

CITY OF CRYSTAL LAKE

Retailer Facade and Commercial Tenant Improvement Program

For the 2010-2011 Fiscal Year

MATCHING 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 Façade and Commercial Tenant Improvement Program

The City of Crystal Lake, in its continuing effort to support the development and redevelopment of the community, has created a Retailer Façade and Commercial Tenant Improvement Program for business owners and operators in the City. The following application outlines the details of this Improvement Program.

Program description

Through this program, the City will provide a 50% matching grant to business or building owners who construct eligible improvements to the facades and interiors of their buildings. The City will match fifty-cents (\$.50) per dollar on investments for eligible improvements to the appearance of their building's storefront façade and interior. The building or business owner who will be funding the majority of the improvements must apply for and be approved in order to receive the 50% matching grant.

The City of Crystal Lake has made it a goal to support both new and existing businesses through our Retailer Façade and Commercial Tenant Improvement Program. Therefore, the program criteria have been created for each business type (new and existing).

TYPE	ELIGIBLE APPLICANTS	MAX AWARD	CAP	PROGRAM RESTRICTIONS
New businesses	New retail sales tax revenue-generating businesses who occupy vacant space or redevelop commercial property	\$10,000 for eligible improvements	\$60,000*	<ul style="list-style-type: none"> ▪ Sales tax generating businesses only (all must provide ST-1 verification); ▪ Must occupy vacant retail space, redevelop property, or build a new building; ▪ Ineligible if improvements were made prior to applying.
Existing businesses	Existing retail sales tax revenue-generating businesses making improvements to their existing space or occupying new space of equal or greater size	\$1,000 for eligible improvements	\$15,000	<ul style="list-style-type: none"> ▪ Sales tax generating businesses only (all must provide ST-1 verification); ▪ Ineligible if improvements were made prior to applying.

* The \$60,000 of available funding is shared with the Manufacturer Building & Equipment Matching Grant Program.

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. 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 5 years from the original grant approval date.

Eligible Improvements

The following improvements are eligible to receive funding through the program. A building or business owner who is undertaking an improvement project that includes a portion of the eligible improvements may apply for the matching grant, but only the improvements identified below will be eligible for funding.

Retailer Façade and Commercial Tenant Improvement Program

Exterior brick cleaning	Exterior tuck pointing	Exterior painting
Wall façade construction, repair & treatment	Original exterior architectural features repair or replacement	Interior drywall or feature walls
Improvements for ADA accessibility compliance	Life safety improvements	Electrical or plumbing repair, installation, or upgrade
Interior/exterior demolition	Historic renovation to interior	

Ineligible Projects

The programs will not provide funds for working capital, debt refinancing, equipment/inventory acquisition, application fees, permit fees, legal fees, signage or parking lot resurfacing.

Administration

Any eligible building or business owner who wishes to apply for an improvement grant submit a complete application to City Hall in person or via e-mail. Applications for improvement matching grants will be accepted on a first-come, first-serve 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. The Improvement Grant Agreement stipulates that the improvements must be constructed within 180 days of approval. Matching grant funds will only be disseminated to the applicant once the construction of the

approved improvements has been completed and has been inspected by the City's Building Division. Matching grant funds will be released to the applicant within 45 days of a passing inspection.

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 Proposal
 - a. Aesthetic Improvement Value
 - i. Improvement in overall appearance
 - ii. Impact to area
 - b. Extent/Scope of Work Proposed
 - i. Amount of construction to be conducted
 - c. Potential Economic Impact
 - i. Anticipated increase in assessed value
 - ii. Use of building following the project
 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 Improvement 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

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	Federal Tax ID#

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

Check one:

<input type="checkbox"/>	New business occupying vacant retail space
<input type="checkbox"/>	Existing retail business making improvements to my building or tenant space

Proposed Improvement(s) - Check all that apply

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___ Other proposed façade improvements (please specify) _____

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
- Current photographs of the property to be improved (entire façade and details)
- Historical photograph of the property to be improved (if available)
- Drawings of proposed improvements (drawings do not have to be architectural renderings, but should be to scale so that the City can understand the proposed project)
- Color and material samples if relevant (material specifications supplied by manufacturer)
- Written description of the scope of the proposed project (letter to the Mayor and City Council)
- Preliminary estimate of cost for all improvements to be made
- Completed Illinois Department of Revenue Release Form

I agree to comply with the guidelines and standards of the City of Crystal Lake Improvement 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 _____

Building Owner's Signature _____ Date _____
(if separate from applicant)

CITY OF CRYSTAL LAKE
Improvement 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 OWNER/LESSEE, to witness:

Owner Name: _____

Lessee's Name: _____

Name of Business: _____

Federal Tax ID#: _____

Address of Property to be improved:

PIN Number(s): _____

WITNESSETH:

WHEREAS, the City of Crystal Lake has established a Retailer Façade and Commercial
Tenant Improvement Program ("Improvement Program"); and

WHEREAS, said Improvement 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 Improvement Program, the City has agreed to participate,
subject to its sole discretion, 1) in reimbursing owners/lessees for the cost of eligible interior and
exterior improvements to commercial establishments up to a maximum of one-half (1/2) of the
approved contract cost of such improvements and no more than \$10,000 for new businesses or
\$1,000 for existing Crystal Lake businesses; and

WHEREAS, the OWNER/LESSEE'S property is located within the corporate limits of the
City of Crystal Lake, and the OWNER/LESSEE desires to participate in the Improvement
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/LESSEE do hereby agree as follows:

SECTION 1

With respect to the retailer façade and commercial tenant improvements to the structural elevation fronting a public roadway, and to improvements the interiors of vacant retail spaces, the City shall reimburse the OWNER/LESSEE for the cost of improvements to the OWNER/LESSEE'S property at the rate of fifty percent (50%) of such costs up to a maximum amount of \$10,000 for new businesses or up to a maximum of \$1,000 for existing Crystal Lake businesses.

