

Downtown Aledo

DOWNTOWN REVITALIZATION PROGRAM GUIDE

2020



DOWNTOWN REVITALIZATION PROGRAM GUIDE

City of Aledo, Illinois

Thank you for your interest in the revitalization of your building in downtown Aledo. The City of Aledo is pleased to partner with you. You will find that our dedicated staff and elected officials will make themselves available to meet with you to discuss your project needs and help you through this process.

Aledo City Council

Mayor, Chris Hagloch
Ila Bertrand
Christopher Kopp
Jim Holmes
Linda Sarabasa
Michael Chausse
Barry Cooper
Terry Bewley
Dennis Dixon

Aledo City Staff

Jarod Dale, City Clerk
Justin Blaser, Building & Zoning Official

Contact Information

City of Aledo
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CONTENTS

Downtown Building Stabilization, Upper Story Living Loan Program & Storefront Improvement Program

1. Eligible Loan Uses
2. Terms & Conditions
3. General Eligibility Guidelines
4. Terms and Conditions
5. Pre Project & City Code Requirements
6. Application Review & Ranking Process
7. Applicant Certification Form
8. Application Request
9. Required Attachments

City of Aledo, Illinois

**Downtown Building Stabilization, Upper Story Living Loan
& Storefront Improvement Program**

ELIGIBLE USES

- Electrical System Upgrades
 -
 - Plumbing
 -
 - HVAC
 -
 - Flooring
 -
 - Windows & Doors
 -
- Walls / Plaster / Framing /Paint
 -
- Kitchen & Bath Improvements
 -
 - Elevators
 -
- Architectural Renderings
 -
- Structural Engineering Report

Other uses may be eligible with City Council consent

QUESTIONS?

For more information about whether your project qualifies, please contact City Hall at (309) 582-7241

ABOUT THE PROGRAM

This loan program provides a forgivable loan (0% interest rate—otherwise known as a grant), but requires private financing to complete the project.

The loan amount is a 50/50 participation split. The loan program is available for viable commercial use on first & upper-story floors, upper-story residential living and storefront improvements to the building facade.

Tax Increment Financing (TzIF) funding cannot be more than 50% of the cost of the total project.

Qualified projects are treated on a first come, first serve basis as funding is available in the annual TIF budget.

The Building Stabilization, Upper Story Living & Storefront Improvement Program is forgivable funding at a minimum of \$2,000 and/or 50% of eligible uses costs; or whichever is less.

Applicants will be required to contribute a portion of the funds in an amount no less than 50% of total project costs. A mortgage and note will be required.

The total amount of TIF funding granted to address rehabilitation will be a forgivable loan for a period of time based upon the funding amount (*see table below for funding amounts and terms*).

PROJECT FUNDING FROM TIF

TERM

\$2,000 - \$5,000	1 YEAR
\$5,001 - \$10,000	2 YEARS
\$10,001 - \$15,000	3 YEARS
\$15,001 - \$20,000	4 YEARS
\$20,001 - \$50,000	5 YEARS

GENERAL ELIGIBILITY GUIDELINES

1. Property must be located within boundaries of the TIF District.
2. Subject structure must have at least the entire ground level floor space devoted to commercial use.
3. The applicant must be the owner of the property for which the rehabilitation loan is sought or occupant of property with written consent of owner to participate in the program; proof of ownership will be required (as recorded in the County Recorder's Office). If owner approves of application participation, but refuses to accept any liability under the project, the applicant must allow the City to attach liability to their own real property as collateral. This can include, but is not limited to, residential or other real estate.
4. The applicant shall not have any judgments, tax liens, or open collections. The applicant shall not have any pending court cases with the City of Aledo or have had any code or housing violations within the last twelve months, or be delinquent on any monies owed to the City of Aledo. The property must be current on any and all tax and mortgage payments and must also comply with all applicable City codes.
5. The applicant must demonstrate the ability to finance his/her portion of the rehabilitation. If financing is not required, then the grantee must show proof of verification of deposits acceptable to the City.
6. All applicants will be required to disclose any Conflict of Interest relationship in writing.
7. All projects requiring structural work are required to have a building assessment provided by a structural engineer. This completed building assessment is to be submitted with the commercial retail/ upper story loft application. Costs for building assessment are an eligible project expense cost and 100% refundable.*
8. Examples of typical eligible work items could include improvements of visible exterior components such as, painting, tuck pointing, sealing, wall cleaning, wall coverings, doors and doorways, shutters, awnings, canopies, signage, guttering, windows, stairs, walkways, perennial landscaping and plantings, chimneys, cornices, parapets, bulkheads, fascias and lighting.
9. All work must be performed in compliance with all applicable City codes to be considered as eligible.
10. Upon receiving a completed application and building assessment report, approval and recommendation, City Council will vote to pre-approve application and City funds will be distributed upon inspected project completion.

