CITY OF CRYSTAL LAKE

Retailer Job Creation and Investment Program

2012-2013 Fiscal Year

GRANT APPLICATION FORM



ADMINISTERED BY:

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

CITY OF CRYSTAL LAKE

Retailer Job Creation and Investment 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 Job Creation and Investment Program for new and existing retail business owners.

Program description

Through this program, the City Council will review applications and award grant funds to eligible new and expanding retail businesses who hire new full and part-time employees and who purchase furniture, fixtures and equipment. To be eligible, new retailers will be required to occupy vacant retail space within the Crystal Lake business community, while existing retail businesses that expand or relocate to larger retail locations can also apply.

PROGRAM	ELIGIBILITY	MAX AWARD	AWARD CALCULATION
New Retailer Job Creation and Investment Program	New retail sales tax revenue-generating businesses that occupy vacant space or construct and occupy a new building, and one or both of following: • Hire new employees and/or • Purchase furniture, fixtures, or equipment (FFE)	**$10,000***	•Recipient receives **$2,500** for each new full-time employee hired upon start-up •Recipient receives **$1,000** for each new part-time employee hired upon start-up •50% match for eligible FFE costs
Existing Retailer Expansion and Relocation Program	Existing retail sales tax revenue-generating businesses that expand their current retail location, or relocate to larger buildings, or construct a new building, and one or both of the following: • Hire new employees and/or • Purchase furniture, fixtures, or equipment (FFE).	**$5,000***	•Recipient receives **$1,000** for each new full-time employee hired for the expansion/relocation •50% match for eligible FFE costs

* $80,000 of available funding for this program is shared with the City's other matching grant incentive programs.

Eligible Properties and Applicants

In order to apply for the Retailer Job Creation and Investment Grant Program, applicants must demonstrate that they are able to meet the eligibility criteria for the

program. There are different eligibility criteria for new and existing retailers, as outlined below:

NEW RETAILER 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 $100,000.

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

(iv) Applicant must provide written proof of employment recruitment and of FFE costs.

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

(vi) Grant recipient may re-apply after 5 years from the date of recipient's previous award.

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

(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 new employees and FFE costs, up to maximum award amount.

(xi) Approved applicants shall be required to maintain their employment levels and FFE for the duration of the Grant Agreement with the City of Crystal Lake, which shall be the lesser of four years or the time by which the grant award has been recovered by the City through sales taxes.

EXISTING RETAILER 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, or

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

(ii) Applicant must meet minimum annual taxable sales threshold of $100,000.

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

(iv) Applicant must provide written proof of employment recruitment and of FFE costs.

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

(vi) Grant recipient may re-apply after 5 years from the date of recipient's previous award.

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

(viii) Award calculation may include both new employees and FFE costs, up to maximum award amount.

(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) Approved applicants shall be required to maintain their employment levels and FFE for the duration of the Grant Agreement with the City of Crystal Lake, which shall be the lesser of four years or the time by which the grant award has been recovered by the City through sales taxes.

Ineligible Projects

The Manufacturer Job Creation and Investment Grant Program will not provide funds for working capital, debt refinancing, equipment/inventory acquisition, application fees, permit fees, legal fees, signage or parking lot resurfacing.

Grant Agreement

Approved applicants will be required to enter into an agreement with the City to ensure that the grant recipient remains in business at the subject property for at least 4 years or be required to repay all or some portion of the grant money funded by the City. The attached Improvement Grant Agreement document within this application form contains the standard provisions and should be used as a reference only. Please do not file this document with your application, as it is only a sample. An original agreement will be completed by the City of Crystal Lake and sent to you for your use.

Administration

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 Planning and Economic 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 new employees (Employer's Contribution and Wage Report) is submitted;
B) The furniture, fixtures, and equipment have been purchased and implemented within the business;
C) Receipts and cancelled checks 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.

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.

