



**Business Improvement
Loan/Grant Agreement**



Purpose

Kemp City Council organized, in 2004, the Kemp Economic Development Corporation (KEDC) as a Type B Economic Development Corporation. Kemp voters approved the creation of the KEDC and authorized the use of ½ cent of the sales tax revenues to foster growth and development within the City.

The State of Texas Local Government Code, Title 12, Subtitle C1, Chapter 505.158, Type B Corporations in a municipality with a population of 20,000 or less may conduct a project to include “land, buildings, equipment, facilities, expenditures, targeted infrastructure and improvements found by the corporation’s board of directors to promote new or expanded business development.” To foster growth and development within Kemp, the KEDC is actively marketing Kemp to attract new business and to assist the existing businesses to grow and thrive.

The KEDC’s purpose is to enhance the economic vitality of the City by encouraging safe and visually appealing business buildings and business sites. To this end, the KEDC is establishing a business improvement loan/grant. The Business Improvement Loan/Grant is to be sponsored, funded, and monitored by the KEDC Board of Directors who may amend, adjust, or eliminate the project at any time. The goal is to assist the existing Kemp small businesses, to assist new businesses to come to Kemp to fill existing or proposed retail spaces, to add jobs, and to generate new property tax revenue and sales tax revenue.

Applicant for Building Improvement Loan/Grant

For purposes of this loan/grant, an applicant shall be a for-profit, retail small business, with \$2 million or less in annual sales, twenty or fewer employees, located within or to be located within the city limits of Kemp, within a retail zoned area. The applicant must be current on all ad valorem and sales taxes. An applicant may also be the owner of a retail zoned building within the city limits of Kemp, current on ad valorem and sales taxes and said building shall be no larger than 15,000 square feet and building site no larger than 3 acres.

Qualifying Loan/Grant Award & Terms

Successfully approved applications may be awarded proceeds in the form of a loan, a grant, or a combination of both. The amount of the award, whether a loan or grant, shall be no more than 50% of the proposed building improvement project cost. The loan or grant cannot exceed \$5,000. The minimum amount to be considered for an award shall be \$1,000. The applicant must match the approved award amount. If a loan award is made, the project must be completed within 1 year of the loan award. Upon completion of the project, the loan may be forgiven and transformed into a grant if the project is successfully completed, and all construction related bills paid before the end of the 12-month period. If the project is not completed within 12 months of the loan awarded date, then the loan principal and interest shall be due within an additional 12 months.



The loan principal and interest shall be paid monthly starting at the 13th month of the loan. A simple compounded monthly interest rate of 3% shall be applied to the loan starting at the 13th month of the loan. At the start of a project, the loan shall be issued in two phases with 50% of the loan provided at loan award. The remainder of the loan provided when the project demonstrates that all materials are ordered. Loan/grant award decisions of Kemp Economic Development Corporation Board of Directors are final.

Eligible Projects

The eligible building and building site project improvements may be limited to:

- Rehabilitate, restore or enhance the façade, side and rear of a retail building including; Structural improvements to the façade; Painting of the façade, brick, stone or masonry installations; Door, window, storefront system/trim replacement or repair; Removal of exterior finishes, signs or façade materials; Awning installations; KEDC approved exterior lighting added to the façade exterior
- Retail signs on the façade of buildings excluding box signs
- Monument signs not exceeding 8 feet in height
- Parking lots paving and striping
- Sidewalk installations and patio installations
- Landscaping and lighting
- Air conditioning replacements or installations
- Grease traps required of the Plumbing Code
- Kitchen hoods required of the Fire Code
- Professional fees of an architect or engineer
- Interior finish out of a medical office or restaurant
- City Permit Fees

Application Fee and Additional Information Required

Applicant shall complete the official KEDC Building Improvement Loan/Grant application, sign and approve the loan/grant agreement, submit a \$50 application fee, and submit the following required documents with the application:

1. Proof of ownership and/or right of occupancy such as a deed/lease
2. If the applicant does not own the property, the applicant shall provide proof that the improvements are authorized by the Owner of the property
3. Photograph of existing conditions
4. Renderings, elevations, drawings of proposed improvements
5. Two detailed cost estimates from two separate contractors/suppliers of all proposed improvements
6. Proof of the required 50% cash match being available. If a loan is required to be matched the



required 50% KEDC building improvement loan/grant the applicant shall provide a copy of the bank application and notice from the bank that the funds are available as needed.

7. In-kind contributions may not be eligible as cash matches to the loan/grant.

Application and Approval Process

1. Applications shall be applied to the KEDC via email at info@kempedc.com or by mail at: KEDC, P.O. Box 449, Kemp, TX 75143.
2. Applications shall be received no later than *noon* on the last Thursday of the month prior to be considered at the KEDC next regular meeting which is the first Thursday of each month at 7:00 p.m. If not received by noon on the last Thursday of the month, the application will be considered at the monthly meeting following the current month.
3. Incomplete applications shall not be considered and will be returned to the applicant.
4. Application form and the agreement shall be online under Opportunities on the Kemp EDC website: <https://www.kempedc.com/opportunities/incentives.php>
5. All required attachments shall be provided.
6. The application will be considered and must be approved by the KEDC Board of Directors.
7. Application approval notice shall be provided in writing. If a KEDC loan/grant award has certain provisions, conditions, or other requirements of the KEDC, said provisions, conditions or other requirements shall be provided in writing.