**Waiver can be granted depending on scope and nature of project.*

TERMS & CONDITIONS

FOREGIVABLE LOANS

The loan will consist of:

1. No monthly payments of principal and interest on the forgivable loan.
2. Secured by a lien on the property. A first or second lien position is preferred. At the discretion of the review committee and in consultation with the TIF Administrator, and based on the program's acceptable risk underwriting standards, a third lien position may be approved.
3. Owner/Applicant must document existence and/or financial sources of 50% of total project costs.
4. TIF Equity Share. The owner will be responsible for repaying the pro-rated share of the loan amount to the City of Aledo TIF District Fund, if the property changes ownership, or a change in building use to non-commercial on ground floor during the the loan period.

The equity repayment shall be determined as follows:

<u>Year</u>	<u>Repayment</u>
First	100%
Second	80%
Third	60%
Fourth	40%
Fifth	20%
Sixth and later	0%

5. The repayment term is defined as follows: Term begins on record date of lien. Term ends on the date of recording deeds or date the signature by both parties for contracts for deed as a result in change of ownership or date of change in building use to non-commercial on ground floor.
6. All loans require evidence of title, credit reports, and recorded mortgages.
7. The City will require Owner/Applicant to produce invoices, bills or statements and proof of payment in the form of receipts and/or copies of checks accounting for the expenditure of funds towards the projects completion and the City may choose to issue checks directly to contractors for work performed.
8. Property and improvements must be reasonably maintained for 5 years following the completion of the project and comply with city building codes. The building inspector will have the right to inspect the rehabilitation work on a regular basis to ensure that work is progressing satisfactory and to monitor the quality of materials and workmanship. City of Aledo staff will make the final inspection of the project to maintain compliance and conformity with contract specifications. Follow-up inspections will be made on rehabilitation work as needed.
9. A release deed will be provided upon request from the owner, after the term is fulfilled. All expenses for preparation and recording will be paid by the owner.

PRE-PROJECT REQUIREMENTS

1. Provide a draft of your building plans describing your project to the City of Aledo for review.
2. Schedule a pre-project meeting to review contractor bids, project costs and overall plan.
3. Conduct building assessment by a licensed structural engineer*. Then schedule and conduct code inspections on the subject property.
4. Review the list of deficiencies including code violations, general improvements and a preliminary cost estimate.
5. Assess and define areas to be rehabilitated.
6. Review the estimates and/or bid specifications to qualified contractors for a minimum of 2 required bids for loan program. If the building owner is submitting a bid to do the work themselves, they must submit 2 bids in addition to their own bid, for a total of 3 bids.
7. Owner/Applicant to complete and submit loan program application to City of Aledo.

**Waiver can be granted depending on scope and nature of project.*

CODE REQUIREMENTS

All improvements and updates to the premises must comply with all codes adopted by the City of Aledo. Copies of the International Fire Code, NFPA 101 Life Safety Code, International Building Code and the Accessibility Code (ADA) are available for viewing at City Hall during regular business hours.

Specific questions regarding the codes can be answered by the staff of the City of Aledo Building & Inspections Department.

APPLICATION REVIEW

1. Complete application form and all attachments including building assessment, drawings, photographs, statement of need and certification form must be submitted to City of Aledo City Hall.
2. Schedule a pre-project meeting to review contractor bids, project costs and overall plan.
3. Applications will be recommended for approval to the City Council.
4. City Council shall make the final decision as to City funding of individual applications.
5. Total estimated turnaround from time of completed application to final approval is estimated 45 days.

In the event that application requests exceed the amount of available monies budgeted by City Council per year fiscal year, applications will be prioritized for funding by City staff and City Council based on the following factors:

- Past efforts (maximum of 10 years) of property Owner to improve exterior of building Historical and/or architectural significance of building.
- Project's extent of adherence to design guidelines.
- Project's overall effect on appearance of structure visible from public areas and/or right-of-ways.
- Number of FTE jobs created or retained.
- Project's affect on, and visual harmony with, block in which it is situated.
- Amount of Owner equity injected into project.
- Applicant's stated need for City financial assistance.

City of Aledo, Illinois

**DOWNTOWN BUILDING STABILIZATION, UPPER STORY LIVING & STOREFRONT
IMPROVEMENT LOAN PROGRAM APPLICATION CERTIFICATION FORM**

As applicant(s) for participation in the City of Aledo's Downtown Building Stabilization & Upper Story Living Loan Program, I/we acknowledge the following statements (sign initials on each line).

