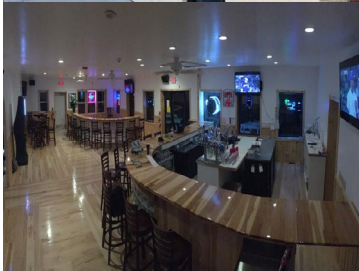


CITY OF McHenry Commercial Tenant Incentive Program

MATCHING GRANT APPLICATION FORM



ADMINISTERED BY:

CITY OF McHENRY
ECONOMIC DEVELOPMENT DEPT
333 S. GREEN ST
McHENRY, IL 60050
815-363-2110/815-363-2175

CITY OF MCHENRY

Commercial Tenant Incentive Grant Program

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

This booklet is intended to provide general information regarding these programs. For more information, please contact the Economic Development Department at (815) 363-2110 or 815-363-2175.

Program descriptions and eligibility requirements:

New Retailer Incentive Program		
ELIGIBILITY¹	MAXIMUM LIMIT OF AWARD	AWARD CALCULATION
<p>Applicant must occupy vacant commercial space or construct a new building in the City;</p> <p>Applicant’s business must be new to the City limits of McHenry;</p> <p>To qualify for this matching grant Owner must generate a minimum of \$150,000 annually in Illinois sales tax and sustain or exceed that amount for three years.</p> <p>Applications must be filed prior to commencing improvements (except where prior arrangements have been made with the City)</p>	\$10,000	<p>50% match for façade or building improvements.</p> <p>50% match for furniture, fixtures and equipment (FFE) installed in the space.</p>

¹ See detailed eligibility criteria below.

NEW RETAILER INCENTIVE PROGRAM ELIGIBILITY CRITERIA

- (i) The program is open to any new sales-tax revenue generating business that will occupy vacant retail space or construction of a new building for its business.
- (ii) To qualify for this matching grant Owner must generate a minimum of \$150,000 annually in Illinois sales tax and sustain or exceed that amount for three years.
- (iii) Applicant must provide written proof of façade or building construction costs and/or FFE costs.
- (iv) Applicant for façade or building improvements must comply with the Illinois Prevailing Wage Act.
- (v) Applicant must have city approval for grant funding prior to commencing improvements (except where prior arrangements have been made with the city).
- (vi) Grant recipient may apply for additional grant funding after 3 years from the date of recipient's previous award for the Existing Retailer Incentive Program.
- (vii) Applicant's business must be new to McHenry city limits; existing in-town relocations are ineligible, without prior staff approval.
- (viii) Applicants are required to complete and submit an Illinois Department of Revenue Authorization to Release Sales Tax Information form to City Staff.
- (ix) Award calculations may include both façade, building construction and FFE costs, up to maximum limit of 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 and building improvements must comply with all applicable codes and ordinances.
- (xii) Eligible façade and building 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 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 McHenry, which shall be three years from the date the funds are received by the applicant.

Existing Retailer Expansion and Relocation Program			
ELIGIBILITY¹	MAXIMUM LIMIT OF AWARD		AWARD CALCULATION
<p>Applicant must expand its business into vacant commercial space by at least 20% in gross leasable floor area, or relocate its business to vacant space that is 20% larger than its current location. <i>(not required for businesses generating over \$7,500,000 in annual gross Illinois taxable sales)</i>;</p> <p>Applicants applying for façade or building improvement funds are not required to expand or relocate.</p> <p>To qualify for this matching grant Owner must generate a minimum of \$150,000 annually in Illinois sales tax and sustain or exceed that amount for three years.</p> <p>Application must be filed prior to commencing improvements (except where prior arrangements have been made with the City).</p>	Annual Gross Taxable Sales	Maximum Grant Award	<p>50% match for exterior façade or interior building improvements.</p> <p>50% match for furniture, fixtures and equipment (FFE) installed in the space.</p>
	\$150K – \$500K	\$5,000	
	\$500K - \$1.0M	\$10,000	
	\$1.1M - \$2.5M	\$15,000	
	\$2.6M - \$5.0M+	\$20,000	

¹ See detailed eligibility criteria below.

EXISTING RETAILER INCENTIVE PROGRAM ELIGIBILITY CRITERIA

- (i) The program is open to any existing McHenry sales-tax revenue generating business that will:
 - a. Expand its current location into vacant space by at least 20% in gross leasable floor area *(not required for businesses generating over \$7,500,000 in annual gross Illinois 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 gross Illinois taxable sales)*, or
 - c. Complete façade or building improvements to the existing space.

- (ii) To qualify for this matching grant Owner must generate a minimum of \$150,000 annually in Illinois sales tax and sustain or exceed that amount for three years.
- (iii) Applicant must provide written proof of façade or building construction costs and/ or FFE costs.
- (iv) Applicants for façade or building improvements must comply with the Illinois Prevailing Wage Act.
- (v) The grant award amount cannot exceed 50% of the applicant's expenditures on eligible furniture, fixtures, and equipment.
- (vi) Applicant must have city approval for grant funding prior to commencing improvements (except where prior arrangements have been made with the City).
- (vii) Award calculation may include both façade or building construction and FFE costs, up to maximum limit of award amount.
- (viii) 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.
- (ix) Façade and building improvements must comply with all applicable codes and ordinances.
- (x) 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 building renovation to interior/exterior.
- (xi) Approved applicants shall be required to maintain their improvements and the FFE for the duration of the Grant Agreement with the City of McHenry, which shall be at least three years after receiving the funding.

Eligible Properties and Applicants

All retail-operated, sales tax revenue-generating businesses in the City of McHenry are eligible for the Commercial Tenant Incentive Programs. Retailers who apply for grant funding must provide retail sales and cash-and-carry retail services to their customers.

New business applicants shall provide sales projections with their applications. The City of McHenry will verify minimum Illinois gross 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.

Ineligible Projects

The Commercial Tenant Incentive 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. 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 three years or maintain sales, improvements, FFE, etc as stipulated in the agreement. 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, a final 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 Economic Development and Finance Departments will review the application for accuracy and will determine if it meets the program requirements.

If the application is determined to meet the requirements of the program, the application will be forwarded to City Council for review. If the application receives City Council approval, the applicant must enter into an agreement with the City. A maximum of 8 grant awards will be issued per year. 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 or building 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 Illinois sales tax data has been collected, verified and reported to the State of Illinois.

If accepted grant applications for the current year reach the City's application limit, applicants may be placed on a waiting list to be considered for a grant the following year.

Questions

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

CITY OF MCHENRY
Commercial Tenant Incentive
Grant Application

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

Applicant Information	Name: ___ Tenant or ___ Owner	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

Description of furniture, fixtures, and equipment to be utilized (or see information attached):

Continued on the next page

Application Checklist

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

- ┆ Completed and signed McHenry Incentive Grant Application;
- ┆ Written estimates for the furniture, fixtures, and equipment to be purchased;
- ┆ Written estimates for the façade or building 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);
- ┆ Illinois Taxable sales records and/or projections.

I agree to comply with the guidelines and standards of the City of McHenry Commercial Tenant Incentive 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 _____

I am the building owner and agree to the application submitted by my tenant, above, and agree to comply with the guidelines and standards of the City of McHenry Commercial Tenant Incentive 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.

Building Owner Signature _____ Date _____

Mailing Address: _____

Email: _____ Phone: _____