

RESOLUTION NO. R-24-01

A RESOLUTION AMENDING THE AESTHETIC AND CAPITAL PROPERTY IMPROVEMENT GRANT PROGRAM FOR PROPERTIES IN THE DOWNTOWN TIF DISTRICT

WHEREAS, the Village of Clarendon Hills (hereinafter referred to as the "VILLAGE") has the authority, pursuant to the laws of the State of Illinois, including 65 ILCS 5/8-1-2.5, to promote the health, safety and welfare of the VILLAGE and its inhabitants, to prevent the presence of blight, to encourage private development in order to enhance the local tax base and increase additional tax revenues realized by the VILLAGE, to foster increased economic activity within the VILLAGE, to increase employment opportunities within the VILLAGE, and to enter into contractual agreements with third parties for the purpose of achieving the aforesaid purposes, and otherwise take action in the best interests of the VILLAGE; and

WHEREAS, the VILLAGE is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended ("TIF Act" or Act"), to finance redevelopment in accordance with the conditions and requirements set forth in the Act.; and

WHEREAS, Pursuant to Ordinance Numbers 20-03-11, 20-03-12 and 20-03-13, adopted on March 16, 2020, the VILLAGE designated the tax increment redevelopment project area ("Redevelopment Project Area"), approved a tax increment redevelopment plan and project ("TIF Plan"), and adopted tax increment financing relative to the Village's Downtown Tax Increment Financing District ("TIF District"); and

WHEREAS, Pursuant to Resolution Number R-21-19, adopted April 19, 2021 and amended on November 7, 2022 with Resolution R-22-41, the VILLAGE created the Aesthetic and Capital Property Improvement Grant Program (the "Program") to assist with these issues; and

WHEREAS, upon implementation and use of the Program since its creation the Village has determined the program design requires amendment as shown in Exhibit A to better serve the community by reducing the maximum percentage and absolute dollar reimbursements and explicitly and narrowly outline the category, intent and design of eligible improvements to provide greater value potentially more properties and/or businesses; and

WHEREAS, The Village Board continues to authorize the reimbursement through the Program by the expenditure of funds subject to the approval of the Building Official under the terms of this Program;

NOW, THEREFORE, BE IT RESOLVED, by the President and Board of Trustees of the Village of Clarendon Hills, that the requirements attached as Exhibit A made part hereof.

BE IT FURTHER RESOLVED that the Village Manager and Building Official are hereby authorized and directed to execute any documents that may be necessary to carry out the terms and provisions of said Program as established in Exhibit A.

PASSED and APPROVED this 20th day of February 2024.

AYES: Trustees Chaudhry, DeAngelis, Lannert, Peterson, Tuttle, and Weicher

NAYS: None

ABSENT: None


Eric Tech, Village President

ATTEST:


Lynn B. Dragisic, Village Clerk



DOWNTOWN TAX INCREMENT FINANCE DISTRICT GRANT PROGRAM

A. Program Description - What is the purpose?

The purpose of the Downtown Tax Increment Financing (TIF) District Grant Program (the "Program") is to provide financial assistance for the construction of building improvements in keeping with the Village's Downtown Master Plan, and the Village's Building and Zoning Requirements.

The Program supports a public/private partnership designed to provide incentives and assistance to encourage building improvements that preserve the character of the Village and that help create a human scale and pedestrian-friendly atmosphere within the Village as well as address factors that qualified the Downtown TIF District as a "conservation area."

"The Plan should encourage downtown public and private investment provided that such investment protects or creates evolving/gradual change, small town charm, more retail choices, unique draw or destination, services for local residents, a family friendly atmosphere, safe pedestrian circulation, and active living with photogenic, vibrant, progressive/self-sustaining pleasant spaces."

Vision Statement
2014 Downtown Master Plan

B. How does the grant program work?

Projects must be approved by the Village Board for participation in the program **before any work begins**. The procedure for review and approval is as follows:

1. Confirm with the Village staff that your property is in the Downtown TIF district, and that your type of project is eligible for reimbursement pursuant to local and State law. See details on this page and in the grant application.
2. Seek three reliable cost estimates from contractors for your project.
3. Work with your contractor/architect to develop the relevant plans (elevation, building, site, and landscape plans).
4. If applicable, submit application and appear before the Downtown Design Review Commission (DTDRC) for a recommendation of approval. The DTDRC will prepare and transmit their recommendation to the Village Board for consideration and final action.
5. If applicable, submit application and appear before the Zoning Board of Appeals/Plan Commission (ZBA/PC) for a recommendation of approval. The ZBA/PC will prepare and transmit their recommendation to the Village Board for consideration and final action.
6. Village Staff will prepare and submit their recommendation to the Village Board for consideration and final action.
7. Village Board votes to approve a specific amount as described in a draft TIF Grant Agreement.
8. Obtain necessary permits and complete the work as approved.
9. Submit invoice(s) and proof of payment(s) for reimbursement by the Village. Reimbursement will be contingent upon completion and Village approval of the required improvements as defined by the TIF Grant Agreement.

