City of Fairview Heights, Illinois

BUSINESS ASSISTANCE PROGRAMS

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The Retail Hub of Southern Illinois
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Section One

Business Assistance Programs Overview

In an effort to attract new business development and growth to the City of Fairview Heights plus stimulate residential and industrial development and assist existing firms to expand thereby increasing the local tax base and further providing job opportunities, the City Council of the City of Fairview Heights, Illinois, has established several programs to provide various financial incentives and inducements. One of the primary goals of the City of Fairview Heights is to provide a suitable environment and delivery of essential public services to attract and enhance new business development and investments as well as retain and help expand existing businesses. Such programs are:

1. Tax Increment Financing Program – TIF #3
2. Lincoln Trail TIF #3 Façade and Site Improvement
3. Business District (BD) Program
4. Economic Incentive Agreement (Sales Tax Rebate)
5. Fairview Heights TIF – TIF #4
6. Ludwig Drive TIF
7. State Route 159 North TIF
8. Enterprise Zone

1. Tax Increment Financing (TIF) Program Overview (Refers to Above Items 1, 5, 6, and 7)

“TIF” stands for Tax Increment Financing, which is an economic development tool created by, inter alia, the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq. (the Act), that communities can use to help revitalize an area and eliminate “blighting” factors that exist in the district as a whole.

When a TIF district is created, tax revenues generated based upon the equalized assessed value (i.e., the “base value”) of properties within the TIF district are distributed to each of the taxing districts in accordance with law. Over the 23-year life of the TIF district, tax revenues generated by increases in the equalized assessed value of those properties (i.e., the “incremental value”), are deposited into a TIF fund, which is administered by the City. Monies in the TIF fund can be used to offset eligible redevelopment projects costs, including, but not limited to, the costs of:

- Studies, surveys, plans, and specifications;
- Marketing sites to prospective business, developers, and investors;
- Property assembly costs, including but not limited to acquisition of land and other property, demolition of buildings, site preparation, as well as clearing and grading of land;
- Rehabilitation, reconstruction, repair, or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and
- Financing;
  * Excluded from eligibility are costs of construction of new privately-owned buildings.

One hundred percent of Developer’s labor will be provided by contractors using labor provided by participating member trade unions affiliated with the Southwestern Illinois Building and Trades Council.

The City of Fairview Heights will entertain any serious efforts to create additional Tax Increment Finance Districts, but such TIF districts must meet specific criteria set forth in, inter alia, the Act. Landowners, developers, investors, or other applicants seeking to obtain TIF assistance must complete a Business Assistance Program Application (See Appendix 1). If, upon completion of the Business Assistance Program Application
Review Process set forth in Section Two herein, the Letter of Intent is approved, the City will prepare a “Development Agreement.” Prior to the City executing the Development Agreement, the applicant must pay a “Business Assistance Program Application Fee” (the Fee) equal to 2% of the Total Project Cost, not-to-exceed $500.00. The Fee covers the costs of legal review, analysis, and processing of the application. The Fee is non-refundable, but should the project be delayed or terminated by actions of the City of Fairview Heights, such fee will be reimbursed.

2. Lincoln Trail TIF Façade & Site Improvement Program Overview

The Lincoln Trail TIF Façade & Site Improvement Program has been designed to promote the attraction and retention of business operations and enhance the interest in visiting the Lincoln Trail Corridor and Market Place Center. Property owners who utilize the program to make improvements are investing in the Lincoln Trail Redevelopment Area and over time will foster other owners to undertake improvements, and ultimately the taxable value of these improved properties will increase.

The Lincoln Trail TIF Façade & Site Improvement Program offers a reimbursement grant at various percentages of the project cost based on the number of improvements made. The maximum amount available is capped at $75,000 for those applicants who qualify for the program. The following eligibility requirements apply:

**Property Eligibility**
- Property must be located within boundaries of the Lincoln Trail TIF District (See Map A);
- Subject structure must have at least 50% of total floor space devoted to commercial use;
- Proposed improvements to façade and site must be visible from public right-of-way; and
- Property must be subject to payment of property taxes.

**Applicant Eligibility**
- Applicant must be the property owner;
- Property must be current on any payments for taxes, mortgages and City service accounts;
- Projects that have begun principle construction or façade and site alterations before final City Council grant approval will be ineligible for the façade and site improvements program;
- Owner must pay 100% of project costs prior to receiving facade and site grant; and
- Owner must obtain two qualified contractor bids. One hundred percent of Developer’s labor must be provided by contractors using labor provided by participating member trade unions affiliated with the Southwestern Illinois Building and Trades Council.

**Project Eligibility**
- Detailed descriptions and photographic examples of the twenty six categories of eligible enhancements/improvements to building exteriors and sites begin on Page 25 of this document, including the Lincoln Trail Corridor Development Standards – Checklist, Pages 41-42.

Note: General repair or maintenance work is NOT considered eligible improvements.
Limitations
- All work must be performed in compliance with the City of Fairview Heights’ Building and Development Codes. Owner must obtain Certificate of Completion from City Code Enforcements Office prior to disbursement of façade and site grant monies;
- Work involving structural members may, at the discretion of the City Code Enforcement Office, require the certificate of a registered architect or engineer;
- Changes to the project plan after City Council approves the façade and site grant application, that significantly or materially alter the scope of work or aesthetic quality of the façade and site may be disqualified. To remain eligible, such projects must submit changes to the Director of Land Use, Planning and Community Development for approval;
- Buildings receiving façade and site grants will be ineligible to receive additional façade and site grants for 36 months (3 years) after disbursement of funds;
- Applicants will be required to submit a rendering of the project showing proposed façade improvements as well as site plan improvements with the application. The rendering need not be done by an architect or paid artist, but must accurately represent the intent, scope of work, and aesthetics the project is planned to achieve; and
- Property must remain primarily commercial (50% or more of floor space) and be reasonably maintained for a minimum of three (3) years following completion of the façade and site work, and real estate taxes paid timely, or a portion of the grant will be returned to the City.

Landowners, developers, investors, or other applicants seeking to obtain TIF Façade and Site assistance must complete a Business Assistance Program Application (See Appendix 1). If, upon completion of the Business Assistance Program Application Review Process set forth in Section Two herein, the Letter of Intent is approved, the City will prepare a “Development Agreement.” Prior to the City executing the Development Agreement, the applicant must pay a “Business Assistance Application Fee” (the fee) equal to 2% of the Total Project Cost, not to exceed $500.00. The fee covers the cost of legal review, analysis, and processing of the application. The Fee is non-refundable, but should the project be delayed or terminated by actions of the City of Fairview Heights, such fee will be reimbursed.

3. Business District (BD) Program Overview

The creation of Business Districts is yet another tool that municipalities can use to stimulate economic activity, create and maintain jobs, increase tax revenues, as well as encourage the creation of new and lasting infrastructure, other improvements, and facilities, pursuant to the Business District Development and Redevelopment Law, 65 ILCS 5/11-74.3-1, et seq. (the “Business District Law”). The “Shoppes at St. Clair Square Business District” (See Appendix Map C), is one example of such a Business District. The City will entertain any serious efforts to create additional Business Districts, but such districts must meet the criteria and follow the process set forth in, inter alia, the Business District Law, 65 ILCS 5/11-74.3-2.

