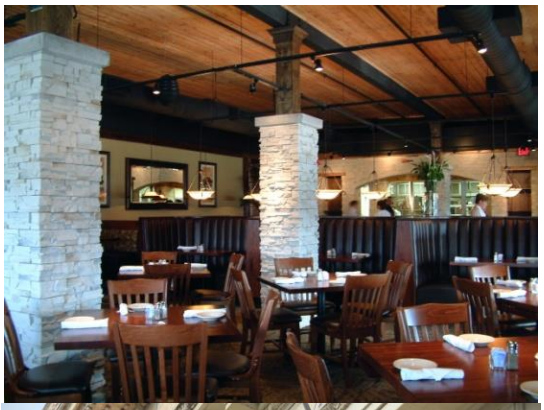
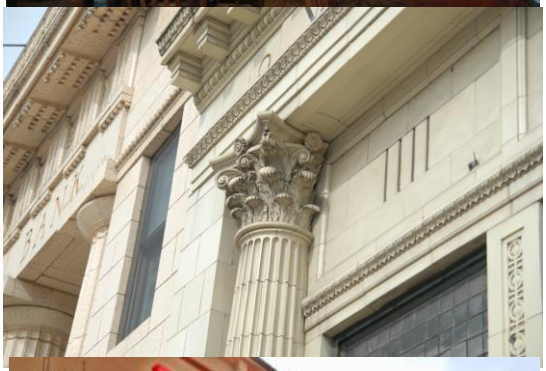
CITY OF CRYSTAL LAKE

Retailer Facade and Commercial Tenant Improvement Program

MATCHING GRANT APPLICATION FORM

2021-2022 Fiscal Year







ADMINISTERED BY:

CITY OF CRYSTAL LAKE
PLANNING & ECONOMIC DEVELOPMENT
100 W. WOODSTOCK STREET
CRYSTAL LAKE, IL 60014

CITY OF CRYSTAL LAKE
Retailer Façade and Commercial Tenant Improvement Grant Program

In its continuing effort to support the development of the business community and our workforce, the City of Crystal Lake has created a Retailer Façade and Commercial Tenant Improvement Grant Program for new and existing retail business owners. This Program is comprised of the **New Retailer Improvement Program** and the **Existing Retailer Improvement Program**. The City Council will review applications and award grant funds to eligible new and existing retail businesses who complete façade improvements or purchase furniture, fixtures and equipment.

This booklet is intended to provide general information regarding these programs. The actual terms and conditions of each program, qualifications for participation and further limitations may be found in Chapter 228 of the City Code of the City of Crystal Lake, and are subject to change by the City Council. For more information, please contact the Planning & Economic Development Department at (815) 356-3615.

Program descriptions and eligibility requirements:

New Retailer Improvement Program		
ELIGIBILITY[1]	**MAX AWARD**	**AWARD CALCULATION[2]**
Applicant must occupy vacant commercial space within Crystal Lake, Illinois., or construct a new building in the City; Applicant's business must be new to the City limits of Crystal Lake; Applicant's business must meet a minimum annual taxable sales threshold of at least $150,000/year; Applicant must file an application prior to commencing improvements.	**$10,000**	50% match for exterior façade improvements. 50% match for furniture, fixtures and equipment (FFE) installed in the space.

[1] See detailed eligibility criteria below. See also Section 228-23 of the City Code for New Retailer Investment Program

[2] $80,000 of available funding for these programs is shared with the City's other matching grant incentive programs. All awards are subject to the financial limitations established by the City's appropriation ordinance from time to time.

NEW RETAILER INVESTMENT PROGRAM ELIGIBILITY CRITERIA

(i) The program is open to any new sales-tax revenue generating business that will occupy vacant retail space or a building or that will construct a new building for its business.

(ii) Applicant must meet minimum annual taxable sales threshold of $150,000 and sustain or exceed that amount for five years.

(iii) Applicant's business must provide a stocked retail showroom for retail products.