_____ To the best of my/our current knowledge, all information contained within the application is true and we hereby authorize the City of Aledo to verify any such information at its discretion.

_____ I/We have read and understand the Program Guidelines for Aledo Downtown Building Stabilization Upper Story Living Loan Program and agree to fully abide by said guidelines.

_____ I/We understand that my/our property must be located within the boundaries of the City of Aledo's Tax Increment Financing District (TIF) #1 in order to be eligible for program participation.

_____ I/We understand that a five (5) year contractual agreement will be signed with the City requiring prorated repayment of the City's financial injection in to the project in the event of: conversion of property to a non-commercial use; cessation of business operations; or, failure to properly maintain improvements to the property financed in part by the City.

_____ I/We understand that my/our financial share of the total project's cost must all be expended, and appropriate project progress documented, prior to the injection of any City funds into the project.

_____ I/We understand the Owner/Applicant will be responsible for securing all required municipal permits and paying all associated fees prior to the onset of work.

_____ Due to a limitation on the amount of available program dollar funds, I/we understand that an eligible completed application is not necessarily a guarantee of project funding.

_____ I/We understand that the Owner of the property, if not the Applicant, must give written approval for project participation prior to approval.

_____ I/We understand that the subject property must have at least the ground level floor space devoted to commercial use to qualify for program participation.

_____ I/We understand that, barring the occurrence of unforeseen circumstances beyond the control of me/us as the Applicant, I/we will be obligated to satisfactory complete the work items (max of 12 months with the eligible extension upon progress report submitted to City of Aledo City Hall) as listed in the application.

_____ I/We understand that upon submitting a completed application and building assessment report, approval and recommendation, City Council will vote to pre-approve application and City funds will be distributed upon inspected project completion.

_____ Complete quarterly update on progress and submit to City of Aledo City Hall.

Applicant(s) Signature: _____ Date: _____

_____ Date: _____

City of Aledo, Illinois

**DOWNTOWN BUILDING STABILIZATION, UPPER STORY LIVING & STOREFRONT
IMPROVEMENT LOAN PROGRAM APPLICATION REQUEST FORM**

Please complete and submit to City of Aledo City Hall

1. Name of Applicant(s):

(If Applicant is not Owner, application must be accompanied by written consent of Owner to participate in program)

2. Street Address:

PIN #:

3. Owner's Address:

Phone #:

4. Phone # of Applicant/Contact Person *(if different from Owner)*:

5. Is any portion of building leased? *(Y/N)*

6. If yes, please provide name and address of lessee:

7. Is the ground level floor space dedicated to commercial purposes?

8. Briefly describe the type of business operation presently, or that will occupy the building:

9. What is the approximate age of the building

10. Is the Owner of the property currently participating in any other City business assistance program?

11. Are you aware of any historical or architectural significance associated with the building?
(Y/N)

12. If yes, please explain:

- 13. Please provide a description of your proposed project stating what you intend to accomplish and how the planned work will enhance the function of the building
- 14. If the building includes commercial retail space, please provide a copy of your business plan.

15. How soon after possible approval by the City would you be able to begin your project?

16. Once started, how long will it take complete?

17. What is the total cost of planned eligible work? \$

18. From what sources and in what amounts, other than the City, will the money for this project be drawn? Please be specific:

19. Will the planned stabilization and renovation work result in the creation of any new jobs?
(Y/N)

20. If yes, how many full-time and/or part-time position will result?

Applicant(s) Signature: _____ Date: _____
 _____ Date: _____

FOR CITY STAFF USE ONLY

Date:

Staff Signature:

Amount Recommended: \$

Conditions, if any:

City Council

____ Approves

____ Does Not Approve

Date:

Mayor's Signature:

Amount Recommended: \$

Conditions, if any:

REQUIRED ATTACHMENT CHECKLIST

- ✓ Proof of building ownership.
- ✓ Concurrence of Owner to participate in program if Owner is not Applicant.
- ✓ Minimum of (2) qualified bids for all program eligible work to be performed, with suggestion to use local contractors.
- ✓ Copy of building assessment from a licensed structural engineer (if required). Any building assessment costs are considered eligible project costs.
- ✓ Documentation of the existence of other funding sources in appropriate amounts with suggestion to use local financial institutions when necessary.
- ✓ Current photographs of building showing all areas subject to improvement.
- ✓ Drawings depicting interior/exterior site plan project.
- ✓ Executed Applicant/Owner Certification Form.
- ✓ Letter from Applicant/Owner expressing need for financial assistance.
- ✓ Summary sheet of project.