C. Program Funding

The Program is funded by the general increment generated by the properties located within the Downtown TIF District.

D. Eligibility Factors

Applicants may be the owner of an eligible building(s) or the owner of a new or existing business within the downtown TIF District. For the purpose of this program, retail business shall include all retail uses permitted under the zoning ordinance for the applicable zoning district. A retail tenant's eligibility is subject to written consent and participation of the building owner for all proposed improvements. To be eligible for consideration, a project must comply with the following requirements:

- ∞ The property must be in the downtown TIF District.
- ∞ The project must be for façade or signage renovation, restoration, or building improvements.
- ∞ Capital Improvements will be considered for the entire building. Aesthetic Improvements will be considered for an individual storefront or an entire building. The project must comply with all building and zoning requirements, including applicable design review.
- ∞ Within the B-2 zoning district portion of the TIF district, must generate revenues beyond an expected property tax increment such as but not limited to sales taxes, food and beverage taxes or an outsized utility tax. Properties that do not generate additional revenues shall be limited to a maximum of \$10,000 in aesthetic grants.

E. Expenses Eligible for Grant Funding

Aesthetic Grants: The objective of the program is to encourage exterior improvements that preserve and enhance the character of the Village consistent with the concepts identified in the Downtown Master Plan, and address factors that qualified the District as a "conservation area." As such, expenditures relating to the following types of aesthetic improvements and related services are considered Eligible Aesthetic Improvements, reimbursable at 50% verified eligible expenses, up to \$10,000:

- 1.
2. Aesthetic structural façade improvements
3. Window/Door replacements
4. New or replacement landscaping
5. Parking lot resurfacing/reconstruction
6. Signage renovations/improvements
- 7.

Capital Building Improvements: Expenditures relating to the following types of capital improvements are considered Eligible Capital Improvements reimbursable at 50% verified eligible expense, up to \$50,000 (amount may be increased if business is making major improvements with confirmation from Downers Grove Township Assessor of increased valuation and/or significant generation of other village revenues as presented by applicant in a confidential business plan. Grants in these cases will be made on a case-by-case basis but are expected to still result in at most a 5-year payback to the Village using conservative assumptions, and/or shall be structured in a way that is cash flow positive to the Village) and subject a private financial match with aesthetic and non-TIF-eligible expense:

1. Fire suppression system addition and/or upgrades
2. Water and Sanitary Sewer system upgrades
3. Electrical system upgrades
4. Americans with Disabilities Act (ADA) compliant upgrades
5. Private outdoor dining improvements that expand the number of tables or service area
6. Improvements that add public or semi-public parking

Moving Relocation Costs/Incentives- An identified issue in the downtown business district is substandard unit sizes. In the event that an existing business is looking to relocate in order to facilitate the expansion of an adjacent unit, the Village may authorize moving expense payments of up to \$7,500. Additionally, at the discretion of the Village additional funding may be provided to incentivize the move.

Historic Restoration- The following addresses are considered of historical significance in the Downtown, and therefore may be eligible for additional funding to preserve the historic character.

3 S Prospect through 16 S Prospect on the west side of the street.

211 Burlington Ave

Construction with Additional Residential Units- Given the positive residential real estate environment, the Village does not provide TIF Funding for residential construction. However, the additional property valuation generated by the residential units may be a consideration for increasing the TIF grant for mixed used development.

Long-Term Vacancies- Certain properties that have been vacant long term (greater than 1 year) and therefore may need additional assistance beyond the scope of this program.

Large Projects: The \$10,000 aesthetic and \$50,000 capital improvement grant cap may be increased if business is making major improvements with confirmation from Downers Grove Township Assessor of increased valuation and/or significant generation of other village revenues as presented by applicant in a confidential business plan. Grants in these cases will be made on a case-by-case basis but are expected to still result in at most a 5-year payback to the Village using conservative assumptions, and/or shall be structured in a way that is cash flow positive to the Village

Private-Public Partnership- The amount invested by the Village outside of certain special circumstances listed above is expected to be met at least two to one by the property owner and/or tenant. In the event the applicant is not the property owner, the applicant shall disclose any subsidy that is being provided by the property owner, such as reduced rent, or a rent holiday.

