



DEVELOPMENT INCENTIVE PROGRAMS

Program Introduction

The Joliet City Center Partnership seeks to promote a healthy and expanding business climate in the Downtown Core Area. Utilizing revenues from an economic development special service area (SSA), an incentive grant program has been developed to stimulate private investment and to provide a tool for sustaining redevelopment within the Downtown Core. The goals of the grant programs are to:

- ❖ Encourage business/property owners to expand, rehab, renovate, beautify or upgrade buildings, interior space and exterior space
- ❖ Bridge financing gap in order for private investors to achieve market reasonable rates of return
- ❖ Facilitate the occupancy of vacant space
- ❖ Attract and retain business activity
- ❖ Increase residential density within the Downtown Core
- ❖ Foster implementation of the priorities of the Joliet Downtown Plan and the Downtown Special Service Area

Grant Eligibility

- a. Property must be physically located within the Joliet City Center Special Service Area.
- b. Retail or commercial use must be present or intended for first floor. Exceptions may be considered depending upon market evidence or the structure design.
- c. Property must generate or be intended to generate sales tax, food-beverage tax, or hotel-motel tax, and shall exclude non tax generating not-for-profit uses.
- d. Property owner consent in the form of a written letter is required as part of application and award of grant.

General Program Guidelines

- a. All grants will be in the form of reimbursement. Grant funds are only distributed once the applicant provides proof of payment for completed work, a copy of the Certificate of Occupancy from the City of Joliet, and photos of the completed project.

- b. Reimbursements are based on actual grant-eligible costs and not estimated costs, thus the exact grant amount is determined upon completion of the project.
- c. There is no reimbursement for work completed prior to a City Center Partnership Board of Directors approval.
- d. Grants are approved with a stated a maximum amount.
- e. It is in the best interest of the applicant that preliminary project plans be shared and evaluated by the City of Joliet's Community Development Department prior to grant approval. Applications do not need approval by the City prior to grant approval, but both processes should be pursued concurrently.
- f. Multiple bids/proposals from general contractors required prior to grant approval. In the event that the applicant is his/her own general contractor, the applicant must submit multiple bids/proposals for all work to be completed by subcontractors. If the applicant is skilled in a certain trade and plans to undertake a portion of the construction themselves, they must still submit 1) a current license for the work and 2) one bid from another entity.
- g. Professional design assistance is required for grant requests where total project costs are more than \$100,000. Professional design assistance is encouraged for all construction projects. Design fees are eligible reimbursement costs for a maximum of \$2,000.
- h. Projects must be started within 60 days of approval and completed within 180 days, unless otherwise agreed.
- i. Owner/applicant required to commit to ownership/operation for a period of not less than three (3) years from project reimbursement. A lien against the property will be required to insure this standard is met. If the owner or business fails to meet this standard, a pro-rata reimbursement of grant funds will be required.
- j. Determination of funding eligibility and grant amount shall be at the sole discretion of the Joliet City Center Partnership.

Unpermitted Uses

Given the goals of the Downtown Plan and the City Center Partnership focus on economic drivers, consideration will not be given for the following:

- a. Non Tax generating not-for-profits
- b. Rooming and boarding/Single Room Occupancy
- c. Pawn Shop
- d. Flea Market
- e. Pay day loans and currency exchange uses
- f. Adult entertainment
- g. Packaged liquor stores
- h. Vapor or electronic cigarette shops
- i. Massage parlors

- j. Video gaming establishments (as primary use)
- k. Gun clubs and shooting ranges

Application Checklist and Process

The following documents must be submitted to the City Center Partnership before consideration for approval:

- Completed Application
- Multiple bids for the work to be completed
- Proof of property ownership or consent from the property owner
- Scaled drawings of the proposed project
- Materials to be used
- Photos of the building and space to be renovated
- Other project specific information may be required. Additional materials may be requested.

Favorable consideration will be given by the City Center Partnership to applicants that submit the following documentation, if appropriate:

- Professional design drawings
- Conceptual drawings
- Proof of financial wherewithal (i.e, bank statement or financing approval letter)
- Proforma

Step #	Action	Timeframe
1	Schedule a pre-application meeting with City Center Partnership staff to discuss their project prior to submittal.	Pre-application can be scheduled any weekday.
2	Submit an application form and supporting documents to the City Center Partnership.	Applications can be submitted anytime.
3	Applications will be evaluated by the economic development committee (ED Committee) and a recommendation is made to the CCP Board of Directors (BOD).	The ED committee meets the Tuesday before each BOD meeting.
4	Applications are evaluated and voted on by the CCP Board of Directors.	The BOD meets the second Thursday of every month.
5	Development agreement is drafted and sent to applicant.	Usually, within two week of approval.
6	Applicant completes the work and submits completion documents: proof of payment for completed work, a copy of the Certificate of Occupancy from the City of Joliet, and photos of the completed project.	Anytime (although work must be completed within 180 days of CCP approval of grant).

7	City of Joliet issues check to applicant.	Within two weeks of review and acceptance of Completion documents.
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Building Improvement Grant

A Building Improvement Grant is intended to provide assistance for property enhancements that are undertaken on the interior and/or exterior of a building. *This grant is not intended to fund work that is 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 or 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 should the applicant use or ownership cease in the future. The Joliet City Center Partnership 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 may include, but are not limited to, the following examples:

<i>Exterior Improvements</i>	<i>Interior Improvements</i>
<ul style="list-style-type: none"> • Window frame replacement • Door replacement • New awnings • Façade renovation/replacement • Restoration of original architectural features • Exterior lighting • Streetscape enhancements • Painting • Landscaping (In conjunction with other projects) • Tuckpointing (In conjunction with other projects) 	<ul style="list-style-type: none"> • HVAC, mechanical, electrical and plumbing systems. • Sprinkler or fire suppression systems • Upgrades to accessibility or other code compliance • Utility upgrades • Structural upgrades • Installation of restrooms • Ingress/egress improvements • Installation of elevators • New flooring, walls, ceiling, lighting, trim, fixtures (In conjunction with other projects)

Grant Amount

The grant amount is determined on a sliding scale. The higher the amount of private investment (total project costs), the higher the total grant amount but the lower the grant percentage of the total project costs.