A Business District is a special district in which the municipality is authorized to undertake certain pubic improvements to be financed, in certain instances, through the issuance of notes or bonds that are, in turn, retired by the levy of a sales tax within the geographic boundaries of the Business District. The municipality may also reimburse developers, owners, investors, or other applicants for eligible “Business District Project Costs.” Eligible business district project costs include, but are not limited to, the cost of:

- Studies, surveys, plans, and specifications;
• Property assembly costs, including but not limited to acquisition of land and other property, demolition of buildings, site preparation, as well as clearing and grading of land;
• Installation, repair, construction, reconstruction, extension, or relocation of public streets, utilities, and other public site improvements;
• Renovation, rehabilitation, reconstruction, relocation, repair, or remodeling of any existing buildings, improvements, and fixtures within the Business District;
• Installation or construction within the Business District of buildings, structures, works, streets, improvements, equipment, utilities, or fixtures; and
• Financing.

In certain instances, if the municipality approves a Business District development or redevelopment plan, it may impose a retailers’ occupation, service occupation, or hotel operators’ occupation tax in the Business District, at a rate not to exceed 1% of the gross receipts from sales, adjusted only in 0.25% increments. Proposed business district development or redevelopment plans shall set forth, in writing, the following:

• A specific description of the proposed boundaries of the district, including a map illustrating the boundaries;
• A general description of each project proposed to be undertaken within the Business District, including a description of the approximate location of each project and a description of any developer, user, or tenant of any property to be located or improved within the proposed Business District;
• The name of the proposed Business District;
• The estimated Business District project costs;
• The anticipated type and terms of any obligations to be issued; and
• The rate of any tax to be imposed subject to the Business District Law and the period of time for which the tax shall be imposed.

If, upon completion of the Business Assistance Program Application Review Process set forth in Section Two herein, the Letter of Intent is approved, the City will prepare a “Development Agreement.” Prior to the City executing the Development Agreement, the applicant must pay a “Business Assistance Application Fee” (the fee) equal to 2% of the Total Project Cost, not to exceed $500.00. The fee covers the cost of legal review, analysis, and processing of the application. The Fee is non-refundable, but should the project be delayed or terminated by actions of the City of Fairview Heights, such fee will be reimbursed.

Land owners, developers, investors, or other applicants seeking to obtain Business District Program assistance must complete a Business Assistance Program Application (See Appendix 1).

4. Economic Incentive Agreement Program Overview (Sales Tax Rebate)

Sales Tax Rebates are another tool which the City of Fairview Heights uses to stimulate economic activity, as well as to create and maintain jobs relating to development or redevelopment of land within its corporate limits. Examples of developments in which Sales Tax Rebates were made available to developers and/or companies include Lincoln Place II, Old Time Pottery, the Shoppes at St. Clair, and Fairview City Centre.

A Sales Tax Rebate allows a developer or a company to undertake a project anywhere in the municipal limits and utilize a negotiated dollar amount rebate from the City over a period of years to assist in financing a portion of the Total Project Cost. The negotiated dollar amount rebate can be drawn from the City’s 2% Sales Tax it
controls. Specifically, the State 1% Occupational Tax and the 1% Home Rule Tax, subject to limitations provided by law. 65 ILCS 5/8-11-21.

Before entering into the agreement authorized by this section, the corporate authorities shall make the following findings pursuant to 65 ILCS 5/8-11-20:

1. If the property subject to this agreement is vacant:
   
   (A) That the property has remained vacant for at least one year, or
   
   (B) That any building located on the property was demolished within the last year and that the building would have qualified under findings (2) of this section;

2. If the property subject to the agreement is currently developed:
   
   (A) That the buildings on the property no longer comply with current building codes, or
   
   (B) That the buildings on the property have remained less than significantly unoccupied or underutilized for a period of at least one year;

3. That the project is expected to create or retain job opportunities within the municipality;

4. That the project will serve to further the development of adjacent areas;

5. That without the agreement, the project would not be possible;

6. That the developer meets high standards of creditworthiness and financial strength as demonstrated by one or more of the following:
   
   (A) Corporate debenture ratings of BBB or higher by Standard & Poor’s Corporation or Baa or higher by Moody’s Investors Service, Inc.;
   
   (B) A letter from a financial institution with assets of $10,000,000 or more attesting to the financial strength of the developer; or
   
   (C) Specific evidence of equity financing for not less than 10% of the total project costs;

7. That the project will strengthen the commercial sector of the municipality;

8. That the project will enhance the tax base of the municipality; and

9. That the agreement is made in the best interest of the municipality.

If, upon completion of the Business Assistance Program Application Review Process set forth in Section Two herein, the Letter of Intent is approved, the City will prepare a “Development Agreement.” Prior to the City executing the Development Agreement, the applicant must pay a “Business Assistance Application Fee” (the fee) equal to 2% of the Total Project Cost, not to exceed $500.00. The fee covers the cost of legal review, analysis, and processing of the application. The Fee is non-refundable, but should the project be delayed or terminated by actions of the City of Fairview Heights, such fee will be reimbursed.

Land owners, developers, investors, or other applicants seeking to obtain Business District Program assistance must complete a Business Assistance Program Application (See Appendix 1).
5. **Enterprise Zone Overview**

The above is a map of the Fairview Heights Enterprise Zone. The size of the Enterprise Zone is 0.8 sq. miles. The boundary of the Enterprise Zone includes all property in the existing Lincoln Trail Tax Increment Financing (TIF) area and all property in the Fairview Heights TIF #4, Ludwig Drive TIF, and the State Route 159 TIF. A 5-foot strip along St. Clair Avenue is used to connect these areas in the Enterprise Zone. In addition, the City has also placed commercial properties on the south side of Ludwig Drive at Fairview Heights Plaza within the boundary of the Enterprise Zone. The size of the Enterprise Zone is within size limitations established by the Illinois Enterprise Zone Act (20 ILCS 655/1 et seq.).

The Local Labor Market Area (LLMA) for the Fairview Heights Enterprise Zone is St. Clair County. The LLMA is contiguous, compact, comprised of entire census tracts, located entirely within the State of Illinois, and is an area within which residents of the LLMA can easily change jobs and do not have to relocate outside of its boundaries.
Enterprise Zone Goals and Objectives

(1) Make Lincoln Trail TIF corridor a viable commercial retail portion of the City:
   a. Ongoing redevelopment efforts along Lincoln Trail TIF corridor (public/private effort)
   b. Provide additional Enterprise Zone incentive to existing Lincoln Trail TIF;
   c. Create uniformity and new “development standard” for this commercial corridor;
   d. Use Enterprise Zone incentive to convert uses along Lincoln Trail to commercial; and
   e. Incorporate mixed-use combined retail and residential centers along Lincoln Trail.

