

EXHIBIT A – TIF INCENTIVE PROGRAM



Tax Increment Financing Incentive Program Guide

OVERVIEW

Thank you for considering participation in the Roselle Tax Increment Finance Incentive Program! The Village of Roselle has established the use of tax increment financing (TIF) as a strategic tool in its economic development program. The use of TIF is intended to foster development and redevelopment in areas of the community where public incentives are necessary to supplement private investment. Three TIF districts have been established within the Village to achieve this goal. Each TIF District has unique needs which are identified within planning studies that formed the feasibility and redevelopment plans for each.

This program guide has been created to identify the potential available Roselle TIF incentives. It will provide a framework for discussion and negotiation between the Village, and prospective business and property owners located within the TIF Districts. The use of incentives is to fund qualified projects that would not happen without such assistance. Thus, the use of incentives is not an entitlement, but a means of creating opportunities that will add value to the community. All project eligible reimbursements must be eligible for reimbursement under the Illinois Tax Increment Allocation Redevelopment Act.

TIF incentives may be considered for commercial, industrial, and mixed-use projects within the three established districts. Standalone multi-family projects may be considered within the Town Center only.

Application materials required to participate in the TIF Incentive Program are incorporated within this guide.

INCENTIVE GOALS

To implement the overall economic development goals of the Village and to enhance the quality of life of residents, the incentive program has been designed to provide a wide latitude of eligible project types. Use of incentive funding is intended to:

-  Facilitate development of vacant land or the redevelopment of existing structures;
-  Facilitate expansion, rehabilitation, renovation or physical upgrade of existing structures or interior space;

- ✚ Provide associated site improvements necessary to accommodate increased intensity of use or expansion of building areas (i.e. parking, stormwater detention, landscaping, etc.);
- ✚ Facilitate the occupancy of vacant space through remodeling, modernization or required building, fire, and life safety code upgrades;
- ✚ Facilitate exterior building façade improvements to enhance physical character of structure or modernization of design elements;
- ✚ Encourage physical alterations to upgrade the appearance of property (i.e. replacement of antiquated signage, installation of landscaping, etc.);
- ✚ enhance competitive recruitment;,,
- ✚ Provide start-up assistance grant funding to prospective small businesses that may have other location options;
- ✚ Encourage the implementation of policy priorities of the Village, including, but not limited to attraction of sales tax producing businesses; attraction of business categories not sufficiently accessible within the community; incentivizing environmental remediation; etc.

INCENTIVE PROGRAM GRANTS

Five categories of grant funding are available. They include the *Small Business Start-Up Grant*, *Façade Improvement Grant*, *Interior Improvement Grant*, *Site Appearance Grant*, and *Strategic Investment Incentive*.

Specific details and grant conditions will be identified within a written agreement to be executed prior to starting work. All template grant agreements will be subject to modifications recommended by the Village Attorney to accommodate the needs of a specific grant project except there shall be no changes in the amount of the grants or the final performance requirements for grant payment without approval of the Village's Corporate Authorities. A program summary of each grant category is identified as follows:

1. SMALL BUSINESS MICRO-GRANT

A Small Business Micro-Grant is intended to provide start-up funds for physical changes typically associated with leasing a new space. This grant provides funding directly to new businesses who are renting or leasing space within the TIF Districts. ***This grant is not intended for property owners; however, owners are strongly encouraged to market this grant as a means of attracting new tenants.*** The use of funds is flexible and intended to expedite the opening of a business when there is a demonstrated need for assistance. The grant applicant shall identify specific improvements to be made that will modernize or alter the space to allow for a new use to occur. Examples of eligible micro-grants include, but are not limited to the following:

- New Signage
- Upgrade or replacement of interior fixtures (i.e. lighting, plumbing, etc.)
- Remodeling or modernization expenses (counter tops, doors, interior trim, ceiling tiles, etc.)
- Other permanent improvements that will remain with the space

Program Details

- Grants are based upon reimbursement of actual costs following project completion and documentation of expenses.
- Grants may fund up to 50% of approved project costs, not-to-exceed \$2,500 grant funding.
- Written agreement must be executed prior to starting any work related to requested funds.
- Projects must be started within 30 days of grant approval and completed within 180 days.
- Business owner/applicant is required to commit to operation for a period of not less than one (1) year from project reimbursement. If the owner or business fails to meet this standard a pro-rata reimbursement of grant funds will be required.
- Business owner/applicant shall display a Village-provided placard to identify the public-private funding associated with improvements made to the physical space.

Application Process

- Prospective applicants shall schedule a pre-application meeting with the Village staff to discuss their project prior to submittal.
- The formal application process begins with submittal of an application form, associated drawings, project schedule, project bid/proposal results or other required documentation.
- Applications will be evaluated by a review committee and selection shall be at the sole discretion of the Village. All grant applications are subject to the availability of budgeted funds.
- Final approval will be in the form of a grant agreement approved by the Village Administrator.
- This grant is limited to new businesses that have not received prior incentive assistance.