(iv) Applicant must provide written proof of façade construction costs and/or FFE costs.

(v) Applicant applying for funds for façade improvements must pay prevailing wages.

(vi) Applicant must file and have City Council approval for grant funding prior to commencing improvements.

(vii) Grant recipient may apply after 5 years from the date of recipient's previous award for the Existing Retailer Improvement Program.

(viii) Applicant's business must be new to Crystal Lake city limits; in-town relocations are ineligible.

(ix) Applicants are required to complete and submit an Illinois Department of Labor Authorization to Release Sales Tax Information form to City Staff as part of the required application documentation.

(x) Award calculations may include both façade construction and FFE costs, up to maximum award amount.

(xi) Eligible FFE includes, but is not limited to, shelving, racks, tables, chairs, point-of-sale systems, fixed computer equipment used in business operation, office furniture, and appliances.

(xii) Façade improvements must comply with all applicable codes and ordinances.

(xiii) Eligible façade improvements include, but are not limited to; exterior brick cleaning; exterior tuck pointing; exterior painting; wall façade construction, repair, and treatment; original exterior architectural features repair or replacement; interior/exterior demolition; and historic renovation to interior/exterior.

(xiv) Approved applicants shall be required to maintain their improvements and the FFE for the duration of the Grant Agreement with the City of Crystal Lake, which shall be five years from the date the funds are received by the applicant.

Existing Retailer Expansion and Relocation Program			
ELIGIBILITY[1]	**MAX AWARD**		**AWARD CALCULATION[2]**
Applicant must expand its business into vacant commercial space by at least 20% in gross floor area, or relocate its business to vacant space that is 20% larger than its current location or be an existing restaurant or bar that is adding or expanding an outdoor seating area to their location. *(not required for businesses generating over $7,500,000 in annual taxable sales)*; Applicant's business must meet a minimum annual taxable sales threshold of at least $150,000/year; Applicant must file an application prior to commencing improvements. Existing restaurants and bars adding an outdoor seating area will only qualify for a maximum of a $5,000 matching grant award regardless of their annual taxable sales.	Annual Taxable Sales	Maximum Grant Award	50% match for exterior façade improvements. 50% match for furniture, fixtures and equipment (FFE) installed in the space.
	$150K – $2.49M	$5,000 **Applicants for new or expanded outdoor seating only qualify for up to a $5,000 award.*	
	$2.5M - $4.99M	$10,000	
	$5M - $7.49M	$15,000	
	$7.5M+	$20,000	

[1] See detailed eligibility criteria below. See also Section 228-23 of the City Code for New Retailer Investment Program

[2] $80,000 of available funding for these programs is shared with the City's other matching grant incentive programs. All awards are subject to the financial limitations established by the City's appropriation ordinance from time to time.

EXISTING RETAILER IMPROVEMENT PROGRAM ELIGIBILITY CRITERIA

(i) The program is open to any existing Crystal Lake sales-tax revenue generating business that will:

a. Expand its current location into vacant space by at least 20% in gross floor area *(not required for businesses generating over $7,500,000 in annual taxable sales)*, or

b. Relocate to vacant space that is 20% larger than its current location, in a new building or into a different existing building not within the same shopping center

(not required for businesses generating over $7,500,000 in annual taxable sales), or

c. Complete façade improvements to the existing space.

or

d. Bar or restaurant that is expanding an existing or establishing a new outdoor dining area.

(ii) Applicants must meet a minimum annual taxable sales threshold of at least $150,000 over the previous 12-month period prior to the date of application.

(iii) Applicant's business must provide a stocked retail showroom for retail products.

(iv) Applicant must provide written proof of façade construction costs and/ or FFE costs.

(v) Applicants applying for funds for façade improvements must pay prevailing wages.

(vi) The grant award amount cannot exceed 50% of the applicant's expenditures on eligible furniture, fixtures, and equipment.

(vii) Applicant must file an application for grant funding prior to commencing improvements.