(2) Fill vacancies and redevelop Fairview Heights Plaza at IL 159 and Ludwig (public/private):
   a. Work with property owner on façade, landscaping and parking lot improvements;
   b. Bring building interiors up to code compliance; subdivide building space for new users; and
   c. Remediate physical environmental obstacles required to (re)develop 72 acres of vacant property across railroad tracks.

(3) Create mixed-use destination district surrounding Fairview Heights MetroLink station:
   a. Utilize four-phase 20-year plan developed by OneSTL to redevelop existing uses into new mixed-use district and develop new Arrowhead industrial park;
   b. Utilize Enterprise Zone and TIF incentives to offset high property tax rates;
   c. Incorporate senior living component into mixed-use district surrounding MetroLink; and
   d. Work with MetroLink to improve/lease Metro property before making improvements.

The Illinois Enterprise Zone Program is designed to stimulate economic growth and neighborhood revitalization in economically depressed areas of the state through state and local tax incentives, regulatory relief, and improved governmental services. Businesses located or expanding in an Illinois Enterprise Zone may be eligible for the following state and local tax incentive:

State Incentives and Exemptions

- Exemption on retailers’ occupation tax paid on building materials;
- An investment tax credit of 0.5% of qualified property;
- Expanded state sales tax exemptions on purchases of personal property used or consumed in the manufacturing process or in the operation of a pollution control facility;
- An exemption on the state utility tax for electricity and natural gas; and
- An exemption on the Illinois Commerce Commission’s administrative charge and telecommunication excise tax.

Exemptions are available for companies that make minimum investments that either create or retain a certain number of jobs. These exemptions require a business to make application to, and be certified by, the Illinois Department of Commerce.

Local Incentives and Exemptions

In addition to state incentives, each zone offers local incentives to enhance business development projects. Each zone has a designated local zone administrator responsible for compliance and is available to answer questions. To receive a Certificate of Eligibility for Sales Tax Exemption, you must contact the local zone administrator of the zone into which purchased building materials will be incorporated.
Section Two

Business Assistance Programs
Application Review Procedures

1. Tax Increment Financing Programs Application Review Procedures
   (Including Lincoln Trail TIF Façade and Site Improvement Program)

NOTE: The Application Review Procedures set forth herein govern only TIF Programs Applications. Review and approval procedures for Site Development Plan Review Applications (See Appendix 2), Zoning Applications (See Development Code), and any other applications are separate from the review and approval process set forth herein.

(1) Applicants must first complete and submit the Business Assistance Programs Application (See Appendix 1) to City’s Director of Economic Development.

(2) Upon receipt of a fully completed Business Assistance Programs Application (hereinafter “application”), the Director of Economic Development shall review and distribute the application to the Mayor, City Administrator, Director of Land Use, Planning, and Development, and the Finance Director (hereinafter the “Business Assistance Program Review Panel or Review Panel”) for preliminary review. The application shall also be submitted to the City Attorney for preliminary review. The Review Panel and the City Attorney shall conduct a preliminary review of the application using the following criteria:

a. Soundness of the applicant’s proposed project;

b. Legal compliance of projects with applicable State Statutes, local ordinances, policies, and guidelines;

c. The nature and extent to which the proposed project furthers the goals and objectives of the Tax Increment Financing Redevelopment Plan or the Business District Plan;

d. Public Benefits: net tax generation, job creation, economic stimulation;

e. Financial feasibility of the project’s success; and

f. Any other areas of concern regarding the proposed project.

(3) Within two (2) weeks* of distribution, the Review Panel will convene privately to discuss the project.

(4) Within two (2) weeks* after the Review Panel convenes, the applicant will be contacted to schedule a presentation of the project to the Review Panel.

(5) Within two (2) weeks* after the date on which the applicant presents the project to the Review Panel, the Economic Development Director shall prepare and submit a letter to the applicant (letter to the applicant) outlining the strengths and weaknesses of the project, including an explanation of any changes required before the application can advance, with copy to the Lincoln Trail TIF Committee.
Within two (2) weeks* after the date on which the letter to the applicant is sent, or within ten (10) weeks* after the application is initially distributed to the Review Panel, whichever is later, the applications will be placed onto the agenda for the next regularly scheduled public meeting of the Committee meeting. If, after two weeks from the date on which the letter to the applicant was sent, the application fails to meet the requirements outlined in the letter to the applicant, such application shall be deemed withdrawn.

Upon receipt of an application which meets the requirements outlined in the letter to the applicant, the Economic Development Department shall prepare a Staff Advisory Report outlining the strengths and weaknesses of the project for the benefit and assistance of the Committee in considering the application. The Economic Development Department shall also prepare a Letter of Intent (See Appendix 3) for the benefit and assistance of the Committee in reviewing the project.

After consideration by the Committee at a public meeting, the Committee shall review and consider the Letter of Intent and recommend either approval of the Letter of Intent or denial of the application, to the Finance Committee.

At the next regularly scheduled meeting of the Finance Committee, the Committee shall review and consider the recommendation of the Committee on the Letter of Intent and shall recommend either approval of the Letter of Intent or denial of the application, to the City Council. If the Finance Committee approves the Letter of Intent, it shall sponsor a Resolution approving the Letter of Intent before the City Council.

At the next regularly scheduled meeting of the City Council, the Council shall review and consider a Resolution approving the Letter of Intent. The City Council shall approve the Resolution, deny the application, or refer the matter back to the Finance Committee with directions for reconsideration. If the City Council approves the Resolution by a simple majority of a quorum of the members present, the Economic Development Department shall begin preparing and negotiate a Development Agreement with the applicant. The Review Panel and City Attorney shall participate in the negotiation process as necessary. The City Clerk shall make available for public inspection the redevelopment plan under which the proposed project shall proceed.

Upon payment of the Business Assistance Program Application Fee, the proposed Development Agreement shall be placed onto the agenda for the next regularly scheduled Finance Committee meeting, at which the Finance Committee shall review the proposed Development Agreement. The Finance Committee shall either refer the matter back to the Economic Development Department with directions for further revisions or approve the proposed Development Agreement and advance it to the City Council for review.**

If the Finance Committee approves the Development Agreement, it must sponsor a Resolution fixing a time and place for a Public Hearing before the City Council on the proposed Development Agreement. The City shall provide notice of the Public Hearing in accordance with Section 36-3-3 of the City Code and the Tax Increment Allocation Redevelopment Act (the Act), 65 ILCS 5/11-74.4-6.

The Finance Committee must also sponsor a Resolution authorizing the Mayor to enter into the proposed Development Agreement, to be considered by City Council at the Public Hearing.

**
(14) If the City Council approves the Resolution authorizing the Mayor to enter into the Proposed Development Agreement, the City Council shall adopt an Ordinance with fourteen (14) to ninety (90) days from the completion of the Public Hearing as required by Section 3-6-4 of the City Code and the Act, 65 ILCS 5/11-74.4-4. Upon adoption of the Ordinance, the City Clerk shall forward a certified copy of the Ordinance, legal description of the redevelopment project area, map of the redevelopment project area, identification of the year that the County Clerk shall use for determining the total initial equalized assessed value of the redevelopment project area, and a list of the parcel or tax identification number of each parcel of property including in the redevelopment project area. 65 ILCS 5/11-74.4-4.