Review of Proposals

Every project will be evaluated for the value of its improvement, extent/scope of work proposed, and its potential economic impact. The staff review will consider the following aspects for its proposal review:

1) Analysis of the Application
    a. Aesthetic Improvement Value and Occupancy
        i. Improvement in overall site appearance
        ii. Impact to area
    b. Scope of new employment and investments proposed
        i. Number of new full-time and part-time employees to be added and wages to be paid
        ii. Value of fixtures, furniture, and equipment to be purchased
    c. Potential Economic Impact
        i. Use of the subject property as a result of the new business activity
            1. Ways it will contribute to the economic vitality of the community
            2. How the use is compatible with and/or compliments mix of existing uses

Questions

A grant application and submittal requirements are included with this packet. If you have further questions regarding the Job Creation and Investment Programs, please contact James Richter II, in the City of Crystal Lake Planning and Economic Development Department at:

Phone: (815) 356-3737

E-mail: economicdevelopment@crystallake.org,

Please feel free to make your application by mail at:
James Richter II
Planning & Economic Development Department
100 W. Woodstock Street
Crystal Lake, IL 60014

CITY OF CRYSTAL LAKE
Retailer Job Creation and Investment 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	Federal Tax ID#

Property Information	Address for the building/storefront where the grant funds are sought:	
	Property Identification Number(s)	Phone

Check one:

☐	New retailer occupying vacant retail space
☐	Existing retail business expanding or relocating within Crystal Lake

New employment information:

Number of full-time employees: _____ Wage rates $ _____/hr or Salary: $_____

Number of part-time employees: _____ Wage rates $ _____/hr

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

_____

_____

_____

_____

Continued on the next page

Application Checklist

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

- ☐ Completed and signed Crystal Lake Improvement Grant Application
- ☐ Written estimates for the cost of the furniture, fixtures, and equipment
- ☐ Details regarding the number of employees to be hired and their employment status (part-time or full-time)
- ☐ A fixture 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 proposed project)
- ☐ Written description of the scope of the proposed project (letter to the Mayor and City Council)
- ☐ Taxable sales 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 _____

Applicant(s) Signature _____ Date _____

CITY OF CRYSTAL LAKE
Grant Agreement

THIS AGREEMENT, entered into this _____ day of _____, _____, between the City of Crystal Lake, Illinois (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, the City of Crystal Lake has established a Retailer Job Creation and Investment Program ("Grant Program"); and

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

WHEREAS, pursuant to the Grant Program, the City has agreed to participate, subject to its sole discretion, in reimbursing business owners who occupy vacant retail space in the City limits of Crystal Lake and who 1) hire new full-time and/or part-time employees; and/or 2) invest in furniture, fixtures, and equipment for their business, at a cost of no more than $10,000 for new retailers to Crystal Lake or $5,000 for existing Crystal Lake retailers who expand their businesses or relocate to larger buildings within the City; and

WHEREAS, the OWNER'S property or leased space is located within the corporate limits of the City of Crystal Lake, and the OWNER desires to participate in the Grant Program pursuant to the terms and provisions of 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 for creating new jobs and for the cost of furniture, fixtures and equipment at OWNER'S property. Reimbursements to the OWNER will be made by the CITY at the rate of $2,500 for each new full-time employee and $1,000 for each new part-time employee hired by the OWNER. The City will also reimburse the owner at a rate of fifty percent (50%) for the cost of eligible furniture, fixtures, and equipment for the OWNER's business, up to a maximum amount of $10,000 for new retailers or up to a maximum of $5,000 for existing Crystal Lake retailers who expand their current locations or relocate to a larger retail location. The actual total reimbursement amounts per this Agreement shall not exceed $ _____.

SECTION 2

The CITY's 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: documented proof regarding the new employees through an Employer's Contribution and Wage Report; receipts and cancelled checks for the purchase of the approved furniture, fixtures, and equipment; copy of a final Certificate of Occupancy for the business. The CITY shall, within forty-five (45) days, issue a check to the OWNER as reimbursement for the new employees hired or one-half of the furniture, fixtures, and equipment, subject to the limitations set forth in Section 1 hereof.

SECTION 4

If the OWNER fails to hire new full-time or part-time employees or to purchase furniture, fixtures, or equipment 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 improvement work pursuant to this Agreement, the OWNER shall be responsible for properly maintaining the furniture, fixtures, and equipment without change or alteration thereto, as provided in this Agreement for a period of four (4) years following completion of the construction and/or business commencement. The OWNER shall also be required to retain the employees hired for which the CITY reimbursed the OWNER for subject to the OWNER's application for the Retailer Job Creation and Investment Program, where practical, for a period of one (1) year.

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 and after the date of completion and approval of the improvements provided herein. 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 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 Improvement 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	100%
Within two years of the agreement date	75%
Within three years of the agreement date	50%
Within four 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 OWNER's 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/LESSEE

_____

CITY OF CRYSTAL LAKE

_____
City Manager

ATTEST:

_____
City Clerk