



Incentive Fact Sheet

Downtown Designations (MAP)

Central Brownsville Historic District

Designated in May 2019, the Central Brownsville Historic District encompasses 76-acres in the heart of a burgeoning Downtown Brownsville. An abundance of historic fabric is available for redevelopment with 69% of the buildings within the Historic District deemed as historically contributing structures, providing property owners and investors with various local, state, and federal incentives.



Accredited Main Street Program

In 2016, the City of Brownsville was designated a Main Street community by the Texas Historical Commission. Since the program's inception, over \$3 million in public and private investment has occurred within the Main Street District.

Investment Areas/Zones

Downtown Brownsville lies within each of the zones/areas listed below.

Promise Zone Community

Promise Zones are communities, where the federal government acts as a partner with local leaders to increase economic activity, improve educational opportunities, increase housing affordable income, boost private investment, reduce violent crime, improve public health and address other priorities identified by the community. Through this initiative, communities will work strategically with federal, state and local agencies to combat high rates of poverty and unemployment through job creation and increased economic activity tools, and to improve the quality of life of its residents.

Texas Opportunity Zones

The Opportunity Zone tax provisions were created by the 2017 Tax Cuts and Jobs Act and provide investors the ability to re-invest capital gains into a fund that, in turn, invests in projects located in designated census tracts. In exchange for this investment, investors receive a decrease, deferral, and possible exclusion of capital gain tax liabilities. Qualified Opportunity Zone Funds may invest in businesses, real estate, and business assets located within designated "Opportunity Zones."



Neighborhood Revitalization Strategy Area (NRSA)

A Neighborhood Revitalization Strategy Area (NRSA) allows entitlement communities to focus CDBG investment in a designated area with reduced administrative burdens and increased flexibility. These benefits promote ambitious projects and innovative ideas to prosper and revitalize the NRSA.

CDBG Eligible Area

The City of Brownsville (City) has been an entitlement community under the U.S. Department of Housing and Urban (HUD) development since the 1970's. As an entitlement community, the City receives Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME), and Emergency Solutions Grant (ESG) funds every year based on a formula developed by Congress. With these federal funds, the City has been able to conduct community development activities throughout eligible areas in the City and through projects that benefit the City as a whole.

Local Incentives

Downtown Business Improvement & Growth (BIG) Program

The BIG Program provides reimbursable grants to property and business owners wanting to make quality exterior and interior improvements to their downtown commercial buildings. Grants are available for façade and interior improvements, signage, and rent subsidies.



Downtown Overlay District Permit Waivers

New businesses opening within the Downtown Overlay District may qualify to have applicable building and zoning fees waived. In order to qualify for this incentive, new businesses must be retail and service uses, art and arts-related businesses, or entertainment businesses.

0-11 Historic Overlay Tax Abatement Program

Chapter 380 Agreements

The City of Brownsville's Chapter 380 Program of the Texas Local Government Code is a tool that is used to encourage economic development within the City by providing incentives that support the construction, redevelopment and expansion of commercial or retail projects. These development incentives take the form of property tax abatements, commitments for infrastructure, or payments of portions of the sales tax generated by the project. Negotiations on these incentives between the City and the developer occur on a case-by-case basis.



State and Federal Incentives

Texas Historic Preservation Tax Credit Program

The state historic tax credit is worth 25% of eligible rehabilitation costs and is available for buildings listed in the National Register of Historic Places, as well as Recorded Texas Historic Landmarks and Texas State Antiquities Landmarks.

Federal Historic Preservation Tax Incentives Program

The Federal Historic Preservation Tax Incentives program encourages private sector investment in the rehabilitation and re-use of historic buildings. A 20% income tax

credit is available for the rehabilitation of historic, income-producing buildings that are determined by the Secretary of the Interior, through the National Park Service, to be "certified historic structures."

New Market Tax Credit (NMTC) Program

The NMTC Program attracts private capital into low-income communities by permitting individual and corporate investors to receive a tax credit against their federal income tax in exchange for making equity investments in specialized financial intermediaries called Community Development Entities (CDEs). The credit totals 39 percent of the original investment amount and is claimed over a period of seven years.

Housing Tax Credits (HTC)

The Housing Tax Credit (HTC) Program is one of the primary means of directing private capital toward the development and preservation of affordable rental housing for low-income households. Tax credits are awarded to eligible participants to offset a portion of their federal tax liability in exchange for the production or preservation of affordable rental housing.



Solar Investment Tax Credit (ITC)

The Investment Tax Credit (ITC), also known as the federal solar tax credit, allows you to deduct 30 percent of the cost of installing a solar energy system from your federal taxes. The ITC applies to both residential and commercial systems, and there is no cap on its value.

Texas PACE Authority

Property Assessed Clean Energy (TX-PACE) incentivizes property owners to upgrade facility infrastructure by facilitating access to private, affordable, long-term (typically 10-20 years) financing that is not available through traditional funding avenues, which are utilized for permanent improvements to the property that are intended to decrease water or energy consumption or demand.



National Trust Historic Real Estate Fund

The National Trust Community Investment Corporation's (NTCIC) historic real estate fund provides private capital to developers with extensive historic rehabilitation experience who need additional non-tax credit capital for their historic rehabilitation projects.

Irvin Henderson Main Street Revitalization Fund

The Irvin Henderson Main Street Revitalization Fund provides up to \$2 million in tax credit financing to support transformational historic rehabilitation projects in low-income Main Street communities.