(15) The City Council reserves the right to reject Business Assistance Program applications without cause.

(16) The City Council reserves the right to waive the processes set forth herein, except those required by State Statute, upon good cause shown by the applicant.

*The time frames stated herein, except where required by statute, are advisory and not mandatory. Depending upon the complexity of the application, the City estimates that the Business Assistance Program Application review process will be completed within three (3) to four (4) months.

**Until City Council approves the Development Agreement, no construction shall commence and no costs should be incurred.
2. **Business District (“BD”) Program Application Review Procedures**

NOTE: The Application Review Procedures set forth herein govern only BD Program Applications.

1. Applicants must first complete and submit the Business Assistance Programs Application (See Appendix 1) to City’s Director of Economic Development.

2. Upon receipt of a fully completed Business Assistance Programs Application (hereinafter “application”), the Director of Economic Development shall review and distribute the application to the Mayor, City Administrator, Director of Land Use, Planning, and Development, and the Finance Director (hereinafter the “Business Assistance Program Review Panel or Review Panel”) for preliminary review. The application shall also be submitted to the City Attorney for preliminary review.

3. Within two (2) weeks* of distribution, the Review Panel will convene privately to discuss the project.

4. Within two (2) weeks* after the Review Panel convenes, the applicant will be contacted to schedule a presentation of the project to the Review Panel.

5. Within two (2) weeks* after the date on which the applicant presents the project to the Review Panel, the Economic Development Director shall prepare and submit a letter to the applicant (letter to the applicant) outlining the strengths and weaknesses of the project, including an explanation of any changes required before the application can advance, with copy to the Economic Development Commission.

6. Within two (2) weeks* after the date on which the letter to the applicant is sent, or within ten (10) weeks* after the application is initially distributed to the Review Panel, whichever is later, the applications will be placed onto the agenda for the next regularly scheduled public meeting of the Commission meeting. If, after two weeks from the date on which the letter to the applicant was sent, the application fails to meet the requirements outlined in the letter to the applicant, such application shall be deemed withdrawn.

7. Upon receipt of an application which meets the requirements outlined in the letter to the applicant, the Economic Development Department shall prepare a Staff Advisory Report outlining the strengths and weaknesses of the project for the benefit and assistance of the Commission in considering the application. The Economic Development Department shall also prepare a Letter of Intent (See Appendix 3) for the benefit and assistance of the Commission in reviewing the project.

8. After consideration by the appropriate Commission at a public meeting, the respective Commission shall review and consider the Letter of Intent and recommend either approval of the Letter of Intent or denial of the application, to the Finance Committee.

9. At the next regularly scheduled meeting of the Finance Committee, the Committee shall review and consider the recommendation of the Commission on the Letter of Intent and shall recommend either approval of the Letter of Intent or denial of the application, to the City Council. If the Finance Committee approves the Letter of Intent, it shall sponsor a Resolution approving the Letter of Intent before the City Council.
At the next regularly scheduled meeting of the City Council, the Council shall review and consider a Resolution approving the Letter of Intent. The City Council shall approve the Resolution, deny the application, or refer the matter back to the Finance Committee with directions for reconsideration. If the City Council approves the Resolution by a simple majority of a quorum of the members present, the Economic Development Department shall begin preparing and negotiate a Development Agreement with the applicant. The Review Panel and City Attorney shall participate in the negotiation process as necessary.

Upon payment of the Business Assistance Program Application Fee, the proposed Development Agreement shall be placed onto the agenda for the next regularly scheduled Finance Committee meeting, at which the Finance Committee shall review the proposed Development Agreement. The Finance Committee shall either refer the matter back to the Economic Development Department with directions for further revisions or approve the proposed Development Agreement and advance it to the City Council for review.

If the Finance Committee approves the proposed Development Agreement, it must sponsor a Resolution authorizing the Mayor to enter into the proposed Development Agreement, to be considered by City Council at its next regularly scheduled meeting. The City Council shall consider the proposed Development Agreement and either approve the Resolution, deny it, or refer the matter back to the Finance Committee with directions for reconsideration.

The City Council reserves the right to reject any Business Assistance Program application without cause.

The City Council reserves the right to waive the processes set forth herein, upon good cause shown by the applicant.

*The time frames stated herein, except where required by statute, are advisory and not mandatory. Depending upon the complexity of the application, the City estimates that the Business Assistance Program Application review process will be completed within three (3) to four (4) months.

**Until City Council approves the Development Agreement, no construction shall commence and no costs should be incurred.
3. **Economic Incentive Agreement (Sales Tax Rebate)**


1. Applicants must first complete and submit the Business Assistance Programs Application (See Appendix 1) to City’s Director of Economic Development.

2. Upon receipt of a fully completed Business Assistance Programs Application (hereinafter “application”), the Director of Economic Development shall review and distribute the application to the Mayor, City Administrator, Director of Land Use, Planning, and Development, and the Finance Director (hereinafter the “Business Assistance Program Review Panel or Review Panel”) for preliminary review. The application shall also be submitted to the City Attorney for preliminary review.

3. Within two (2) weeks* of distribution, the Review Panel will convene privately to discuss the project.

4. Within two (2) weeks* after the Review Panel convenes, the applicant will be contacted to schedule a presentation of the project to the Review Panel.

5. Within two (2) weeks* after the date on which the applicant presents the project to the Review Panel, the Economic Development Director shall prepare and submit a letter to the applicant (letter to the applicant) outlining the strengths and weaknesses of the project, including an explanation of any changes required before the application can advance, with copy to the Economic Development Commission.

6. Within two (2) weeks* after the date on which the letter to the applicant is sent, or within ten (10) weeks* after the application is initially distributed to the Review Panel, whichever is later, the applications will be placed onto the agenda for the next regularly scheduled public meeting of the Commission. If, after two weeks from the date on which the letter to the applicant was sent, the application fails to meet the requirements outlined in the letter to the applicant, such application shall be deemed withdrawn.

7. Upon receipt of an application which meets the requirements outlined in the letter to the applicant, the Economic Development Department shall prepare a Staff Advisory Report outlining the strengths and weaknesses of the project for the benefit and assistance of the Commission in considering the application. The Economic Development Department shall also prepare a Letter of Intent (See Appendix 3) for the benefit and assistance of the Commission in reviewing the project.

8. After consideration by the appropriate Commission at a public meeting, the respective Commission shall review and consider the Letter of Intent and recommend either approval of the Letter of Intent or denial of the application, to the Finance Committee.