Funding of the Grant

1. Awards of grants are typically limited to single purpose projects with a short-time frame for completion, such as purchase of new signage. Grants shall be funded in a single payment at the time an invoice is provided for the improvements approved for the project. The amount of the funding will be limited to 50% of the invoiced amount regardless of the amount of the initial award.

Funding of the Loan

2. The loan shall be issued in two phases with 50% of the authorized loan provided upon loan agreement signed and agreed to and the remainder of the loan provided when the applicant demonstrated that all materials have been ordered. Funding authorization, for 50% of the loan, shall take place at the KEDC Board meeting where the Board's letter is considered, approved, and acted upon.
3. The applicant shall be obligated to complete the improvements in accordance with the application within 12 months of the KEDC loan award. No modifications of the improvements shall be permitted without prior KEDC approval. Failure to obtain such written approval prior to



making any modifications shall render the applicant ineligible to receive the business improvement loan, or if funds were dispensed, ineligible for the loan to convert to a grant.

4. The applicant shall be responsible for all City permits.
5. All improvements, as presented in the application, must be completed in their entirety. Failure to complete all the stated improvements shall render the applicant ineligible to receive the grant funding.
6. Upon approval of the loan and during the construction of the improvements, a representative of the KEDC shall have the right, at reasonable times, to have access to and inspect the work in progress.
7. The applicant may not begin any improvements related to the business improvement loan, prior to receiving the written approval of the loan approval and funding from the KEDC.
8. The applicant shall agree to remain in business and to not sell or assign such business or building to another person or entity for a period of twelve (12) months from the date of the approval of the grant.
9. Approval of the application and funding of the loan shall be a written loan agreement.
10. Upon written notification to the KEDC, by the applicant, that a project has been completed, an inspection by a KEDC representative shall be made to confirm that such project has been completed in accordance with the application, written agreement, plans submitted with the application and any approved modification thereto. Such notification shall include, but not be limited to documentation of paid receipts for materials, labor, permits, inspection reports, or any other item that the KEDC may reasonably deem necessary for determining the project's completion.
11. Within thirty-one (31) days following the inspection required above, and confirmation of completion of the project in accordance with the application and any approved modifications thereto, the KEDC shall consider a letter of approval and the transformation of the loan to a grant. A copy of such a letter shall also be provided to the applicant.
12. Within fifteen (15) days following an KEDC inspection and the presentation of the receipts by the applicant, a determination is made by the KEDC's representative that the project has not been completed in accordance with the application or any approved modification thereof, the KEDC shall issue a letter to the applicant indicating all areas of non-compliance. The applicant shall then have sixty (60) days from the date of the KEDC 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 the applicant's obligations under the loan/grant.
13. Available funding: the KEDC shall determine an annual budget for this project to fund the loan/grant program. Loan/grant applications received after the available funds have been exhausted may be considered the following fiscal year. The KEDC retains sole discretion to accept or reject applications received after the available funding has been exhausted.
14. Payments due by the applicant/owner shall be paid in full within thirty (30) days after the date of written notification by the KEDC that the applicant/owner is in default of any of the funding requirement set forth herein. The form of such payment shall be a cashier's check or money



order, made payable to the Kemp Economic Development Corporation.

15. The Laws of the State of Texas shall govern the interpretation, validity, performance and enforcement of this Business Improvement Loan/Grant and venue for any lawsuit or other



proceeding involving this program shall be in Kaufman County, Texas.

16. If any provision of this business improvement loan/grant is invalid or unenforceable, the validity and enforceability of the remaining provisions shall not be affected.

The undersigned acknowledges and agrees to abide by and be subject to the terms and conditions of the Kemp Economic Development Corporation Business Improvement Loan/Grant as described herein.

Applicant _____

Address _____

Email Address _____

Telephone Number _____

Signature _____ **Date** _____

PROPERTY OWNER:

Name _____

Address _____

Email Address _____

Telephone Number _____

Signature _____ **Date** _____



Kemp Economic Development Corporation Business Improvement Loan/Grant Application

Date of Application: _____

APPLICANT INFORMATION

Name of Applicant _____

Contact Email _____

Applicant Telephone Number _____

Business Name _____

Address of the Business Improvement _____

City _____ State _____ ZIP CODE _____

BUSINESS OWNER (if different than above)

Name of Business Owner _____

Business Owner Email _____

Business Owner Telephone Number _____

Business Address of Business Owner _____

City _____ State _____ ZIP CODE _____

PROPERTY OWNER (if different than above)

Name of Property Owner _____

Property Owner Email _____

Property Owner Telephone Number _____

Business Property Address _____

City _____ State _____ ZIP CODE _____

Describe the proposed business improvements:

- 1. Provide Proof of ownership or right of occupancy such as a deed/lease.**
- 2. Provide written authorization that the applicant is allowed to make improvements and is authorized by the owner of the property.**
- 3. Provide photographs of existing conditions.**
- 4. Provide renderings, elevations, drawings of proposed improvements.**
- 5. Provide two detailed cost estimates from two separate contractors/suppliers of all proposed improvements.**
- 6. Provide proof that the applicant has the required 50% cash match. If a loan is required to match the required 50% KEDC building improvement loan/grant, the applicant shall provide a copy of the bank application and notice from the bank that the funds are available as needed.**

I (we) hereby certify that, to the best of our knowledge, the above information is accurate as provided:

APPLICANT NAME:

Signature _____ **Date** _____

BUILDING OWNER APPROVAL OF APPLICATION NAME:

Signature _____ **Date** _____