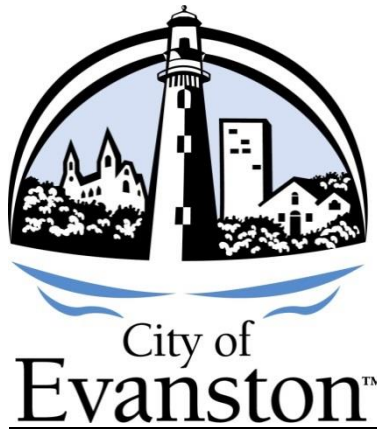


2018 City of Evanston Storefront Modernization Program



Program Guidelines

CITY MANAGER'S OFFICE
ECONOMIC DEVELOPMENT DIVISION
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Program Purpose and Overview

The purpose of the Storefront Modernization Program (“the Program”) is to improve the appearance and functionality of street-level commercial buildings located throughout the City of Evanston and to support the development of **retail and experience-based** uses within the City. The Program is intended to address deteriorating and obsolete property conditions and encourage facade, accessibility and/or sustainability improvements to commercial property as a means to generate additional business for Evanston’s business districts.

After being approved for funding, program participants are eligible to receive a rebate upon the completion of their project (“the Project”). The rebate is in the form of a loan, forgivable over a five (5) year period.

The Program is managed and administered by the Economic Development Division of the City Manager’s Office.

Eligibility Criteria

Users of street-level commercial spaces are eligible to seek up to \$25,000 in funding for exterior (façade) improvements such as signage, lighting, tuck pointing, awnings, doors, and windows. Eligible participants of the Program include property owners and tenants of street-level commercial spaces within Evanston. A business owner who is leasing space must:

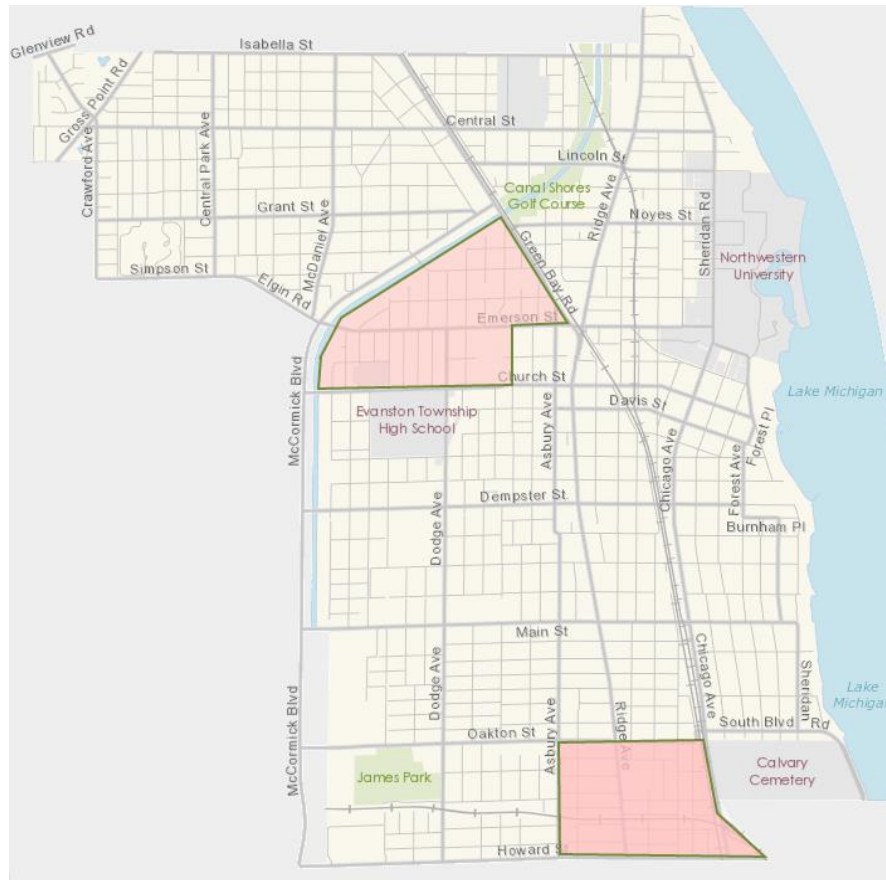
- Be current on all fees and taxes owed to the City of Evanston;
- Have a current executed lease with a minimum of five (5) years remaining from the date of Application or provide evidence that the business has operated in Evanston for over five (5) years; and
- Provide written approval from the property owner to participate in the Program and consent to recordation against the subject property of a Declaration of Covenants Affecting the Property (for projects receiving a forgivable loan of \$10,000 or more). Preference will be given to projects in which property owners also contribute investment in tenant improvements.