F. Selection Process

The Façade and Building Improvement Grant Selection Committee, comprised of Village Staff, will review and evaluate all applications for grant funding. The appearance review by the Downtown Design Review Commission shall be completed prior to the review of the grant request by the Village Board. After the appearance review is completed, the Selection Committee will make a recommendation for funding to the Board of Trustees. The following criteria will be considered by the Board in determining the final award amount for a grant request:

1. Condition of building façade and signage and need for renovation.
2. Extent to which proposed improvements address appearance factors that qualified the TIF District as a “conservation area.”
3. Extent to which proposed improvements restore, maintain, or enhance the aesthetic character of the district.
4. Extent to which the improvements are eligible for the program.
5. Projected impact on the value of the subject property, especially with respect to the value of the particular improvement for a future occupant of the unit or building.
6. The expected revenues generated in both property tax increment and other Village revenues such as sales tax and places for eating tax.

G. Applications

Applications will be reviewed within 60 days following their receipt.



Terms

The terms of the program are as follows:

1. The improvements must be completed within 12 months from the date of the grant approval. The grant must be approved before work begins (see "How does the grant program work?" at the top of this page).
2. Grants are issued in the form of reimbursements after verified eligible expenses are incurred (receipts or other acceptable proof of payment are required).
3. Maximum grant amount to be awarded for Eligible Aesthetic Improvement Expenses under the program is 50% of verified Eligible Aesthetic Improvement Expenses, up to \$10,000. The Selection Committee may recommend grant amounts that are less than 50% of verified eligible expenses. The Selection Committee may recommend grant amounts that are less than 50% of verified eligible expenses, and the grant amount awarded is within the sole discretion of the Village Board and subject to budgetary constraints.
4. Maximum grant amount to be awarded for Capital Improvement Expenses under the program is 50% of verified Eligible Capital Improvement Expenses, up to \$50,000. The Selection Committee may recommend grant amounts that are less than 50% of verified eligible expenses. The Selection Committee may recommend grant amounts that are less than 50% of verified eligible expenses, and the grant amount awarded is within the sole discretion of the Village Board and subject to budgetary constraints.
5. Maximum Grant Amount may be increased due to the circumstances outlined in Section E. Applicants requesting additional funding due to the large expected increase in valuation of the property and/or due to increase in Village revenues are expected to provide plans that can be submitted to the Township Assessor for analysis as well as a confidential business plan that outlines expected revenues to the Village.
6. The program may not be used by the same applicant to renovate the same building more than once.
7. The funding for the program is subject to adjustment in conjunction with the Village's budget process.
8. Failure to abide by the terms and conditions of this program or any other Village of Clarendon Hills Downtown TIF program in which the applicant is participating will result in forfeiture of program funding. In the event of a default by the applicant, the Village of Clarendon Hills reserves the right to require repayment of any grant funds disbursed to the applicant.
9. Any proposed or existing business shall be in full operation for a period of no less than 3 years after receiving any TIF funding. If the proposed or existing business ceases full operations within this 3 year period, the TIF funding shall be reimbursed back to the Village.

1 N. Prospect Avenue
Clarendon Hills, Illinois 60514
630.286.5410

DOWNTOWN TAX INCREMENT FINANCE DISTRICT
AESTHETIC & CAPITAL PROPERTY IMPROVEMENT GRANT PROGRAM
ELIGIBILITY APPLICATION

To determine final eligibility of your project for the Façade & Building Improvement Grant Program, please provide the following information.

1. PROPERTY ADDRESS: _____

2. APPLICANT'S CONTACT INFORMATION

3. PROPERTY OWNER'S CONTACT INFORMATION

Name:	_____	_____
Home Address:	_____	_____
	_____	_____
	_____	_____
Daytime Phone:	_____	_____
Mobile Phone:	_____	_____
Email Address:	_____	_____

4. PROJECT INFORMATION

A. Estimated Cost of Aesthetic Improvements: \$ _____ (attach detail plans and cost estimates)

B. Estimated Cost of Capital Improvements: \$ _____ (attach detail plans and cost estimates)

C. Total Cost of Project (including A & B): \$ _____ (attach detail plans and cost estimates)

Please attach a letter describing your request, including architectural drawings with elevations, and all relevant contractor proposals or invoices.

(TO BE COMPLETED BY VILLAGE)			
Property Location:	<input type="checkbox"/> Eligible	<input type="checkbox"/> Not Eligible	_____
Project:	<input type="checkbox"/> Eligible	<input type="checkbox"/> Not Eligible	_____
Eligible Aesthetic Improvement Grant Amount:	\$ _____	(50% of verified related expense.)	
Eligible Capital Improvement Grant Amount:	\$ _____	(50% of verified related expense.)	
Reviewed by:	_____		Date: _____

Applicant's Signature: _____ Date: _____

Property Owner's Signature: _____ Date: _____