9. At the next regularly scheduled meeting of the Finance Committee, the Committee shall review and consider the recommendation of the Commission on the Letter of Intent and shall recommend either approval of the Letter of Intent or denial of the application, to the City Council. If the Finance Committee approves the Letter of Intent, it shall sponsor a Resolution approving the Letter of Intent before the City Council.
(10) At the next regularly scheduled meeting of the City Council, the Council shall review and consider a Resolution approving the Letter of Intent. The City Council shall approve the Resolution, deny the application, or refer the matter back to the Finance Committee with directions for reconsideration. If the City Council approves the Resolution by a simple majority of a quorum of the members present, the Economic Development Department shall begin preparing and negotiate a Development Agreement with the applicant. The Review Panel and City Attorney shall participate in the negotiation process as necessary.

(11) Upon payment of the Business Assistance Program Application Fee, the proposed Development Agreement shall be placed onto the agenda for the next regularly scheduled Finance Committee meeting, at which the Finance Committee shall review the proposed Development Agreement. The Finance Committee shall either refer the matter back to the Economic Development Department with directions for further revisions or approve the proposed Development Agreement and advance it to the City Council for review.**

(12) If the Finance Committee approves the proposed Development Agreement, it must sponsor a Resolution authorizing the Mayor to enter into the proposed Development Agreement, to be considered by City Council at its next regularly scheduled meeting. The City Council shall consider the proposed Development Agreement and either approve the Resolution, deny it, or refer the matter back to the Finance Committee with directions for reconsideration.

(13) The City Council reserves the right to reject any Business Assistance Program application without cause.

(14) The City Council reserves the right to waive the processes set forth herein, upon good cause shown by the applicant.

*The time frames stated herein, except where required by statute, are advisory and not mandatory. Depending upon the complexity of the application, the City estimates that the Business Assistance Program Application review process will be completed within three (3) to four (4) months.

**Until City Council approves the Development Agreement, no construction shall commence and no costs should be incurred.
4. **Enterprise Zone Application Review Procedures**

NOTE: The Application Review Procedures set forth herein govern **only** Enterprise Zone Applications.

1. Applicants must first complete and submit the Business Assistance Programs Application (See Appendix 1) to City’s Director of Economic Development.

2. Upon receipt of a fully completed Business Assistance Programs Application (hereinafter “application”), the Director of Economic Development shall review and distribute the application to the Mayor, City Administrator, Director of Land Use, Planning, and Development, and the Finance Director (hereinafter the “Business Assistance Program Review Panel or Review Panel”) for preliminary review. The application shall also be submitted to the City Attorney for preliminary review.

3. Within two (2) weeks* of distribution, the Review Panel will convene privately to discuss the project.

4. Within two (2) weeks* after the Review Panel convenes, the applicant will be contacted to schedule a presentation of the project to the Review Panel.

5. Within two (2) weeks* after the date on which the applicant presents the project to the Review Panel, the Economic Development Director shall prepare and submit a letter to the applicant (letter to the applicant) outlining the strengths and weaknesses of the project, including an explanation of any changes required before the application can advance, with copy to the Economic Development Commission.

6. Within two (2) weeks* after the date on which the letter to the applicant is sent, or within ten (10) weeks* after the application is initially distributed to the Review Panel, whichever is later, the applications will be placed onto the agenda for the next regularly scheduled public meeting of the Commission. If, after two weeks from the date on which the letter to the applicant was sent, the application fails to meet the requirements outlined in the letter to the applicant, such application shall be deemed withdrawn.

7. Upon receipt of an application which meets the requirements outlined in the letter to the applicant, the Economic Development Department shall prepare a Staff Advisory Report outlining the strengths and weaknesses of the project for the benefit and assistance of the Commission in considering the application. The Economic Development Department shall also prepare a Letter of Intent (See Appendix 3) for the benefit and assistance of the Commission in reviewing the project.

8. After consideration by the appropriate Commission at a public meeting, the respective Commission shall review and consider the Letter of Intent and recommend either approval of the Letter of Intent or denial of the application, to the Finance Committee.

9. At the next regularly scheduled meeting of the Finance Committee, the Committee shall review and consider the recommendation of the Commission on the Letter of Intent and shall recommend either approval of the Letter of Intent or denial of the application, to the City Council. If the Finance Committee approves the Letter of Intent, it shall sponsor a Resolution approving the Letter of Intent before the City Council.
(10) At the next regularly scheduled meeting of the City Council, the Council shall review and consider a Resolution approving the Letter of Intent. The City Council shall approve the Resolution, deny the application, or refer the matter back to the Finance Committee with directions for reconsideration. If the City Council approves the Resolution by a simple majority of a quorum of the members present, the Economic Development Department shall begin preparing and negotiate a Development Agreement with the applicant. The Review Panel and City Attorney shall participate in the negotiation process as necessary.

(11) Upon payment of the Business Assistance Program Application Fee, the proposed Development Agreement shall be placed onto the agenda for the next regularly scheduled Finance Committee meeting, at which the Finance Committee shall review the proposed Development Agreement. The Finance Committee shall either refer the matter back to the Economic Development Department with directions for further revisions or approve the proposed Development Agreement and advance it to the City Council for review.**

(12) If the Finance Committee approves the proposed Development Agreement, it must sponsor a Resolution authorizing the Mayor to enter into the proposed Development Agreement, to be considered by City Council at its next regularly scheduled meeting. The City Council shall consider the proposed Development Agreement and either approve the Resolution, deny it, or refer the matter back to the Finance Committee with directions for reconsideration.

(13) The City Council reserves the right to reject any Business Assistance Program application without cause.

(14) The City Council reserves the right to waive the processes set forth herein, upon good cause shown by the applicant.

If, upon completion of the Business Assistance Program Application Review Process set forth in Section Two herein, the Letter of Intent is approved, the City will prepare a “Development Agreement.” Prior to the City executing the Development Agreement, the applicant must pay a “Business Assistance Application Fee” (the fee) equal to 2% of the Total Project Cost, not to exceed $500.00. The fee covers the cost of legal review, analysis, and processing of the application. The Fee is non-refundable, but should the project be delayed or terminated by actions of the City of Fairview Heights, such fee will be reimbursed.

*The time frames stated herein, except where required by statute, are advisory and not mandatory. Depending upon the complexity of the application, the City estimates that the Business Assistance Program Application review process will be completed within three (3) to four (4) months.

**Until City Council approves the Development Agreement, no construction shall commence and no costs should be incurred.
NOTE: The Flow Sheet is intended to provide a graphic depiction of the Business Assistance Program Application Review Process described more fully in Section Two herein. To the extent information contained on this chart conflicts with the processes described above, the process described above control. Filing of an application does not guarantee that it will be approved by City Council. City Council reserves the right to deny an application without cause. The Flow Sheet sets forth the Business Assistance Program Review Process, assuming that the application is approved at each step in the process.

