

Applicant Name: \_\_\_\_\_

Date Submitted: \_\_\_\_ / \_\_\_\_ / 2016

Received by: \_\_\_\_\_

## **CHENOA TIF DISTRICT I**

### **FY 2017 COMMERCIAL FAÇADE & BUILDING REPAIR PROGRAM**

City of Chenoa, Illinois / 201 Green Street, Chenoa, IL 61726

The goal of the **FY 2017 Chenoa Commercial Façade & Building Repair Program** (the "Program") is to visibly enhance the Downtown Corridor within *Chenoa Tax Increment Financing (TIF) District I* (the "District"). The way a building looks has a direct effect on how people view the community and what's inside the building. For a landlord, this can mean tenants may be willing to pay more for space, while for businesses, such improvements may result in potential customers and clients experiencing a positive first impression that makes the difference between walking by and coming inside.

The **FY 2017 Chenoa Commercial Façade & Building Repair Program** is intended to promote improvements to commercial storefronts, roofs and the sides of commercial buildings which face City streets and sidewalks in the TIF District. All commercial business properties located within the Chenoa TIF District I Redevelopment Project Area (the "Area") (*see Appendix A*) are eligible for funding at the rate of one (1) convertible loan/grant per parcel, subject to the availability of funds and City approval. Property owners or business owners within the Area are eligible to apply for loan/grant amounts not to exceed **\$7,500 or up to 80% of project costs**, whichever is less, for the reimbursement of TIF eligible project costs. Qualified loans shall convert to grants incrementally over a five (5) year period provided the property: 1) is not sold within 180 days without the consent of the City; 2) is occupied by a commercial business; and 3) retains at least 80% or more of current equalized assessed valuation. Failure to comply with these terms shall require Applicant/Borrower to pay the City a Non-Performance Penalty in an amount equivalent to the outstanding principal amount of the loan plus accrued Penalty Interest as stipulated herein. Business owners who are tenants of an existing structure for which leasehold improvements are planned must provide written consent from the property owner for all proposed improvements. The City encourages all applicants to purchase materials for the projects locally and, whenever possible, to use local contractors. **The Project must be substantially completed on or before April 30, 2017.**

### **Commercial Façade & Building Repair Program Description and Requirements**

1. Property Owners or Business Owners must promptly complete the *FY 2017 Chenoa Commercial Façade & Building Repair Program Application* (the "Application", *see Appendix B*), including all requested attachments, and submit to the City Clerk's Office on or before **December 31, 2016**.
  - a. Only properties located within *Chenoa TIF District I (Appendix A)* are eligible to apply for the Program. **Applicants may apply for a maximum of only one (1) application per property "PIN" or real estate tax identification number.**
  - b. All applications will be reviewed by the City, however the submission of an application does not guarantee a grant will be awarded. Funding is available in 2016/2017 for only a limited number of Loan/Grant awards. Applications will be competitively selected for funding based on the program's purpose, goals, eligibility and criteria of the City.