(viii) Grant recipient may re-apply after 10 years from the date of recipient's previous award.

(ix) Award calculation may include both façade construction and FFE costs, up to maximum award amount.

(x) Eligible FFE includes, but is not limited to; shelving, racks, tables, chairs, point-of-sale systems, fixed computer equipment used in business operation, office furniture, and appliances.

(xi) Façade improvements must comply with all applicable codes and ordinances.

(xii) Eligible façade improvements include, but are not limited to; exterior brick cleaning; exterior tuck pointing; exterior painting; wall façade construction, repair, and treatment; original exterior architectural features repair or replacement; interior/exterior demolition; and historic renovation to interior/exterior.

(xiii) Approved applicants shall be required to maintain their improvements and the FFE for the duration of the Grant Agreement with the City of Crystal Lake, which shall be at least four years after receiving the funding.

Eligible Properties and Applicants

All retail-operated, sales tax revenue-generating businesses in the City of Crystal Lake are eligible for the Retailer Façade and Commercial Tenant Improvement Programs. Applicants who apply for funding after commencing the improvements are ineligible. Only improvements to facades that directly front a public right-of-way are eligible. Retailers who apply for grant funding must provide a retail show-room open to the public and cash-and-carry retail services to their customers.

Businesses filing applications must meet a minimum annual taxable sales threshold of $150,000 to be eligible for grant funding. New business applicants shall provide sales projections with their applications. The City of Crystal Lake will verify minimum taxable sales thresholds are met using

Illinois Department of Revenue reports. The sales data can be verified approximately fifteen months after the business opens.

Any building with a zoning, building code, or fire/safety code violation is not eligible for the program. Any commercial building owner, or business owner (tenant) with building owner authorization (a lease or other agreement), may apply for the grant. Grant recipients can re-file a subsequent grant application no sooner than 10 years from the original grant approval date.

Ineligible Projects

The Retailer Job Creation and Investment Grant Program will not provide funds for working capital, debt refinancing, inventory acquisition, application fees, permit fees, legal fees, or signage.

Grant Agreement

As a condition of the award of grant funds, eligible and approved applicants will be required to enter into an agreement with the City in a form to be approved by the City Council. The Agreement will contain terms and conditions of any grant award which would be made, including a requirement that the applicant repay some or all of the grant money in the event that the business for which the grant was approved does not remain in continuous operation for at least five years. The sample form of Grant Agreement attached to this application form contains sample provisions of the Grant Agreement and is for reference only, please do not file this document with your application, as it is only a sample. In the event that it is determined that you are eligible for a grant award, an original form of Grant Agreement will be provided to you by the City.

Administration

Applicants are encouraged to submit complete applications to City Hall in person or via e-mail. Applications for the City's grant programs will be accepted on a first-come, first-served basis. Only completed applications that include all required submittal documents and information will be accepted. The City's Community Development Department will review the application for accuracy and will determine if it meets the requirements for funding.

If the application is determined to meet the requirements of the program, the application will be forwarded to City Council for review within 21 days. If the application receives City Council approval, the applicant must enter into an agreement with the City. Matching grant funds will only be disseminated to the applicant after the following items are completed:

A) Documented proof regarding the payment of the construction costs for materials and labor for façade improvements and that prevailing wages were paid is submitted;
B) The furniture, fixtures, and equipment have been purchased and implemented within the business;
C) Receipts and cancelled checks or credit card statements for the purchase of the approved furniture, fixtures, and equipment are submitted;
D) The applicant has received a final certificate of occupancy and is open for business.
E) One-year of sales tax data has been collected and reported to the State of Illinois.

If grant funding for a current funding cycle is completely distributed, applicants may be placed on a waiting list to be considered for a grant when funds become available.

Questions

A grant application and submittal requirements are included with this packet. If you have further questions regarding the Improvement Programs, please contact the City of Crystal Lake Planning and Economic Development Department.