Ineligible applicants include:

- National franchises/for profit corporations with more than ten locations outside of Evanston, unless the organization is headquartered in Evanston;
- Occupants or owners of buildings that are not current with property taxes, water bills, or properties possessing any sort of non-mortgage liens (i.e. mechanics lien, etc.);
- Persons who have one or more outstanding City of Evanston parking tickets;
- Buildings in excess of an 80,000 square foot footprint;
- Churches or other religious organizations;
- Government offices and agencies (non-governmental tenants are eligible);
- New construction, less than five (5) years old; and
- Property that has received storefront improvement funds (formerly known as the City of Evanston’s Façade Improvement Program) within the past five (5) years
- Vacant spaces or those for which there isn’t a lease of at least five (5) years in place

There are two levels of eligibility depending on the location of the property:

	Maximum funding	Eligible Expenses	Location/use requirements
Basic	50% rebate up to \$25,000 max based on frontage	Façade improvements only (signs, windows, doors, tuck pointing, lighting, painting, etc.)	None
Targeted	100% funding Up to \$25,000 max	Façade improvements only (signs, windows, doors, tuck pointing, lighting, painting, etc.)	Must be located within NSP2 target areas (highlighted on map below)



Façade Improvements: the façade is defined as the portion of a building that faces the public right-of-way and is fronted by a sidewalk or similar pedestrian-oriented pathway. Eligible improvements include ramps, door openers, signage, painting, lighting, windows, doors, fascia, tile, canopies, awnings, trim, metal work and other decorative elements, restoration of historic properties and other improvements contributing to the visual enhancement or accessibility of a property as it relates to the public right-of-way. Any projects requesting reimbursement for more than \$3,000 must have a storefront that complies with the Illinois Accessibility Code. For the purposes of considering projects, a storefront is considered the entire length of the building that faces the street, regardless of how many individual storefronts comprise the building. For example, a property with three tenants will not be considered three individual projects with the ability to apply for the maximum storefront improvement amounts for each storefront.

Ineligible improvements include roofs that are not “part of the façade” (i.e. do not face the public way; the portion of mansard roofs, for example, facing street frontage are eligible), non-permanent fixtures, security systems, personal property, interior window coverings, equipment, any improvements not visible from the public right-of-way, improvements above the ground floor of the property, and any improvements deemed to be inconsistent with redevelopment purposes and objectives.

Storefront Modernization Program Administration

The Program provides participants the opportunity to receive a rebate upon the completion of their approved Project, up to an approved amount, based the maximum amounts set forth in the sections below.

Funding Source(s): Projects will be funded through: tax increment financing (TIF) within applicable TIF Districts, and/or Economic Development funds.

Rebate/Forgivable Loan: The rebate is in the form of a loan, forgivable over a five (5) year (60 month) period as illustrated in the box to the right. Participants can receive a rebate for up to half of the total project cost, based on the “total eligible cost” for their specific Project.

Note: if the agreement is terminated prior to the completion of the five-year (60-month) forgivable loan period, the Participant will be responsible for repayment of the balance of rebate (“loan”) on a prorated basis. The prorated amount due will be determined by multiplying the original rebate amount times the percentage obtained by dividing the number of months remaining in the five (5) year period by 60 (the total number of months in the loan period). The

FIVE (5) YEAR FORGIVEABLE LOAN	
<u>Example Improvement:</u>	
Total Project Cost:	\$ 50,000
Eligible Rebate:	\$ 13,500
Owner/Tenant Funds:	\$ 36,500
Total Forgivable Loan from the City:	\$ 13,500
Month 0-12 Loan (\$2,700):	\$ 10,800
Month 13-24 Loan (\$2,700):	\$ 8,100
Month 25-36 Loan (\$2,700):	\$ 5,400
Month 37-48 Loan (\$2,700):	\$ 2,700
Month 49-60 Loan (\$2,700):	\$ 0

commencement date of the 60 month forgivable period starts on the month that the program agreement is signed and ends on the 5th anniversary date.