*Review Panel consists of the Mayor, City Administrator, Director of Economic Development, Director of Land Use and Planning, and the Director of Finance. Review Panel meetings are open to the Public and an agenda will be posted when the Review Panel meets.
Section Three
Maps

EXHIBIT A

Lincoln Trail TIF #3 District

ESTABLISHED IN 2007
Fairview Heights (Bunkum Road) TIF District

Established in 2003
City Limits Map of Fairview Heights

Any commercial project within the Corporate Limits of the City of Fairview Heights is eligible to apply for the Economic Incentive Agreement (Sales Tax Rebate Program)
EXHIBIT E

Lincoln Trail TIF Façade

Legend
- Red development project area

Lincoln Trail TIF Façade and Site Improvement Program

PROGRAM ADOPTED IN 2015

24
The objective of applicants incorporating the following exterior building and site enhancements is based on the requirement that the enhancements would be of good to high quality products that, if incorporated, would result in a significant aesthetic upgrade to the architectural character and appearance of their building to the public. Precedent images are shown to convey the intent and provide a representative range of the types of enhancements preferred by the City.

A. Exterior Building Elements

1. **WALLS** - Changes to exterior wall materials/colors - This category would include items such as upgrading to cement-based (i.e. Hardie Board), masonry or other durable siding products with a range of aesthetic finish options in place of lesser quality siding products such as wood or wood-based and basic metal panel systems. Color palettes for exterior building materials must be compatible with or from one of the four earth-tone color palettes below that are preferred by the City. A blend of the colors below from the four preferred palettes would be acceptable if approved by the City.

Note: For metal panel systems, upgrading the panel finishes to include two or more colors from the preferred color pallets including the use of accent colors to break up large expanses of one color is considered an acceptable color upgrade.

*Exterior Materials and Color Palettes for Buildings – Earth-Tones with Complimentary Accent Colors*

**Color Palette 1**

**Color Palette 2**

**Color Palette 3**

**Color Palette 4**
Since there is such a range of building styles present along the corridor, using some combination of these earth-tone color palettes with appropriate accent colors when renovating buildings along the corridor would provide a harmonious, relatively uniform range of exterior building colors. In combinations with utilizing appropriate design elements from the preferred type and style of enhancement treatments that follow, architectural diversity can be balanced with some unifying elements to provide the corridor with a subtle, yet apparent visual theme.

2. **PARAPET WALLS** - Addition of ornamental/architectural panels to emulate parapet walls - This category would include items such as finished aluminum, steel or EFIS panel systems to extend the wall height to create the appearance of parapet wall or to better balance the building length to height proportion and scale. Colors for these materials must be compatible with one of the four, or an approved blend of the four earth-tone color palettes preferred by the City.

3. **BUILDING FAÇADES** - Addition of architectural wall panels to add functional/visual architectural interest. - This category would include items such as finished aluminum, steel or EFIS panel systems to add visual interest to building facades. These materials could include sun shade panels, panels with geometric patterns or shapes, canopy systems, etc., and could be added to accentuate building entries, corners of buildings or other areas that would add aesthetic interest to the building façade. Colors for these materials must be compatible with one of the four, or an approved blend of the four earth-tone color palettes preferred by the City.

4. **ARCHITECTURAL ORNAMENTATION** - Addition of other exterior building elements (faux columns/beams, etc.) to break up long homogeneous facades. - Similar to the above category, this category would include items such as finished aluminum, steel or EFIS panel systems to break up large expanses of homogenous wall materials and add visual interest to building facades. Locations of these items must be compatible with the overall building architectural style and aesthetic. Colors for these materials must be compatible with one of the four, or an approved blend of the four earth-tone color palettes preferred by the City.
Building Façade Treatments and Architectural Ornamentation
5. **ROOFING** - Changes to exterior roof materials/colors. - This category would include items such as upgrading to fiberglass or asphalt architectural shingles, standing seam metal or other durable roofing products with a range of aesthetic finish options in place of lesser quality roofing products. Colors for roofing materials must be compatible with one of the four, or an approved blend of the four earth-tone color palettes preferred by the City.

*Roofing Materials in compatible colors.*
6. **DOORS & WINDOWS** - Adding and/or enhancing doors and windows. This category would include items such as adding accent trim or other similar window treatments to existing windows or upgrading to good to high quality, *energy efficient* windows or where applicable, storefront products with a range of aesthetic finish options. Color for door and window materials must be compatible with one of the four, or an approved blend of the four earth-tone color palettes preferred by the City.

7. **AWNINGS** - Addition of architecturally compatible awnings. This category would include adding new awnings in significant quantities or upgrading to higher quality awnings with enhanced architectural character that makes a tasteful enhancement to the exterior building façade. Colors for awning materials must be compatible with one of the four, or an approved blend of the four earth-tone color palettes preferred by the City. (Note: On a case by case basis signage incorporated with acceptable style awnings could be considered an upgrade if approved by the City. Refer to sign section below.)

8. **SHUTTERS** - Addition of architecturally compatible shutters. This category, similar to awnings discussed in Item 7 above, would include adding new shutters of good quality and in significant quantities or upgrading to a higher quality shutter with enhanced architectural character that makes a tasteful enhancement to the exterior building façade. Colors for shutter materials must be compatible with one of the four, or an approved blend of the four earth-tone color palettes preferred by the City.

*Examples of Doors, Windows and Awnings in compatible color ranges.*
9. **BUILDING - ARCHITECTURAL FAÇADE LIGHTING** – Addition of architectural façade lighting. This category would include accent lighting on building facades and could include up-lighting or down-lighting of specific portions of the building for interest or wall washes or general, overall building exterior lighting treatments. Design of such lighting must not contribute to light trespass or create glare and distraction that would conflict with the safe operation of vehicles in adjacent parking areas or roads. The finish and style of façade lighting materials must be compatible with the overall building architectural style and aesthetic and colors compatible with one of the four, or an approved blend of the four earth-tone color palettes preferred by the City. **The use of LED and solar lighting fixtures is strongly encouraged.**

Examples of Lighting Fixtures in preferred styles and compatible color ranges.

10. **EQUIPMENT SCREENING** - Screening visual clutter on roofs such as HVAC Units, cooler towers or electrical equipment. This category of enhancements includes screening of roof-top HVAC units from public view through the use of finished metal screening panel systems, parapet walls of masonry, EFIS, etc., or similar types of screening systems. Colors for these screening materials must be compatible with one of the four, or an approved blend of the four earth-tone color palettes preferred by the City.
B. SITE & LANDSCAPE ENHANCEMENT ELEMENTS

Similar to exterior building enhancements, the objective of applicants utilizing the following categories of exterior site enhancements on their projects is based on the requirement that the enhancements would be of good to high quality products that, if incorporated, would result in a significant aesthetic upgrade to the site character and appearance of their property to the public.

11. PARCEL ASSEMBLY - This category is not an aesthetic enhancement but can improve area aesthetic by potentially reducing the number of entrance drive due to small individual parcels. The primary advantage gained from parcel assembly is functional and site organization/design flexibility and increased ability for business to expand as demand dictates.

12. STRUCTURE DEMOLITION - This category, similar to parcel assembly, is not an aesthetic enhancement but can improve area aesthetic by eliminating existing facilities or items that are no longer compatible with property/project needs. Also like parcel assembly, the primary advantage gained is functional and site organization/design flexibility and in some cases an increased ability for business to expand as demand dictates.