CITY OF CRYSTAL LAKE
Retailer Façade and Commercial Tenant Improvement Grant Application

Please completely fill out this application and return it to the City of Crystal Lake with the items listed in the checklist on page 2.

Applicant Information	Name	Phone
	Mailing Address	Fax
	Email	IL Business Tax#

Property Information	Address for building for which grant is sought:	
	Property Identification Number(s)	Phone

Check one:

☐	New business occupying vacant retail space
☐	Existing retail business making improvements to my building or tenant space

Description of furniture, fixtures, and equipment to be utilized:

Continued on the next page

Application Checklist

The following items must be submitted with the Improvement Application form (Page 1):

- ☐ Completed and signed Crystal Lake Improvement Grant Application;
- ☐ Written estimates for the furniture, fixtures, and equipment to be purchased;
- ☐ Written estimates for the façade improvements;
- ☐ A floor plan, illustrating the locations for the furniture, fixtures, and equipment (drawings do not have to be architectural renderings, but should be to scale so that the City can understand the scope of the proposed project);
- ☐ Written description of the scope of the proposed project (letter to the Mayor and City Council);
- ☐ Taxable sales records and/or projections.

I agree to comply with the guidelines and standards of the City of Crystal Lake Job Creation and Investment Program and I understand that this is a voluntary program, under which the City has the right to approve or deny any project or proposal or portions thereof.

Applicant(s) Signature _____ Date _____

This is a sample agreement containing general agreement terms. Applicant's actual agreement may contain different provisions customized for their application.

CITY OF CRYSTAL LAKE
Improvement Grant Agreement

THIS AGREEMENT, entered into this _____ day of _____, _____, between the City of Crystal Lake, and Illinois Municipal Corporation (hereinafter referred to as "CITY") and _____, the following designated business owner, (hereinafter referred to as "OWNER"), to witness:

Business Owner's Name: _____
Name of Business: _____
Federal Tax ID#: _____
Address of Property where the business will be located:
_____
_____
PIN Number(s): _____

WITNESSETH:

WHEREAS, pursuant to Chapter 228 of the City of Crystal Lake Municipal Code (the "Code"), the City of Crystal Lake ("the City") has created grant programs, making certain grant funding available for new and existing retail businesses in the City (the "Grant Program"); and

WHEREAS, the Grant Program is administered by the City and is funded by the general fund for the purpose of enhancing economic development opportunities in the City; and

WHEREAS, the Grant Program was created for the purpose of reimbursing business owners who occupy vacant retail space, construct new buildings, or make improvements to their existing space within the City limits of Crystal Lake, subject to eligibility requirements and grant parameters and limitations set forth in the Code; and

WHEREAS, the Owner operates a (new/existing) retail business within the corporate limits of the City, commonly known as _____ (the "Retail Business") and located at _____, Crystal Lake, Illinois (the "Property");

WHEREAS, the Owner has applied for a (New Retailer Improvement Grant/Existing Retailer Improvement Program Grant) (the "grant"); and

WHEREAS, the City has determined that the Owner is eligible for the Grant, subject to the conditions and limitations set forth in the Code and this Agreement;

NOW THEREFORE, in consideration of the mutual covenants and agreements obtained herein, the CITY and the OWNER do hereby agree as follows:

SECTION 1

The City shall reimburse the Owner at a rate of fifty percent (50%) for the cost of eligible FFE or façade improvement expenses incurred by the Owner for use in the Owner's Business. The total amount of all reimbursements paid by the City pursuant to this Agreement shall not exceed $ _____.

SECTION 2

The City approval of a grant shall not be construed as permission to commence construction on the subject property. No improvements or construction shall be undertaken by the Owner on the location of their business until applications for Building Permits and Occupancy have been submitted to the Building Division and approved by the City. Following approval, the Owner shall occupy the subject property and commence full-time business operations within one hundred eighty days (180) from the date of City Council approval. The Owner may request a ninety-day (90) extension provided there is a demonstrated hardship.

