app's receipt must be submitted along with the bank or credit card statement showing the processed transaction.
- A receipt or invoice from your landlord may be submitted along with documentation showing the cleared transaction from a business account.
- No receipts from a manual receipt book are allowed.
- No CASH payments are allowed.
- Sales Tax Filings
- Texas Workforce Commission Employer Quarterly Report

X. Reimbursement Structure

- Months 1-6: Monthly Reimbursements can be submitted after payment clears.
- Months 7-9: Quarterly Reimbursement with Six Month Sales Tax return filings & Texas Workforce Commission Employer Quarterly Report & Staff Onsite visit.
- **Months 10-12**: Final reimbursement only after proof of continuous operation, rent fully paid, sales tax filings, W-2s, landlord affidavit, and onsite verification

To ensure a thorough review of the submitted documentation, BCIC cannot expedite reimbursement reviews

XI. Business Resources

For questions about the program, guidelines, and eligibility, please contact:

Eric Quintero
Brownsville Community Improvement Corporation
Community Development Manager
equintero@brownsvillecic.com

Free resources are available for entrepreneurs through the University of Texas at Rio Grande Valley (UTRGV). Contact UTRGV to find out what resources are available and schedule an appointment with a Business Advisor to discuss your business plan and operating pro forma required as part of the Rental Reinvestment application.

UTRGV Small Business Development Center

Website: https://www.utrgv.edu/sbdc | Phone: (956) 665-7535

UTRGV Entrepreneurship and Commercialization Center Website: https://www.utrgv.edu/ecc | Phone: (956) 882-4119