13. DRIVEWAYS - Sharing of Driveways and/or reducing curb cut widths. This category is similar to parcel assembly in that in can reduce the number of entry drives and improve vehicular circulation and safety.

14. PERIMETER LANDSCAPE – For aesthetics and screening of parking lots and service areas. This category of site enhancements includes incorporating landscaping within perimeter set back areas above and beyond requirements through current City landscape ordinances. The intent of the landscape enhancements is to provide screening of parking and other utilitarian areas within sites from public view. In addition the plantings will provide aesthetic interest and enhance the visual quality of each property and the overall corridor. Plantings should contain a variety of plant types similar to the styles of landscaping shown in the following example photographs preferred by the City. The use of native plants and plants adapted to the local climate is encouraged.

15. PARKING LOT LANDSCAPE - Landscape islands on the interior of parking lots. Similar to providing perimeter landscaping enhancements above, this category includes incorporating landscape islands interior to parking lots above and beyond current City landscape ordinances. These islands would be located at the ends of parking rows and/or at intermediate locations depending on available space. Recommended size of islands should be equivalent to two parking spaces, preferred, with a minimum size equivalent to one parking space. Plantings should contain a variety of plant types similar to the styles of landscaping shown in the following example photographs preferred by the City. The use of native plants and plants adapted to the local climate is encouraged.
Examples of Perimeter and Parking Lot Landscape
Recommended Plant Types

Shade Trees & Small Trees (Selected species from city code)

- Taxodium distichum - Bald Cypress Cultivar (Shawnee Brave)
- Acer rubrum - Red Maple Cultivars (Autumn Flame, October Glory or Scarlet Sentinel)
- Betula nigra - River Birch Cultivars (Heritage)
- Acer saccharum - Sugar Maple Cultivars (Green Mountain or Goldspire)
- Quercus rubra - Red Oak
- Quercus schumardii - Schumard Oak
- Quercus bicolor - Swamp White Oak
- Tillia cordata - Littleleaf Linden Cultivars (Greenspire or Chancellor)
- Carpinus caroliniana - American Hornbeam
- Koelreuteria paniculata - Golden Raintree
- Ostrya virginiana - Ironwood

Shrubs

- Budleja Cultivar ‘Blue Chip’ Lo & Behold
- Budleja davidii Cultivars ('Adokeep' Adonis, ‘Attraction’ & ‘Buzz Violet Blue’) – Butterfly Bush
- Buxus sempervirens Cultivars (Green Velvet, Green Gem & Green Mountain) - Boxwood
- Ceanothus americanos – New Jersey Tea
- Cornus serica Cultivars (‘Allemans’ or ‘Farrow’ Arctic Fire) – Red Twig Dogwood
- Hypericum prolificum – Shrubby St. John’s Wort
- Itea virginica Cultivars ('Little Henry' & Henry’s Garnet')
- Rhus aromatica Cultivar (‘Gro-Low’) – Fragrant Sumac
- Rosa Cultivars (‘Radcon’, ‘Radazz’ & ‘Radyod’) – Knockout Roses (red & pink)
- Spiraea japonica Cultivars (‘Antony Waterer’ & ‘Little Princess’) – Spirea
- Taxus cuspidata ‘Nana’ – Dwarf Japanese Yew
- Taxus x media Cultivars (‘Gwen’ & ‘Taunton’) – English Yew
- Viburnum dentatum ‘Christom’ Blue Muffin – Blue Muffin Viburnum
- Viburnum dentatum ‘KLMseventteen’ Little Joe

Groundcovers, Perennials & Ornamental Grasses

- Asclepias tuberosa – Butterfly Weed
- Coreopsis ‘Crème Brulee’ – Crème Brulee Coreopsis
- Coreopsis lanceolata ‘Sterntaler’ - Laceleaf Coreopsis
- Echinacea purpurea Cultivars (‘Elton Knight’ & -Pow Wow Berry’) – Purple Coneflower
- Liatris spicata ‘Kolbold Original’ – Bottle Rocket
- Nepeta faassenii ‘Blue Wonder’ - Catmint
- Rubeckia fulgida ‘City Garden’ – Black-eyed Susan
- Panicum virgatum Cultivars (‘Dallas Blue’ & Shenandoah’) – Swithgrass
- Sporobolus heterolepis – Prairie Dropseed
16. **PARKING LOT LIGHTING** - This category includes adding or upgrading to good to high quality products of the styles of parking lot light fixtures shown in the following example photographs preferred by the City. Based on the historical timeline of the corridor that dates back several decades, preferred light fixtures styles incorporate a Goose-Neck/Sheppard’s Crook arm for support of the actual fixture assembly. **The use of LED and solar lighting fixtures is strongly encouraged.**

![Examples of Parking Lot Lighting in compatible styles and color ranges.](image)

17. **PERMEABLE PAVEMENTS** - This category includes utilizing precast permeable concrete pavers in parking lot areas such as parking stalls to reduce impervious paving areas and surface runoff as well as enhancing the aesthetic character of parking lots. Paver colors must be compatible with one of the four, or an approved blend of the four earth-tone color palettes preferred by the City. If used in ADA parking spaces, pavers must meet ADA requirements for accessible route surface materials and allowable slopes.

![Examples of Permeable Pavers in compatible color ranges.](image)
18. **SIDEWALKS** - Installation of sidewalks in ROW and/or sidewalk connections from ROW sidewalk to front door. This category includes installation of walkways along property frontage within public right-of-way to enhance pedestrian circulation. Connecting walkways from public walks to building entrances are encouraged as well. ADA requirements must be met for these walkways.

![Examples of Sidewalks](image1)

19. **BUILDING ENTRY AREAS** – Developing pedestrian areas at building entrances with color and/or imprinted paving or pavers. This category includes the addition of, or upgrading to, architectural paving systems at building entries to enhance aesthetic quality and visual interest. Acceptable paving types include imprinted & colored concrete, exposed aggregate concrete, precast concrete pavers or masonry pavers. Pavement colors must be compatible with one of the four, or an approved blend of the four earth-tone color palettes preferred by the City.

![Examples of Enhanced Entry Paving](image2)
20. **BUILDING ENTRY LANDSCAPE PLANTINGS** - Addition of landscape plantings (above ground or underground) at building entrances. This category includes the addition of plantings and/or architectural planters, portable or permanent at building entries to enhance aesthetic quality and visual interest. Acceptable planter types include good to high quality products, durable and fade resistant. Planter colors must be compatible with one of the four, or an approved blend of the four earth-tone color palettes preferred by the City. **The use of native plants and plants adapted to the local climate is encouraged.**

Examples of Enhanced Landscaping & Site Amenities at Building Entries

21. **FLAG POLES AND SITE FURNISHINGS** - This category includes flags and banners on aluminum or steel flag poles of the size and height compatible with the scale of the project. A suggested height range would be 30’-40’ for flagpoles and 20’ to 30’ for banner poles for most projects. Flag poles and banner poles as well as their proposed locations, will be reviewed for approval on a case-by-case basis. Other site amenities would include bike racks, benches, waste receptacles, etc. (Flags such as the USA flag that have specific requirements for flag size related to pole height and for lighting levels if flown at night, must be followed.)
Examples of Preferred Styles of Site Furnishings

22. WATER FEATURES - This category includes the incorporation of water features on a project site or at building entries. Water features can range in scale from small, subtle individual containers to larger basins or pools similar to the styles of water features shown in the following example photographs preferred by the City.