Targeted Eligibility Level – Total Eligible Project Cost:

Properties located within the target area are eligible to receive up to 100% of the cost of exterior improvements up to a maximum amount of \$25,000.

Basic Eligibility Level - Total Eligible Project Cost:

To determine “total eligible cost” for storefront projects, rebates are based on a formula whereby the first thirty-five (35) linear feet of public right-of-way facing frontage (or less) is eligible for up to \$10,000 on a 50/50 cost-sharing basis. Each linear foot of frontage greater than thirty-five (35) is eligible for an additional \$100 per foot toward the “total eligible cost”. In order to calculate the “total eligible cost,” measurements of the façade should be taken from one end of a structure to another end of the structure that includes only the portion(s) of the storefront for which funds are being requested for assistance.

For example, if the public right-of-way facing portion of a storefront is seventy (70) linear feet, the first thirty-five (35) linear feet of the façade would be eligible for up to \$10,000 in funding, based on the 50/50 cost sharing provision. The remaining thirty-five linear feet qualify the applicant for an additional \$3,500 in assistance. In total, this storefront would qualify for up to \$13,500 in assistance. Note, a storefront is considered the entire length of the building that faces the street, regardless of how many individual storefronts comprise the building. If a structure contains three individual commercial spaces with three tenants, this property will not be considered as three individual projects with the ability to apply for the maximum storefront improvement amounts for each individual commercial tenant's storefront; the maximum eligibility amount will be determined based on the length of frontage.

For any approved projects (basic or targeted) for which a rebate of \$10,000 or more is awarded, an applicant may request up to two payments for the project. In such cases, a schedule for the partial payment and a timeline with benchmarks for completion for each project phase must be submitted and approved by Economic Development Staff. In each case, the reimbursement shall only be made after the defined work has been completed and passed any necessary inspections, and payment has been made by the business/property owner.

Estimates for the Project: As storefront improvement grants are public funds, Participants will be expected to get three estimates for each aspect of their project, including at least one estimate from an Evanston-based business whenever possible.

Program Steps

Step 1: Contact the Economic Development Division. Applicants should contact the Economic Development Division to discuss the program, process, and approval timelines:

Cindy Plante
Economic Development Coordinator
(847) 448-8132
cplante@cityofevanston.org

Step 2: Application Submission. Applications are reviewed by the Economic Development Committee on the 4th Wednesday of each month. In order to place an application on the committee agenda, it must be submitted by the second Monday of the month. Complete submissions must include the following:

- Completed application form ([link](#));
- Copies of three estimate sheets for the proposed scope of work. At least one of the three estimates must come from an Evanston based business.
- Two (2) Color photographs of the property "as is".
- Illustration/Design of proposed work to be completed.
- Proof of commercial general liability and auto insurance
- If tenant is the applicant, letter of support from property owner indicating he/she is supportive of the project and has reviewed the terms and conditions of the Program.

Note: All applications, project photos, and supporting documents shall be submitted online.

Step 3: Staff Application Review Process. After Applications are submitted, Staff will:

- Evaluate each project submitted to determine if Application is complete.
- Confirm eligibility of proposed project and location and determine total eligible project cost;
- Prepare recommendations of approval of funds to the appropriate Committee.

Staff will evaluate Applications on the following criteria:

- Total project budget;
- Location within an established business district, along a major street or near a transit station;
- Use of energy efficiency measures (installation of energy saving windows, doors, etc.);
- Steps taken to improve access for persons with disabilities;
- Returning unproductive uses to productive uses and/or creation of new rentable space in a building;
- Investment or tenant improvements being provided by the property owner; and
- Total linear feet and/or square footage of commercial space to be improved.

Step 4: Public Review and Approval Process. Staff will submit recommendations to the Economic Development Committee for review and recommendation to City Council. All projects are then forwarded to City Council for final approval.