- c. Any property owner or business tenant in a commercial building in the project area is eligible to apply. Either the property owner or the business tenant of a building may submit an application. Property owners and business tenants may also apply jointly. In any case, only one application may be submitted for each property.
  - d. A business tenant application must obtain the property owner's written consent for a façade renovation and submit it with the application.
  - e. Other than commercial apartments and rental units located above ground-level commercial space, government facilities and private dwellings are excluded from consideration.
  - f. Program Applications will not be accepted if the property is already receiving economic development incentives from the City of Chenoa.
  - g. An overall Project Plan describing the proposed improvements, including pre-Project photos of the building, must be submitted with each Application. The Project Plan is subject to approval by the City Building Inspector prior to the distribution of any Program funds.
    - i. All Project Plans must include: (a) a description of the planned improvements; (b) estimated cost (contractor bid) of the project; and (c) projected start and completion dates. Conceptual sketches, photos and/or drawings are encouraged and the City reserves the right to request additional information, including but not limited to how the building will be utilized (e.g., type of business) once the repairs or renovations are completed.
2. **The maximum amount awarded for each approved Application shall not in any case exceed eighty percent (80%) of total project costs or a single lump sum reimbursement of \$7,500.00, whichever is less, for a project undertaken on a single, individual commercial property as identified by the McLean County real estate tax identification number.**
- a. Funds are awarded for commercial building repair and facade renovation projects for TIF eligible project costs (pursuant to 65 ILCS 5/11-74.4 *et. seq.* as amended), subject to the availability of funds and the approval of the City of Chenoa.
  - b. Program funds are distributed on a reimbursement basis only when the approved Project is completed in accordance with the plans and specifications submitted with the Application and Project Plan and pursuant to (e)(ii) below.
  - c. A preliminary dollar amount of the loan/grant is determined by the City at the time of the application and approved by the Applicant. The actual loan/grant amount shall not, in any event, exceed the amount of eligible program funds verified pursuant to (e)(ii) below.
  - d. Program funds are initially distributed by the City in exchange for a "Promissory Note" from Applicant to the City of Chenoa (*Exhibit 1 of Appendix B. Program Application*). Loans shall be issued by the City with a five (5) year "Non-Performance Penalty" equivalent to the principal balance of the loan plus 3.0% APR. The loan for which the Applicant/Borrower complies with the terms of the Application as set forth herein and the Promissory Note shall be forgiven and converted to a grant at an equivalent rate of

20% of total loan principal plus accrued interest per year (i.e., at the end of the first year on April 30, 2018 and at the end of each subsequent year with final grant conversion occurring on April 30, 2022).

- e. The final award amount is based on documentation of actual costs.
    - i. Program funds will be paid ONLY upon verification of TIF eligible project costs as permitted by the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4 *et. seq.*)
    - ii. Verification of TIF eligible project costs may include receipts, paid invoices, paid bills or statements of suppliers, contractors, or professionals together with Mechanic's Lien Waivers, if applicable, and cancelled checks or other proof of payment as required by the City. Applicants shall provide any additional cost verification information requested by the City prior to distribution of Program funds.
  - f. A Project that alters submitted plans without prior approval of the City will be disqualified for payment. Designs not completed as submitted will also be disqualified.
3. The Façade Program Advisory Committee will review all applications. If an application is denied, a written explanation will be provided to the Applicant. The Applicant may then revise and resubmit the Application one time only for a second review within ten (10) days.
  4. **ALL APPLICATIONS MUST BE SUBMITTED TO THE CITY CLERK'S OFFICE BY DECEMBER 31, 2016. ALL FAÇADE & BUILDING REPAIR PROJECTS MUST BE COMPLETED ON OR BEFORE APRIL 30, 2017.**
  5. The Applicant(s) shall indemnify and hold harmless the City, and all City elected or appointed officials, officers, employees, agents, representatives, engineers, consultants and attorneys (collectively, the "Indemnified Parties"), from any and all claims that may be asserted against the Indemnified Parties or one or more of them, in connection with the applicability, determination, and/or payments made under the Illinois Prevailing Wage Act (820 ILCS 130/0.01 *et. seq.*), the Illinois Procurement Code, and/or any similar State or Federal law or regulation. This obligation to indemnify and hold harmless obligates Developer to defend any such claim and/or action, pay any liabilities and/or penalties imposed, and pay all defense costs of City, including but not limited to the reasonable attorney fees of City.
  6. All work must conform to existing City and State Building, Zoning and Fire Codes. Consult with the City Planning and Building Inspections Department when planning a project. Every reasonable effort shall be made to protect and preserve archeological resources affected by, or adjacent to, any Project.
  7. The **FY 2017 Chenoa Commercial Façade & Building Repair Program** is specifically designed to promote aesthetic enhancements and structural improvements to commercial storefronts, roofs and the sides of commercial buildings which face City streets and sidewalks in Chenoa TIF District I (see **Appendix A**).
    - a. Only exterior façade repairs and renovations are eligible for consideration under the **FY 2017 Chenoa Commercial Façade & Building Repair Program**. The costs of limited

interior alterations such as display window changes or replacements may be included only if they are a necessary part of the façade design.

