Chapter 380 Program for Restaurants
within
The Historic Mansfield Reinvestment Zone

This Economic Development Program established pursuant to Chapter 380 of the Texas Local Government Code will offer forgivable loans up to $20,000 on properties in the Historic Mansfield Reinvestment Zone (see attached map) for the following purposes:

- to attract new restaurants within the Reinvestment Zone;
- to assist with expansion of existing restaurants within the Reinvestment Zone;
- to accommodate internal or external improvements that enhance the property value or usability of the property for a restaurant; and
- any other purpose that the City Council determines will promote business and commercial activity in the City pursuant to the established Program.

Process:

Commercial enterprises that operate a restaurant with an interest in participation in the Program may submit an application to the City that shall include all information requested by the City staff. City staff will present the application to the City Council for consideration.

The applicant may be required to provide any of the following:

(1) a report from a qualified consultant on the need for and/or cost of the improvement(s);
(2) financial information to support the funding request; or
(3) any other information deemed required by the City Council at its sole discretion.

The funding amount, if approved, will be based on the actual cost of the improvement(s), not to exceed $20,000 per property. City Council may elect to participate in all or part of the funding request at its sole discretion. Submitting an application does not guarantee that the City Council will approve the funding request. Payments will be reimbursed to the applicant upon receipt of a Certificate of Occupancy from the City of Mansfield. In some cases, payment may be made directly to the contractor or subcontractor by the City at the sole discretion of the City Council.

Eligibility:

In order to qualify for participation in the Program, an applicant must meet the following requirements:

(1) An applicant for a new restaurant must have owned and/or operated another restaurant successfully for more than 1 year.
(2) An applicant for an existing restaurant must have been in business for at least 1 year.
(3) An applicant may not have a majority ownership in more than 5 existing restaurants in Mansfield or other cities.
(4) Eligible improvements include, but are not limited to, grease traps, ventilation systems, fire suppression systems, plumbing, electrical or structural improvements, handicap access compliance improvements and similar items. The forgivable loan is tied to permanent improvements for the applicant's restaurant space.

(5) An applicant must have invested the same amount or more in the restaurant as the amount of requested funding from the City.
(6) The applicant must have a lease on rental space or sales contract on property for a restaurant within the Reinvestment Zone.

Attracting national chains and franchises is not the goal of this program. However, exceptions may be considered for chains and franchises that have a proven history of locating in reinvestment zones in a manner compatible with the surrounding properties.

The City Council reserves the right to alter, add to, or waive any of the above eligibility requirements on a case-by-case basis at its sole discretion.

Incentives:

As incentives to commercial enterprises that operate restaurants, the City may provide economic development loans to the commercial enterprise in a lump sum or in installments at the sole discretion of the City Council. The procedures for implementation of an economic development loan will be developed based upon the requirements of the project at issue on a case-by-case basis.

Repayment:

The term of the loan is for five years, and repayment of the loan is based on how long the restaurant remains in business. For every year the restaurant operates during the 5-year term, a 20% reduction will be made in the amount due. If the restaurant closes, files for bankruptcy or becomes insolvent, the loan is due and payable according to the following schedule:

