

Economic and Design Incentives For Downtown Beaumont

Table of Contents

1. BUILD, Inc. Revolving Loan Fund
2. Beaumont Main Street
3. Main Street Architectural Assistance
4. Beaumont/Jefferson Enterprise Zone
5. City of Beaumont Historic Preservation Loan Program
6. City of Beaumont Small Business Loan Program
7. City of Beaumont Historic Tax Abatement
8. Small Business Administration (Southeast Texas Economic Development Foundation)
9. Housing and Urban Development (HUD) Funding
10. Small Business Development Center of Lamar University
11. Tax Incentives

1. **BUILD, INC. Revolving Loan Fund**

Contact: Main Street Office

409-838-2202

Loan Fund Target Area – The four boundary lines defining eligible projects are roughly Main, Neches, College, and Broadway.

Loan Usage – Loans are for exterior façade improvements, including existing facades, renovations, cleaning, repairs, windows, and awnings. At least 15% of the loan must be used for façade improvements. Up to 85% of the loan may be used for interior improvements. Applicants are asked to follow the design guidelines described in the Secretary of Interior’s Standards for Rehabilitation.

Goals:

1. To encourage physical improvements which combat deterioration, arrest blight, and enhance the economic life of existing structures.
2. To promote visual improvements through the restoration and rehabilitation of exteriors.
3. To expand business and employment opportunities in existing and deteriorated structures through interior code improvements and redesigns.

Maximum Loan – The amount of available funds will help determine the loan amount. In 1986, the City of Beaumont committed \$150,000 from the Community Development Block Grant program for this loan fund. This money continues to “revolve”.

Interest – The rate will be graduated.

1-2 years	0%
3-4 years	¼ of the Prime Rate
5-6 years	½ of the Prime Rate
7-8 years	¾ of the Prime Rate
9-10 years	Prime

Loan Amortization – Shall not exceed 10 years.

Matching – Applicant must be a qualified borrower by a local financial institution. Revolving Loan Fund loans must be matched by a private source (or sources) at a ratio of no less than 1:1.

Application Process – Applications and instructions are available on this website or in the Main Street office. When this information is completed to the satisfaction of the Main Street Executive Director, various Main Street committees review the application. It is Main Street’s desire to complete the review process within 30 days of a **completed** application.

2. Beaumont Main Street

Contact: Main Street Office
409-838-2202

Main Street offers assistance including:

- a. Downtown website which includes downtown demographics, maps, and information describing property availability.
- b. Downtown Business and Professional Directory.
- c. Business retention, expansion, and recruitment.
- d. Volunteer opportunities.
- e. Coordination of promotional events.
- f. Liaison to governmental entities regarding downtown issues.

3. Main Street Architectural Assistance

Contact: Main Street Office
409-838-2202

Summary – The Beaumont Main Street program receives technical assistance from the Texas Main Street office in Austin. The services of the Texas Main Street urban architect are available to downtown property or business owners free of charge. This architect travels to Beaumont several times each year. Conference calls with this architect are also arranged.

Assistance may take many forms:

- *Colored façade renderings
- *Building maintenance, renovation and rehabilitation issues
- *Investment tax credit application process
- *ADA and general building code compliance
- *Cost considerations
- *Problem solving

4. Beaumont/Jefferson Enterprise Zone

Contact: Economic Development Specialist
Greater Beaumont Chamber of Commerce
409-838-6581

The State of Texas has designated an area in Beaumont and several other areas throughout Southeast Texas as Enterprise Zones. New or expanding businesses located within the zone are eligible for opportunities. Downtown Beaumont is included in the Enterprise Zone.

Opportunities include:

- *State sales and use of tax refunds
- *Local sales and use of tax refunds
- *Property tax abatement
- *Reduced connection fees franchise

5. City of Beaumont Historic Preservation Loan Program

Contact: City Planning Director
409-880-3764

Loan Usage – Funds may be used for exterior rehabilitation, preservation and the restoration of historic structures either publicly or privately owned in the City of Beaumont. The applicant must fully comply with the terms and conditions of the Community Development Block Grant under which these funds are granted.

Eligibility - Loans may be used for publicly or privately owned sites or structures that are listed in or eligible to be listed in the National Register of Historic Places, listed in the State or Local Inventory of Historic Places or designated as a State or Local Historic Landmark or District.

Loan Amount – No maximum or minimum

Interest – 0%

Loan Amortization – The maximum term shall not exceed 10 years. The minimum payback period will be one year.

