

ATTACHMENT A

Finish Line Grant Program Downtown Retail Recruitment Incentive Description and Process May 16, 2024

Introduction

The Finish Line Grant Program is designed to encourage private investment in commercial building stock throughout the City of Aurora providing property owners and tenants with financial assistance in the completion of rehabilitation projects. Projects funded through the FLG program must enhance the economic viability of the surrounding area, add significant value to the property, and provide for additional retail sales tax generation. Only portions of any project that will remain permanent to the property will be considered for funding.

Any business intending to apply for the program must complete and submit a FLG application and submit all required documentation and signatures before the stated application deadline to be considered for funding.

Qualifications

Property proposed for rehabilitation must be intended for permitted commercial and/or mixed-use and be located within the City of Aurora proper. To be eligible for reimbursement of project costs under this grant program, the following requirements and conditions must be met:

1. The grantee must control the property through one of the following mechanisms:
 - ▶ Property ownership
 - ▶ Contract purchase with title holder approval.
 - ▶ Lease with minimum 3-year term and landlord approval.
 - ▶ The applicant must be either (1) the owner of a building or business located within the City of Aurora proper.
2. A Certificate of Appropriateness must be issued by the Development Services Department before reimbursement is provided.
3. All required permits and certificates must be issued by COA before funds are disbursed.
4. Applicant and/or Property Owner must be in Good Standing with the City of Aurora
5. 51% or more of an applicant's revenue must be subject to Retail Sales Tax. Annual Sales Tax reporting will be required.
6. The total project cost must exceed \$5,000.
7. The improvement project must be for one or more of the items listed as eligible for reimbursement.
8. Repair, renovation, or installation projects started prior to the submission of a grant application will be considered on a case-by-case basis.

Grant Funds

Grants cover up to 20% of eligible costs up to \$50,000, however considering the additional expense born by restaurants grants of up to \$75,000 will be considered.

Qualifying Expenses

Only qualifying expenses will be considered for grant funding and will be provided on a reimbursement basis upon completion of approved work, with appropriate certifications submitted.

Qualified Expenses:

- Build-out costs for new or expanded retail space resulting in fixed capital improvements.
- Building code improvements.
- Building materials
- Interior or exterior lighting fixtures
- Utility service upgrades
- HVAC, electrical and plumbing upgrades
- External Signage
- Repair/Rehabilitation of building exterior – excluding tuckpointing.
- Tenant improvements required to meet the occupancy requirements of the International Code Council,(ICC), National Fire Protection Association (NFPA), the Illinois Accessibility Code, Illinois Energy Conservation Code, or the Illinois Plumbing Code.

Unacceptable expenses:

- FFE Expenses including but not limited to shelving, racks, tables, chairs, point of sale systems, computer equipment, office furniture, appliances.
- Production equipment
- Payroll
- Repair, replacement, or installation of noncommercial signs (as defined by the Unified Development Ordinance)
- Rent
- Inventory or product/merchandise.
- Payroll and Operational costs (utility bills, refuse pick-up, etc.)
- Moving expenses
- Working Capital
- Refinancing of debt
- Incorporation and Organization Expenses, Financing or Legal Fees (i.e. loan packaging fees, application fees)
- Building/Site acquisition
- Vehicles

Program Application Requirements

No application can be considered without all the following documentation.

1. Completed and signed program application form
2. Narrative description of work to be performed and anticipated results of the improvements.
3. Estimates of all work to be completed from a licensed general contractor. All estimates to be analyzed by the Loan Committee for accuracy and reasonableness. Invest Aurora reserves the right to request competitive bids if deemed necessary.

4. Evidence of ownership or owner's permission:
 - a. Building owner-deed, title insurance policy, trust documents, etc.
 - b. Contract purchaser - sales contract and letter from owner giving permission to undertake the project.
 - c. Tenant- letter from owner giving permission to undertake the project.
5. Copy of current fully executed lease if applicable.
6. Copy of most recent paid annual property tax bill, sales tax bill, and Special Service Area tax bill as applicable
7. Scaled drawings of the proposed restoration, along with material
8. Businesses must register on the City's website (at no cost) at <https://www.aurora-il.org/2217/Business-Registration> to be eligible.
9. Copy of Certificate of Good Standing from the State of Illinois
10. All persons with a 5% or greater ownership of the applying business must be a signed party to the application.