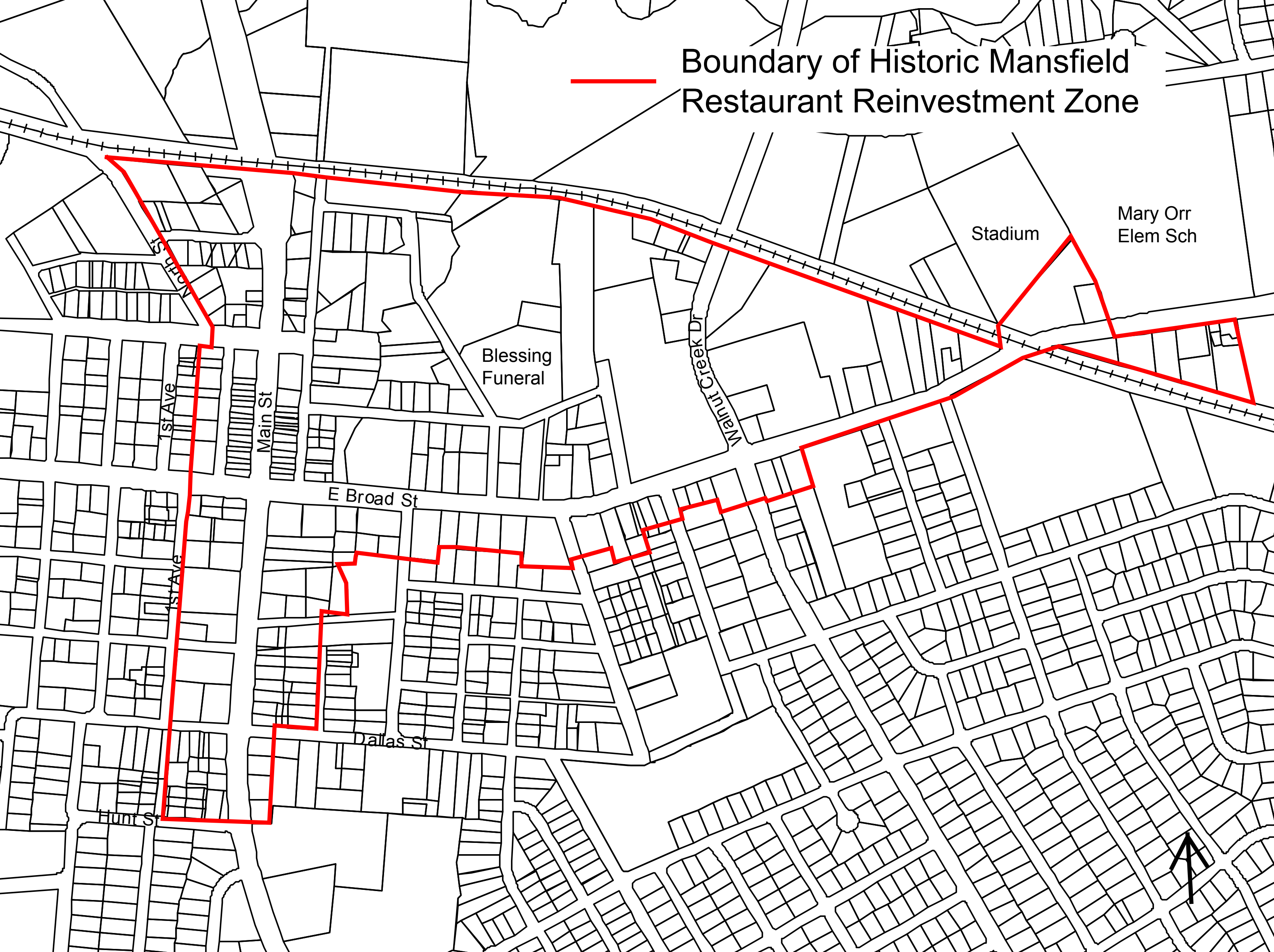
- 100% of loan is due during 1st year of the restaurant's operation
- 80% of the loan is due on or after 1st year but within 2nd year of the restaurant's operation
- 60% of the loan is due on or after 2nd year but within 3rd year of the restaurant's operation
- 40% of the loan is due on or after 3rd year but within 4th year of the restaurant's operation
- 20% of the loan is due on or after 4th year but within 5th year of the restaurant's operation
- Repayment of loan is completely waived after the 5th year of the restaurant's operation

The City Council at its sole discretion may alter the above repayment schedule on a case-by-case basis as appropriate.

Economic Development Agreement:

The incentives provided will be reflected in an Economic Development Program Agreement between the City and the commercial enterprise that operates a restaurant. The Agreement will specify:

(1) The amount, character and type of the incentives to be paid or provided to the commercial enterprise, and the terms, limitations and qualifications thereon.
(2) Such terms and conditions as the City Council determines are necessary to insure that the incentives will be used for purposes intended, and will stimulate business and commercial activity in the City, consistent with the objectives and purposes of Chapter 380 of the Texas Local Government Code.



Boundary of Historic Mansfield
Restaurant Reinvestment Zone
Stadium
Mary Orr
Elem Sch
Blessing
Funeral
Walnut Creek Dr
North St
1st Ave
Main St
E Broad St
1st Ave
Dallas St
Hunt St