6. City of Beaumont Small Business Loan Program

Contact: City of Beaumont/Cash Management
409- 880-3772

Loan Usage – This loan fund has been created to promote business expansion and job creation in Beaumont.

Usage includes:

- *New construction
- *Property acquisition
- *Building rehabilitation
- *Acquisition of machinery and equipment
- *Working capital
- *No refinancing permitted

Eligibility – A company must be located within the City of Beaumont and have fewer than 100 employees.

Projects less than \$25,000 –

- *Total minimum loan amount is \$5,000
- *The City may finance up to 90% of an eligible project
- *Maximum term is 5 years

Projects \$25,000 and greater –

*Loan amount \$7,500-\$100,000

*The City may finance up to 30% of an eligible project

*A private lender or other sources may finance up to 60% of an eligible project

*Maximum term:

Working capital	5 years
Equipment	10 years
Land & Building	25 years

Interest – The interest rate will be in the range of 4%-8% and will be set at the prime lending rate less 2% at the time of closing.

Equity – A minimum of 10% owner equity is required for each project.

Other Program Requirements – Only projects which demonstrate job creation and financial feasibility will be eligible for these loans (for every \$10,000 loan, one job must be created). Fifty-one percent of all jobs created must go to low and moderate income persons.

Application – Once the application is approved, the loan documents are prepared. The disbursal of funds occurs within 3-4 weeks.

7. City of Beaumont Historic Tax Abatement

Contact: City of Beaumont
Director of Planning
409-880-3764

Historic tax abatement is a local economic incentive to encourage preservation of our historic and cultural resources. Any “certified” historic structure or property listed on the National Register or as a local Historic/Cultural Landmark may apply for historic tax abatement. Tax abatement may be used on any historic property undergoing rehabilitation or restoration that complies with the Federal Government’s Secretary of Interior’s Standards for Rehabilitation. The historic property may be residential or commercial.

Tax Abatement Value – The tax abatement, if approved, shall have the assessed value for ad valorem taxation remain equal to the assessed value prior to preservation for a period of ten (10) years. This historic tax abatement must be awarded before any restoration work has begun. Historic tax abatement applies only to City of Beaumont taxes.

Process – Applications shall be submitted to the Historic Landmark Commission through the Planning Division. The Landmark Commission will review the request, then forward it with a recommendation to the Beaumont City Council for action. Once approved by the Council, construction may begin. Upon completion of construction and owner verification of work to historic standards, the Landmark Commission will inspect the improvements.

8. City of Beaumont Small Business Administration

Contact: SBA
Southeast Texas Economic Development Foundation
409-838-6581

The 504 loan program helps applicants acquire land and buildings; build, expand, renovate, or modernize a building or purchase and install equipment.

Applicants can take advantage of a:

- Fixed, below-market interest rate
- Low down payment
- Long-term maturity

9. Housing And Urban Development (HUD) Funding

Contact: City of Beaumont
Community Development
409-880-3761 or 409-880-3768

Questions about specific downtown projects and the possible use of HUD funding may be directed to the numbers above.

The use of HUD funding must meet at least one of the three national objectives:

*Benefiting low and moderate income persons

*Aid in the prevention or elimination of slum or blight

*Meeting other community needs that have a particular urgency and pose a serious and immediate threat

10. Small Business Development Center of Lamar University

Contact: SBDC
409-880-2367
1-800-722-3443

The Small Business Development Center of Lamar University provides professional management consulting and high-quality business information seminars for the benefit of the small business community. Persons interested in forming small businesses and those in existing businesses who need practical help have free access to experienced business professionals through individual consulting sessions.

Center Objective –

- *Help small businesses get started
- *Enhance their ability to generate profit
- *Alert them to the existence of regulatory agencies
- *Provide competent business advice
- *Help them expand their businesses and thereby create additional jobs
- *Be an active force in economic development

Seminars Include –

- *Banking
- *Basic Bookkeeping
- *Advertising
- *Developing a Business Plan
- *Cash Flow
- *Human Resource Management

11. Tax Incentives

Contact: Main Street Office
409-838-2202

The purpose of the Investment Tax Credit or Historic Tax Credit is to encourage the conservation and reuse of historic and older buildings.

There are two tax incentives for private reinvestment in older buildings:

*A 20% tax credit for the certified rehabilitation of certified historic buildings. Buildings must be used for income-producing purposes which may include rental residential uses. This credit is available to owners of buildings that are eligible to be listed or are already listed in the National Register of Historic Places.

*A 10% tax credit for the rehabilitation of non-historic buildings built before 1936. Buildings must be used for non-residential, income-producing purposes.