2. SITE APPEARANCE GRANT

A Site Appearance Grant is intended for aesthetic improvements to land that will enhance the attractiveness, functionality, or business appeal of property. This grant category is intended to leverage the positive impact that appearance improvements can have on the individual property and surrounding area. While such a goal is highly subjective, eligible projects will be selected based upon a clear demonstration of adding curb appeal and aesthetic value to the public-facing portion of the property.

Eligible project elements may include, but are not limited to the following examples:

- Streetscape enhancements visible from the public right-of-way;
- Installation of landscape planters, greenspace, or other decorative vegetation;
- Foundation, parking lot and perimeter landscaping visible from the public right-of-way;
- Installation or replacement of sidewalks, brick pavers or other public access surface areas;
- Replacement of pole, monument, or ground signs;
- Parking lot expansion or improvements;
- Installation of screened refuse or recycling enclosures; and

- Other innovative project ideas that demonstrate the ability to create a more attractive and appealing commercial environment.

Program Details

- Grants are based upon reimbursement of actual costs following project completion and documentation of expenses.
- Grants may fund up to 50% of approved project costs, not-to-exceed \$2,500 grant funding.
- Written agreement shall not be executed prior to starting any work related to requested funds.
- Projects shall be started within 90 days of grant approval and completed within 180 days.

Application Process

- Prospective applicants are required to schedule a pre-application meeting with the Village to discuss their project prior to submittal.
- The formal application process begins with submittal of an application form, associated drawings, project schedule, project bid/proposal results or other required documentation.
- Applications will be evaluated by a review committee and selection shall be at the sole discretion of the Village of Roselle. All grant applications are subject to the availability of budgeted funds.
- Final approval will be in the form of a grant agreement approved by the Village Administrator.



3. FACADE-EXTERIOR IMPROVEMENT GRANT

A Facade-Exterior Improvement Grant is intended for property improvements undertaken on the exterior of a building structure. *This grant is not intended to fund work that is construed as maintenance.* To be considered, the proposed improvement shall result in a significant visual improvement to the structure and property, or implement restoration of a building's character, curb appeal, and streetscape compatibility. Eligible project elements may include, but are not limited to the following examples:

- New signage;
- Window frame replacement;
- Door replacement;
- New Awnings;
- Facade renovation/replacement;
- Utility capacity upgrades;
- Restoration of original architectural features;
- Exterior lighting;
- Painting, only if in conjunction with other façade related improvements;
- Tuckpointing, if in conjunction with other façade related improvements;
- Addition of facilities to create outside dining;
- Artistic murals depicting a general theme and not directly advertising a product or service; and

- Other innovative project ideas that demonstrate the ability to create a more attractive and appealing commercial environment.

Program Details

- Grants are based upon reimbursement of actual costs following project completion and documentation of expenses.
- Grants may fund up to 50% of approved project costs, not-to-exceed \$20,000 grant funding.
- Proposed improvements must be adjacent to streets or other public property, excluding alleys.
- Professional design assistance is strongly recommended. Design fees of up to \$2,500 may be reimbursed subject to the not-to-exceed grant award total.
- Multiple bids/proposals from contractors are required prior to grant approval.
- Written agreement must be executed prior to starting any work related to requested funds.
- Applicants other than the property owner must provide written authorization stating that the applicant has the authority of the owner to make the proposed property improvements and to participate in the program.
- Documentation of paid expenses and waivers of lien [why here only?] are to be submitted prior to reimbursement.
- Projects must be started within 60 days of grant approval and completed within 180 days.
- To ensure that the use of public funding for the project is safeguarded, owner/applicant are required to commit to ownership/business operation for a period of not less than two (2) years from project reimbursement. A lien against the property may be required to ensure this standard is met. If the owner or business fails to meet this two-year standard, a pro-rata reimbursement of grant funds will be required.
- If a Facade Improvement Grant has previously been awarded for the same location or space within three (3) years of the date of application, such new application shall be ineligible for funding. This restriction can be waived, in the sole discretion of the Village of Roselle.

Application Process

- Prospective applicants shall schedule a pre-application with staff meeting to discuss their project prior to submittal.
- The formal application process begins with submittal of an application form, associated drawings, project schedule, and project bid/proposal results.
- Applications will be evaluated by a review committee and selection shall be at the sole discretion of the Village of Roselle. All grant applications are subject to the availability of budgeted funds.
- Final approval will be in the form of a grant agreement approved by the Village Board.
- Preference shall be given to owners/businesses improving buildings that have not received prior development assistance.