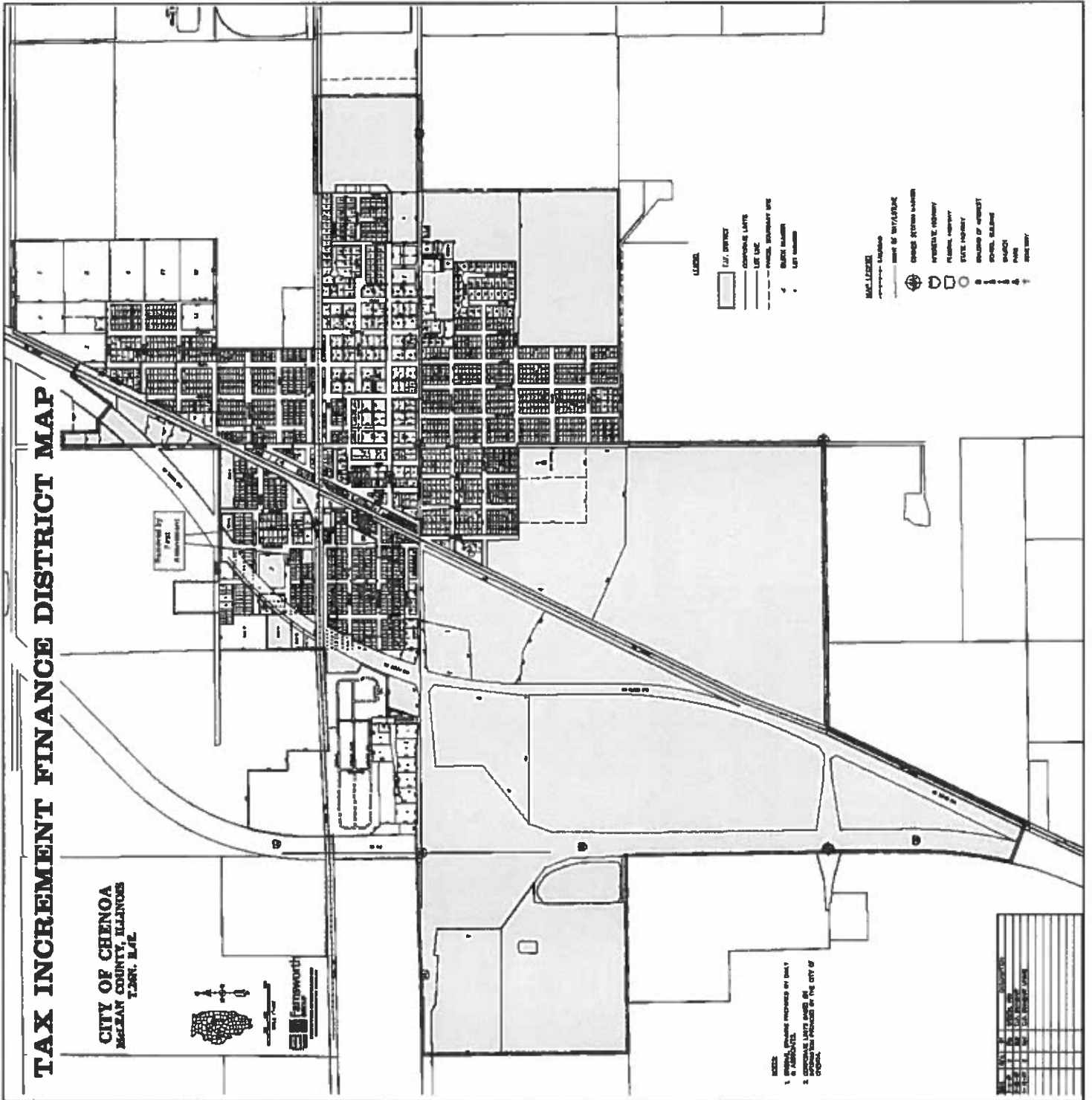
- b. Priority considerations will be given to proposals that make highly visible and significant design contributions, and which contribute to the program of preserving the architectural, historic, and commercial character.
8. Applicants must, in advance of receiving Program funds, complete the Project and **verify payment of program eligible costs** in an amount equal to or greater than the actual amount awarded to the Program Applicant by the City. Program eligible project costs, include:
- a. **The costs of demolition of deteriorated synthetic stucco or siding on exterior walls facing a City street or sidewalk, which must be followed by (b) below.**
  - b. **Historic reconstructions, brick tuck pointing, brick repair, concrete or mortar repair, painting or any other repairs to exterior walls facing a City street or sidewalk.**
  - c. **Repair of seals around windows and doors, including cracks have appeared in the façade, that have deteriorated on walls facing a City street or sidewalk.**
  - d. **Repair or replacement of windows, doors and lighting facing a City street or sidewalk.**
  - e. **The repair or replacement of awnings on exterior walls facing First Avenue.**
  - f. **Sign replacement, if affixed to the exterior wall facing a City street or sidewalk.**
  - g. **Roof repairs are TIF eligible, but Program funds shall be applicable only to roof repair costs which do not exceed 15% of the total cost of the project or a maximum of \$3,000.00, whichever is lowest.**