Administration

All applications for grants will be accepted **only** during the open application process beginning on Monday, June 17, 2024 and ending on Friday, July 19th @ 5:00 pm. Applications received outside of these dates will not be considered but could be placed on a waitlist if additional funding becomes available. Only completed applications that include all required submittal documents and information will be accepted. The Invest Aurora Loan Committee will review each application for accuracy and will determine if it meets the requirements for funding and make recommendations for approval to the Full Board of Invest Aurora for final approval. A copy of the application review matrix is Attachment B.

The grant will be in the form of reimbursement upon completion of the funded portion of the project. At that time, the grant recipient must:

- Show proof of waiver of all liens on property
- Show proof of payment for completed work.
- Provide a copy of the Certificate of Occupancy (or equivalent) from the City of Aurora

Payouts shall be made only after inspection by the City's Building and Permit Division and other appropriate agencies. Payouts will only be made upon submission of an owner's sworn statement detailing all contractors and subcontractors, work to be performed, contract prices, project costs, and remaining balances. Partial and/or full lien waivers and/or cancelled checks or paid invoices to show proof of payment must also be submitted before payouts can be made,

Obligations:

For a minimum period of three (3) years commencing upon issuance of the Certificate of Occupancy, the property owner and/or applicant (if other than the owner) must agree in writing that he/she will:

- Maintain ownership and/or operation of the property.
- Maintain a commitment to operate said sales tax producing business a in customer-friendly hours, a minimum of 40 hours a week.
- Not allow any of the commercial uses outlined below without prior approval by Invest Aurora:
 - rooming and boarding/single room occupancy
 - used clothing stores.
 - pawn shop
 - flea market
 - payday loans and currency exchange uses

- o laundromat
- o barber shops, hairdresser or tattoo parlor uses
- o poolrooms
- o adult entertainment
- o packaged liquor stores
- o vapor or electronic cigarette shops
- o massage parlors
- o gun clubs and shooting ranges
- o drug paraphernalia/head shops
- o religious uses
- o not-for-profits, unless qualifying under the Review Criteria contained in the guidelines below.
- o publicly owned buildings, unless qualifying under the Review Criteria contained in the guidelines below

n the event that one of the above-mentioned uses exist within the building prior to rehabilitation, such uses will be allowed to continue as a viable use within the building.

Conditions:

In addition to all other conditions cited in these Guidelines and Applications, Invest Aurora may place certain other conditions, restrictions or stipulations upon each project, if the Finish Line Grant Committee determines such conditions to be necessary in order to further the orderly development of the downtown.

Grant Evaluation Criteria

If determined by the Finish Line Grant Committee that a project warrants an exception to the criteria outlined in these Guidelines, additional review criteria may be applied to the project by the Committee. Such review criteria could include circumstances in which:

- The extent to which the business is complimentary to the overall business environment and is in keeping with all currently adopted economic development plans.
- The extent to which the business is thought to add to or enhance the mix of retail merchants.
- The viability of the submitted business plan, assessing the combination of financial feasibility, product and market knowledge, and growth potential, with a commitment to extend hours that are perceived as "customer friendly" (weekday evening hours and extended weekend hours)
- Other tangible benefits projected to be provided by the business include the collection of sales tax proceeds, job creation and overall business activity.
- The extent to which the scope of work will have an impact on the aesthetics and character of the eligible TIF districts.
- The project generates a payment in lieu of property taxes if the project is in a building which does not generate property taxes (e.g., publicly owned buildings; non taxpaying building ownership)
- All expenses must be TIF eligible if funded from TIF District contributions.

The program benefits are contingent on funding availability. The establishment of this program or submitting an application for such incentives shall not be construed as an entitlement or right of a property owner or applicant to grants and incentives under the Finish Line Grant Program.

Invest Aurora reserves the right to deny or grant any application at any time.

Funding

Total funding available for the 2024 FLG program is XXXX.

Other Provisions:

Invest Aurora will work with the City of Aurora prior to the rollout of the program to assure that funding requests are consistent with the strategic and master plans of the city as restated on an annual basis. Final Candidates will also be discussed with the city to confirm this consistent and furtherance of the City's Economic Development goals.