Total Grant-Eligible Costs	Max Grant Amount	Grant Percent of Total Project Costs
\$10,000	\$5,000	50%
\$25,000	\$11,000	44%
\$50,000	\$18,500	37%
\$75,000	\$23,500	31.33%
\$100,000	\$28,500	28.5%
\$150,000	\$38,500	25.67%
\$200,000	\$48,500	24.25%
\$250,000	\$58,500	23.4%
\$300,000	\$68,500	22.8%
\$375,000	\$75,000	20%
Catalytic Grant		\$75,000+

Example: Assume the total grant-eligible project costs are \$45,000. The applicant would receive 50% for the first \$10,000 of grant-eligible projects costs, 44% grant of the additional \$15,000 of grant-eligible project costs and 37% on the remaining \$20,000 grant-eligible project costs.

$$\begin{aligned}
 \$10,000 \times 50\% &= \$ 5,000, \text{ plus} \\
 \$15,000 \times 44\% &= \$ 6,600, \text{ plus} \\
 \$20,000 \times 37\% &= \underline{\$ 7,400, \text{ plus}} \\
 \text{Total Grant Amount:} &= \$ 19,000
 \end{aligned}$$

Thus, the applicant receives \$19,000 grant which is 40.89% of the total project costs.

Catalytic Incentive Package

A Catalytic Incentive Package is a customized assistance program intended to stimulate projects that are considered to be “game changers” within the Downtown Core Area. By definition an eligible project would demonstrate tremendous value to the Downtown Core and overall Joliet community, and would need to demonstrate no fewer than five (5) of the following characteristics:

- Ability to generate significant retail sales taxes, exceeding other typical businesses within the Core.
- Ability to significantly increase equalized assessed value and property tax generation of the subject property, and adjacent property within the Core.
- Ability to create a significant number of new employment opportunities.
- Ability to achieve major goals desired within the Joliet Downtown Plan or other applicable plans.
- Ability to increase the availability of market rent housing within the Core.
- Attraction of unique project that would enhance the image of the City Center Core and City as a whole.
- Ability to generate a significant number of visitors, tourism and foot traffic increasing vibrancy within the Core.
- Potential to result in related, or complementary, business development elsewhere within the Core.
- Commitment to undertake a sensitive restoration of historic property.
- Ability to convert vacant or nearly vacant property into leasable space.

Project elements may include any eligible expense authorized for Exterior Improvement Grants or Interior Improvement Grants.

Program Details

- Due to the unique project benefits envisioned, a Catalytic Incentive Package will be customized to address a variety of needs, and offers a high degree of flexibility.
- Subject to demonstrated need the incentive package may include reimbursement grants, loans, TIF rebates or other stimulus as determined necessary to complete a game changing project.
- The maximum grant amount will be determined based upon the demonstrated need and overall development benefit to the Downtown Core. If other public grant funding is approved in an incentive package, expenses shall not be “double counted” for multiple incentive sources.
- Applicants requesting Catalytic Incentive Package assistance must demonstrate, to the satisfaction of the City Center Partnership and City of Joliet, that sufficient private financing and owner equity are present in the project.
- Professional design/architectural assistance is required. Design fees of up to 10% of project cost may be reimbursed subject to not-to-exceed grant award total.
- Multiple bids/proposals from contractors required prior to grant approval. Unique circumstances, when determined by the City Center Partnership, may result in the waiver of this provision.
- Written agreement must be executed prior to starting any work related to requested funds.
- Due to the nature and scope of this program, only property owners may apply for funding.
- Documentation of paid expenses and waivers of lien are to be submitted prior to reimbursement. Prevailing wage regulations apply to work done via contractors.
- Projects must be started within 60 days of approval with completion deadlines to be identified within the written agreement.
- Owner is required to commit to ownership/operation for a period of not less than three (3) years from project reimbursement. A lien against the property will be required to insure this standard is met. A personal guaranty will also be required. If the owner fails to meet this standard a pro-rata reimbursement of grant funds will be required.
- Properties and any tenants or owners of business occupying the same are ineligible for any other grants at that property from the Joliet City Center Partnership for a period of 5 years from the date of payment of such grant. The only exception to this restriction are business who apply and qualify for a Small Business Assistance Grant.

Small Business Assistance Grant

A Small Business Assistance Grant is intended to provide a start-up incentive in the form of a microgrant. This grant provides funding directly to new businesses who are renting or leasing space within the Downtown Core Area. This grant is not intended for property owners. The use of funds are flexible in nature and are 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 in order 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 improvements that will remain with the space

Program Details

- Grants are based upon reimbursement of actual costs following project completion.
- Grants may fund up to 50% of approved project costs, not-to-exceed \$1,500 grant funding.
- Written agreement must be executed prior to starting any work related to requested funds.
- Projects must be started within 30 days of 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.

Application Process

- Prospective applicants are required to 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, and project bid/proposal results.
- Applications will be evaluated by a review committee and selection shall be based upon criteria established by the Joliet City Center Partnership and City of Joliet.
- This grant is limited to new businesses that have not received prior development assistance.

Determination of funding eligibility shall be at the sole discretion of the Joliet City Center Partnership.