SECTION 3

Upon completion of the improvements and upon their final inspection and approval by the City Building Commissioner, the Owner shall submit to the City properly executed documentation, including: receipts and cancelled checks for the purchase of the approved FFE, proof of payment for the façade improvements including labor and materials with wages paid and a copy of a final Certificate of Occupancy for the business. The City shall, after received one year of sales tax data from the State of Illinois, issue a check to the Owner as reimbursement for one-half of the expenses approved by the City for reimbursement, subject to the limitations set forth in Section 1 hereof.

SECTION 4

If the Owner fails to purchase furniture, fixtures, or equipment or complete the façade improvements consistent with the conditions of the approval by the Mayor and City Council, then upon written notice being given by the City Manager to the Owner, by certified mail to the address listed above, this Agreement shall terminate and the financial obligation on the part of the City shall cease and become null and void.

SECTION 5

Upon completion of the improvements, Owner shall be responsible for properly maintaining the FFE or façade without change or alteration thereto, as provided in this Agreement for a period of five (5) years following completion of the construction and/or business commencement.

SECTION 6

This Agreement shall be binding upon the CITY and upon the OWNER and its successors, to said property for a period of four (4) years from the date the check has been issued to the applicant.. It shall be the responsibility of the OWNER to inform subsequent OWNER(S) of the provisions of this Agreement.

In the event that at any time, subsequent to the reimbursement payment required by this Agreement have been paid by the City, the Owner abandons, closes, transfers, sells or terminates

the Retail Business Owner's business upon the Property during the four (4) year term of this Agreement (hereinafter collectively referred to as the "Terminating Event"), the Owner shall, within thirty (30) days from the date of the Terminating Event or such later date as the City may agree to in writing (hereinafter, the "Refund Payment Due Date"), refund to the City a portion of the Grant received from the City prior to the Terminating Event, in accordance with the following schedule (hereinafter, the "Refund Payment"):

Date of Terminating Event	**% of the Total Grant Payment to be Refunded**
Within one year of the agreement date	75%
Within two years of the agreement date	50%
Within three years of the agreement date	25%

Such Refund Payment shall be paid to the City within thirty (30) days from the date of the Terminating Event (hereinafter, the "Refund Payment Due Date").

Owner agrees on its own behalf and on behalf of its heirs, successors, and assigns that the City's right to the Refund Payment pursuant to this paragraph shall constitute both a personal obligation of the Owner and a lien against the Property and Owner agrees that the City may record this Agreement with the McHenry County Recorder of Deeds. To further secure the repayment of Reimbursement Payments pursuant to this paragraph, Owner agrees to execute and deliver to the City a UCC financing statement, in a form acceptable to the City Attorney, pledging inventory, accounts held at financial institutions, accounts receivables, and such other assets of the Owner as the parties may agree to in writing, and Owner further consents to the filing and/or recording of such financing statements as may be appropriate under the laws of the State of Illinois. Such financing statement shall be delivered to the City upon request.

SECTION 7

The Owner releases the City from, and covenants and agrees that the City shall not be liable for, and covenants and agrees to indemnify and hold harmless the City and its officials, officers, employees, and agents from and against any and all losses, claims, damages, liabilities, or expenses, of every conceivable kind, character and nature whatsoever arising out of, resulting from or in any way connected directly or indirectly with the furniture, fixtures, and equipment, and/or employees hired for the Retail Business. The Owner further covenants and agrees to pay for or reimburse the City and its officials, officers, employees, and agents for any and all costs, reasonable attorney's fees, liabilities, or expenses incurred in connection with investigating, defending against or otherwise in connection with any such losses, claims, damages, liabilities, or causes of action. The City shall have the right to select legal counsel and to approve any settlement in connection with such losses, claims, damages, liabilities, or causes of action.

IN WITNESS THEREOF, the parties hereto have executed this Agreement on the date first appearing above.

OWNER

_____

CITY OF CRYSTAL LAKE

_____

City Manager

ATTEST:

_____