Participants whose total project costs exceed \$3,000 are required to be present at all public meetings at which proposed Project will be discussed. Participants will be notified of time, date, and place of the public meeting at which the Application will be considered. Staff will outline meeting schedules for applicants at their consultation meetings.

Step 5: Execution of Program Agreement. Following approval by City Council, Participants will be required to enter into and execute a written agreement with the City of Evanston which will establish the terms, conditions, and requirements for participation in the Program. Once the Program Agreement has been executed to the satisfaction of the City Manager, a **Notice to Proceed** will be issued to the Participant. Note: Projects must be completed within 180 business days of the applicant being provided the Notice to Proceed in order to obtain funding.

Step 6 (if applicable): Project Phasing Plan. Applicants that have been approved for projects with a rebate of \$10,000 or more may submit to Economic Development Staff a written request to divide projects into two phases for the purposes of partial reimbursement of project costs. For example, if a project includes multiple components such as tuck-pointing, window and door replacement and signage, applicant may propose to staff to divide work into two phases in order to seek repayment after certain aspects of the project have been completed. Applicants shall submit to Economic Development staff a project phasing plan, which clearly defines the work to be completed in each phase along with expected completion dates. Such phasing plan must be approved by Staff in order to establish partial payment plan.

Step 7: Submit Receipts & Proof of Payment: Upon completion of the project, submit receipts and proof of payment to the Economic Development Division for reimbursement.

Note: Commencement of work without an executed Program Agreement will automatically disqualify a Participant from being eligible to participate in the Program, and negates the City's obligation to rebate any portion of the work.

Terms & Conditions

In accordance with the Program Guidelines, the City of Evanston will provide financial assistance up to the approved amount of a project. The rebate will come in the form of a loan forgivable over a five (5) year (or 60 month) period, upon completion of the Project.

Any rebates paid by the City of Evanston pursuant to this program shall not be made until all work has been completed; all improvement work has been inspected and approved by the City of Evanston. If a partial rebate payment schedule with project completion benchmarks has been established with and approved by Economic Development Staff (for projects eligible for \$10,000 or more), work must still be inspected and approved by the City prior to partial payment being issued. Additionally, all payments for said work must be made to contractors, material suppliers, and vendors. Participants of the Program must submit to the City of Evanston itemized invoices detailing work completed and materials purchased. Such invoices shall include proof of payment to all contractors, suppliers, and vendors. Documentation must be submitted within 45 days of project completion. The participant shall also submit unconditional lien releases and other documentation as required by this Program. **The participant is responsible for all payments to all contractors, material suppliers, and vendors.**

Any rebates paid by the City of Evanston pursuant to this Program constitute loans made to the Participants. Said loans will be forgiven, as described in the Program Agreement, however, if the property owner or successor-in-interest assumes the Participant's obligations of the Program Agreement pursuant to a City-approved assignment and assumption agreement, and continues to own and/or occupy the rehabilitated property and maintain the improvements for a period ending five (5) years from the date the program agreement is signed without removing or significantly altering the Improvements, as determined by the City of Evanston in its sole discretion.

If the property owner sells the property or the business owner fails to occupy the property prior to the end of the fifth (5th) year, the remaining share of the loan (prorated on a monthly basis) shall become due, plus three percent (3%) interest per annum payable to the City of Evanston is due within thirty (30) calendar days, unless the succeeding property owner or business owner (i) assumes the obligations of the Program Agreement pursuant to a City of Evanston approved assignment and assumption agreement, and (ii) does not make any changes to the property resulting in the removal of significant alteration to the Improvements, and maintains the Improvements for a period of five (5) years from the date of receipt of the rebate. The prorated amount due will be obtained by multiplying the original rebate amount times the percentage obtained by dividing the number of months remaining in the five (5) year period that commences on the month that the program agreement is signed and ends on the 5th anniversary date by 60, which is the total number of months in the loan period.

Project Completion: Projects must be completed within 180 business days of receiving the Notice to Proceed by the City as specified in Section VI of the Program Agreement (extensions will be considered on a case-by-case basis);

Property Taxes and Liens: Property taxes must be current, and participants may have no debts in arrears to the City when the Commitment Letter is issued. The property must also be clear of all other non-debt related liens.