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**Projects which may be outside the scope of this Program may apply for other TIF District assistance by contacting: Chris Wilder, Mayor, Chenoa City Hall at (815) 945-7619.**

## **APPENDICES**

# APPENDIX A. CHENOA TIF DISTRICT I MAP



APPENDIX B.

**PROGRAM APPLICATION**

City of Chenoa, McLean County, Illinois

**FY 2017 Chenoa Commercial Facade & Building Repair Program Application  
Chenoa TIF District I**

1. Applicant Name(s)\*: \_\_\_\_\_
  - a. Applicant Address: \_\_\_\_\_
  - b. Applicant's Daytime Phone: \_\_\_\_\_ Evening Phone: \_\_\_\_\_
  - c. Applicant's Email Address: \_\_\_\_\_

\*(First-Time Applicants Only)
2. Business Name: \_\_\_\_\_
  - a. Type of Business (*check one*)  Service  Retail  Other (describe): \_\_\_\_\_
  - b. Owner's Name(s): \_\_\_\_\_ or  Same as Applicant
  - c. Business Address: \_\_\_\_\_
  - d. Business Daytime Phone: \_\_\_\_\_
3. Property Owner's Name(s): \_\_\_\_\_ or  Same as Applicant
  - a. Daytime Business Phone: \_\_\_\_\_ Evening Phone: \_\_\_\_\_
  - b. Property Owner's Email Address: \_\_\_\_\_
  - c. If Property Owner is not Applicant, the owner's permission is attached:  YES or  NO
4. Property Tax ID # \_\_\_\_\_ Approx. Age of Building: \_\_\_\_\_
  - a. A copy of the most recent real estate tax bill is attached:  YES
5. Project Plan is attached:  YES
6. Will this Project contribute to the historical restoration of the building?  YES or  NO
7. Estimated Project Completion Date: \_\_\_\_ / \_\_\_\_ / 201\_\_.
8. Total Estimated Project Costs: \$ \_\_\_\_\_
9. Amount of Program Funds Requested: \$ \_\_\_\_\_ = \_\_\_\_% of Total Project Costs.
  - a. **NOTE:** All Façade & Building Repair Program amounts are limited to 80% of total project costs, not to exceed a maximum of \$7,500. Each Applicant must verify TIF eligible project costs and a minimum cash match of 20% of the total project costs prior to receiving Program Funds.