4. INTERIOR IMPROVEMENT GRANT

An Interior Improvement Grant is intended for enhancements undertaken on the interior of a structure. *This grant is not intended to fund work that is solely construed as maintenance, cosmetic or is merely undertaken to improve interior finishes.* This incentive is intended to encourage business and property owners to expand, upgrade, modernize, increase functionality, or accommodate a change the interior use of an interior space. Approval will include only those improvements that are considered permanent, add value to the property and will remain with the space. The Village of Roselle shall solely determine whether the proposed work meets the standard of an "improvement" as opposed to projects that are more reflective of "maintenance." Eligible project elements meeting the standard of "improvement" may include, but are not limited to the following examples:

- HVAC, mechanical, electrical, or plumbing system upgrades;
- Installation of sprinkler or fire suppression systems;
- Upgrades related to accessibility (ADA) or other code compliance;
- Utility capacity upgrades;
- Structural upgrades;
- Installation or upgrades to restroom facilities;
- Ingress/egress improvements;
- Improvements that create an entirely new floorplan, significantly change the interior form of a space, or adapt a space to a significantly different interior use. Grants can cover a combination of multiple improvements such as new flooring, walls, ceilings, carpeting, lighting, trim, or attached fixtures; and
- Other innovative project ideas that demonstrate the ability to create a more marketable commercial space.

Program Details

- Grants are based upon reimbursement of actual costs following project completion and documentation of expenses.
- Grants may fund up to 50% of approved project costs, not-to-exceed \$20,000 grant funding.
- Professional design/architectural assistance is required. Design fees of up to \$2,500 may be reimbursed subject to not-to-exceed grant award total.
- Multiple bids/proposals from contractors required prior to grant approval.
- Written agreement shall be executed prior to starting any work related to requested funds.
- Applicants (if not the owner of the property) shall provide written authorization stating that the applicant has the authority of the building owner to make the proposed property improvements and to participate in the program.
- Documentation of paid expenses and waivers of lien are to be submitted prior to reimbursement.
- Projects shall be started within 60 days of approval and completed within 240 days.
- To ensure that the use of public funding for the project is safeguarded, owner/applicant are required to commit to ownership/business operation for a period of not less than two (2) years from project reimbursement. A lien against the property will be required to

ensure this standard is met. If the owner or business fails to meet this standard a pro-rata reimbursement of grant funds will be required.

- If an Interior Improvement Grant has previously been awarded for the improvement of the same location or space within five (5) years of the date of application, such new application shall be ineligible for funding. This restriction can be waived, in the sole discretion of the Village.

Application Process

- Prospective applicants shall schedule a pre-application meeting with staff to discuss their project prior to submittal.
- The formal application process begins with submittal of an application form, associated drawings, project schedule, and project bid/proposal results.
- Applications will be evaluated by a review committee and selection shall be at the sole discretion of the Village of Roselle. All grant applications are subject to the availability of budgeted funds.
- Final approval will be in the form of a grant agreement approved by the Village Board.
- Preference shall be given to owners/businesses improving buildings that have not received prior development assistance.



5. STRATEGIC INVESTMENT INCENTIVE

A Strategic Investment Incentive is a customized assistance package intended to encourage projects that will have a considerable impact upon the Village. Due to the fact this incentive category is intended to represent a significant investment of public funds, there is an expectation of a significant return on investment that will benefit the community.

Projects deemed eligible for the Strategic Investment Incentive must provide a minimum private investment amount of one million dollars (\$1,000,000), and must demonstrate the project has the ability to meet no fewer than fifty (50%) percent of the following criteria establishing eligibility:

- Ability to significantly increase equalized assessed value and property tax generation on the subject property.
- Ability to generate significant retail sales taxes.
- Ability to create a significant number of new employment opportunities.
- Ability to deliver a proposed use(s) that will not "cannibalize" from others within the existing Roselle market.
- Ability to achieve major community goals outlined within the *Roselle Comprehensive Plan* and/or the *Roselle Strategic Plan*.
- Ability to deliver a unique project-type that would enhance the image of the Village of Roselle.
- Ability to generate a significant number of visitors, tourism or foot traffic increasing vibrancy and commercial activity within the Village.
- Potential to attract related spin-off, or complementary, business development elsewhere within the Village.
- Ability to convert vacant, nearly vacant, or underutilized property into leasable space.
- Commitment to undertake a sensitive restoration of historic property.

Program Details

Projects meeting the criteria established for a Strategic Improvement Incentive will be unique in nature. As a result, the program details will be subject to negotiation between the applicant and Village to reflect a customized approach.

Application Process

- Prospective applicants shall schedule a pre-application meeting to discuss their project prior to submittal.
- The formal application process begins with submittal of an application form, associated drawings, project schedule, project cost estimates, project pro-forma, funding commitment, and/or other information deemed necessary by the Village to evaluate the merits and feasibility of the proposal.
- Applications will be evaluated by a review committee and selection shall be at the sole discretion of the Village. Depending upon the scope of the proposal, the Village may supplement the review committee with a third-party financial consultant.
- All grant applications are subject to the availability of budgeted funds.
- Final approval will be in the form of a development agreement approved by the Village Board.
- Preference shall be given to applicants/owners that have not received prior development assistance.