The actual total reimbursement amounts per this Agreement shall not exceed \$ _____ for the retailer façade and commercial tenant improvements. The improvement costs, which are eligible for CITY reimbursement, include all labor, materials, equipment, and other contract items necessary for the proper execution of the work as shown on the plans, design drawings, specifications, and estimates approved by the CITY.

SECTION 2

No improvement work shall be undertaken until its design has been submitted to and approved by the CITY. Following approval, the OWNER/LESSEE shall contract for the work and shall commence and complete all such work within one hundred eighty days (180) from the date of City Council approval. The OWNER/LESSEE may request a ninety-day (90) extension provided there is a demonstrated hardship.

SECTION 3

The City Building Commissioner shall periodically review the progress of the contractor's work pursuant to the Agreement. Such inspections shall not replace any required permit inspection by the Building Inspectors. All work which is not in conformance with the approved plans, design drawings, and specifications shall be immediately remedied by the OWNER/LESSEE and deficient or improper work shall be replaced and made to comply with the approved plans, design drawings, and specifications and the terms of this Agreement.

SECTION 4

Upon completion of the improvements and upon their final inspection and approval by the City Building Commissioner, the OWNER/LESSEE shall submit to the CITY a properly executed documentation, including but not limited to a statement showing the full cost of the

work as well as each separate component amount due to the contractor and each and every subcontractor involved in furnishing labor, materials, or equipment necessary to complete the improvement related work. In addition, the OWNER/LESSEE shall submit to the CITY proof of payment of the contract costs indicated on final invoices, receipts, and cancelled checks as well as the contractor's statement and final lien waivers from all contractors and subcontractors, if necessary. The CITY shall, within forty-five (45) days of receipt of the contractor's statement, final invoices, proof of payment, and lien waivers, issue a check to the OWNER/LESSEE as reimbursement for one-half of the approved construction cost estimate or one-half of the actual construction cost, whichever is less, subject to the limitations set forth in Section 1 hereof.

SECTION 5

If the OWNER/LESSEE or the OWNER/LESSEE'S contractor fails to complete the improvement work provided for herein in conformity with the approved plans, design drawings, and specifications and the terms of this Agreement, then upon written notice being given by the City Manager to the OWNER/LESSEE, 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 6

Upon completion of the improvement work pursuant to this Agreement and for a period of three (3) years thereafter, the OWNER/LESSEE shall be responsible for properly maintaining such improvements in finished form and without change or alteration thereto, as provided in this Agreement, and for the said period of three (3) years following completion of the construction thereof, the OWNER/LESSEE shall not enter into any Agreement or contract or take any other steps to alter, change, or remove such improvements, or the approved design thereof, nor shall the OWNER/LESSEE undertake any other changes, by contract or otherwise, to the improvements provided in this Agreement unless such changes are first submitted to the CITY, and any additional review body designated by the City Manager, for approval. Such approval shall not be unreasonably withheld if the proposed changes do not substantially alter the original design concept of the improvements as specified in the plans, design drawings, and specifications approved pursuant to this Agreement. OWNER/LESSEE shall execute and record a restrictive covenant at the CITY'S request.

SECTION 7

This Agreement shall be binding upon the CITY and upon the OWNER/LESSEE and its successors, to said property for a period of three (3) years from and after the date of completion and approval of the improvements provided herein. It shall be the responsibility of the OWNER/LESSEE to inform subsequent OWNER(S)/LESSEE(S) of the provisions of this Agreement.

SECTION 8

Recent amendments to the Illinois Prevailing Wage Act (820 ILCS 130 *et seq.*) have expanded the definition of “Public Works”, although those amendments have not modified the definition of a “Public Body”. In the recent decision of *Town of Normal v. Hafner*, (395 Ill. App. 3d 589 (2009)) the Fourth District Illinois Appellate Court held that a private developer engaged in the development of a private project was not a “Public Body” subject to the requirements of the Prevailing Wage Act. The City of Crystal Lake supports the interpretation of the Prevailing Wage Act under the *Town of Normal decision*, but advises applicants to consult with an attorney as to whether the Prevailing Wage Act may be applicable to projects which are eligible for grants under this program.

SECTION 9

The OWNER/LESSEE 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 façade improvement(s), including but not limited to actions arising from the Prevailing Wage Act (820 ILCS 130/0.01 *et seq.*) The OWNER/LESSEE 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. The provisions of this section shall survive the completion of said façade improvement(s).

SECTION 10

Nothing herein is intended to limit, restrict, or prohibit the OWNER/LESSEE from undertaking any other work in or about the subject premises, which is unrelated to the improvement provided for in this Agreement.

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