10. I have read the FY 2017 Chenoa Commercial Facade & Building Repair Program description and fully understand and agree to the requirements of the Program Application, including the Promissory Note hereto attached as *Exhibit 1*. I further understand the Application must be reviewed and approved by the City prior to commencement of any Project and that failure to comply with the approved Application may result in forfeiture of Program funds.

Applicant Signature: \_\_\_\_\_ Date: \_\_\_\_ / \_\_\_\_ / 2016

Applicant Signature: \_\_\_\_\_ Date: \_\_\_\_ / \_\_\_\_ / 2016

**For City Office Use**

APPLICATION NO.\* \_\_\_\_\_

Date Application Received: \_\_\_\_ / \_\_\_\_ / 2016.

Signature: \_\_\_\_\_

\*(First-Time Applicants Only)

Facade Program Advisory Committee Recommendation:  Yes or  No on \_\_\_\_ / \_\_\_\_ / 2016.

Signature: \_\_\_\_\_

If Application is not recommended, a written explanation is attached and will be provided to the Applicant. The Applicant may revise and resubmit the Application one time for a second review within ten (10) days, or by \_\_\_\_ / \_\_\_\_ / 2016.

Verification of \$ \_\_\_\_\_ of TIF Eligible Project Cost confirmed on \_\_\_\_ / \_\_\_\_ / 201\_\_.

Signature: \_\_\_\_\_

Completion of Project inspected and verified on \_\_\_\_ / \_\_\_\_ / 201\_\_.

Signature: \_\_\_\_\_

**PROJECT ACCEPTANCE**

Pursuant to Ordinance No. \_\_\_\_\_, the City of Chenoa, McLean County, Illinois, accepts the attached *FY 2017 Chenoa Commercial Facade & Building Repair Program Application* and agrees to loan to the Applicant, in exchange for Applicant/Borrower's Promissory Note (see *Exhibit 1*), \_\_\_\_\_ Dollars and No Cents (\$ \_\_\_\_\_) from the Chenoa TIF District I Special Tax Allocation Fund (the "Loan") for TIF Eligible Project Costs incurred as a result of the Developer's Project (see *Exhibit 1*).

The terms and conditions for the Loan shall be as follows:

1. The full Loan principal amount of \$ \_\_\_\_\_ shall be paid to Applicant/Borrower upon verification of program eligible costs and following the execution of a Promissory Note providing annual payments over five (5) year term ending April 30, 2022 at 3.0% APR;
2. One-fifth (1/5) of the Loan principal amount plus accrued interest shall be forgiven annually by the City commencing April 30, 2018 and on April 30<sup>th</sup> of each year thereafter for the term of the Loan, provided the Developer has been at all times in full compliance with every term of this Application as herein described. Provided the Developer complies with all the terms of the Promissory Note set forth herein as *Exhibit 1*, the Loan shall be fully forgiven by the expiration of the Promissory Note.
3. A Non-Performance Penalty shall be paid by Applicant/Borrower to the City upon failure of Applicant/Borrower to comply with every term of the *FY 2017 Chenoa Commercial Facade & Building Repair Program Application* as provided herein (*Exhibit 1*).
4. The Non-Performance Penalty Interest Rate for the Loan shall be 3.0% APR.

Promissory Note Executed and attached hereto on: \_\_\_\_ / \_\_\_\_ / 201\_\_ for the Amount of: \$ \_\_\_\_\_.

APPROVED: \_\_\_\_\_

ATTEST: \_\_\_\_\_

Mayor / Date \_\_\_\_ / \_\_\_\_ / 201\_\_

City Clerk / Date: \_\_\_\_ / \_\_\_\_ / 201\_\_

Check issued to applicant on \_\_\_\_ / \_\_\_\_ / 201\_\_

Check# \_\_\_\_\_

Signature: \_\_\_\_\_

File Copy of Application and Promissory Note sent to: Jacob & Klein, Ltd. and The Economic Development Group, Ltd., 1701 Clearwater Avenue, Bloomington, IL 61704.