Examples of Enhanced Water Features
23. UNDERGROUNDING UTILITIES - Placement of utilities underground. This category of enhancement is intended to encourage property owners to place the ‘non-public’ portion of utilities specific to their property normally installed above grade, underground. Doing so provides improvement to the visual environment by reducing visual clutter but also provides improved dependability and reduced maintenance by removing the potential of damage to utilities from storms.

C. SIGNING

24. BUILDING SIGNS - Addition of signing compatible with building architecture. This category would include upgrading to signage systems similar to the styles of signs shown in the following example photographs preferred by the City. These would include signage systems intended for mounting on building facades. Building façade signage could include back-lit sign letters or internal and face-lit sign letters. Also included in this category, is signage lettering incorporated as part of the building awnings. Awning signage must be approved by the City on a case-by-case basis as mention under Item 7 above. If illuminated, the use of energy efficient signs is encouraged.

Note: The intent of this category for signage is to encourage the similar sign styles while allowing flexibility to foster the reduction of sign clutter such as window signage.

Examples of Awning Signs

Examples of Back-Lit Façade Signs

Examples of Face-Lit Façade Signs
25. **SITE SIGNS** - Site signage enhancements. This category would include upgrading to site signage systems similar to the styles of signs shown in the following example photographs preferred by the City. These would include low-height monument/panel signs located near the front of properties at vehicular entries to replace existing elevated, pole-mounted signs of various heights. The low, ground-level style signage should be coordinated with building façade signage if utilized (Refer to Item 24 above). If illuminated, the use of energy efficient signs is encouraged.

Enhanced Sense of Entry Landscaping, Lighting & Signage

26. **SIGN REMOVAL** - Removal of visually incompatible signs such as pole signs. This category would include the removal of existing pole signs, ordinance non-conforming signs and unsightly pole mounted
sighs to improve the overall visual impressions along the corridor.
**Lincoln Trail Corridor Development Standards – Checklist**

*See the Development Design Standards for a description of each of the following improvement items.*

### A. EXTERIOR BUILDING ELEMENTS

<table>
<thead>
<tr>
<th>Element</th>
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<td>SITE SIGNS</td>
<td>Site signage enhancements</td>
</tr>
<tr>
<td>SIGN REMOVAL</td>
<td>Removal of pole signs</td>
</tr>
</tbody>
</table>

**TOTAL NUMBER OF IMPROVEMENT ITEMS CHECKED**
D. **POSSIBLE FUNDING (1) (TOTAL PROJECT COST NOT TO EXCEED $150,000)**

# of improvements checked
- Make Improvements (10) – potential 50% funding from City
- Make Improvements (9) – potential 45% funding from City
- Make Improvements (8) – potential 40% funding from City
- Make Improvements (7) – potential 35% funding from City
- Make Improvements (6) – potential 30% funding from City
- Make Improvements (5) – potential 25% funding from City
- Less than 4 - No City Funding

E. **POSSIBLE FUNDING (TOTAL PROJECT COST BETWEEN $150,001 AND $300,000)**

Make no less than 8 improvements – 25% funding from City

F. **POSSIBLE FUNDING (TOTAL PROJECT COST BETWEEN $300,001 AND $500,000)**

Make no less than 10 improvements – 15% funding from City

G. **POSSIBLE FUNDING (TOTAL PROJECT COST EXCEEDS $500,000)**

Make no less than 12 improvements – 10% funding from City, not to exceed $75,000.

¹City financial participation **shall** require compliance with prevailing wage rate ordinance, lowest responsible bidder ordinance; individual phases of a project can be considered separately.
FAIRVIEW HEIGHTS TIF #4

Established in 2015

Exhibit F

Boundary Map

Fairview Heights West TIF #4
Tax Increment Financing Eligibility Study
City of Fairview Heights, Illinois

Economic Development Resources
LUDWIG DRIVE TIF

Established in 2016
STATE ROUTE 159 NORTH TIF

Established in 2016
EXHIBIT J

COMPOSITE MAP OF ECONOMIC DEVELOPMENT TOOLS
OF THE CITY OF FAIRVIEW HEIGHTS

Economic Development Tools
Fairview Heights, Illinois

EDR
Economic Development Resources

Municipal Boundary
Enterprise Zone Boundary
Bunkum Road TIF #1
Shoppes at St. Clair Square TIF #2
Lincoln Trail TIF #3
West TIF #4
Ludwig Drive TIF #5
State Route 159 North TIF

April 1, 2016

0 2,000 4,000 Feet
APPENDIX 1

Application #:_________________

Business Assistance Program Application

Applicant Information

1. Name of Person Completing Application: _________________________________________
2. Address: ___________________________________________________________________
3. Phone Number: ______________________________________________________________
4. Fax Number: ________________________________________________________________
5. Email: _____________________________________________________________________

Business Information

1. Business Name:______________________________________________________________
2. Owner:_____________________________________________________________________
   a. Representative of owner: _________________________________________________
   b. Does Representative have a financial interest in the project? □ Yes □ No
   c. If yes, what is the percentage level of participation? __________________________%
3. State of Organization:_________________________________________________________
4. Address: ___________________________________________________________________
5. Phone Number: ______________________________________________________________
6. Fax Number: ________________________________________________________________
7. Email: _____________________________________________________________________
8. Type of Business Entity:_______________________________________________________
**Project Information**

Provide the Street Address of the project: _______________________________________________________

1. Is project located in
   - ☐ Lincoln Trail Tax Increment Finance District (See Map Exhibit A)
   - ☐ Fairview Heights Tax Increment Finance District (See Map Exhibit B)
   - ☐ St. Clair Square Shoppes Tax Increment Finance (See Map Exhibit C)
   - ☐ St. Clair Square Shoppes Business District (See Map Exhibit C)
   - ☐ City of Fairview Heights (See Map Exhibit D)
   - ☐ Lincoln Trail TIF Façade and Site Improvement Program (see Map Exhibit E)
   - ☐ Fairview Heights TIF #4 (See Map Exhibit F)
   - ☐ Ludwig Drive TIF (See Map Exhibit G)
   - ☐ State Route 159 North TIF (See Map Exhibit H)
   - ☐ Enterprise Zone (See Map Exhibit I)

2. Have you completed an application for Site Plan Review (Appendix 2)?
   - ☐ YES  ☐ NO
      
      If Yes, attach a copy of your completed Site Plan Review application, including copies of any Site Development Plans, Maps, or any other supporting documentation. If No, contact the Director of Land Use, Planning, and Development to obtain and complete all necessary applications.

3. What is the current zoning classification of the property?_____________________________________
   Will the proposed project require a zoning amendment, variance, or special use permit?
   If Yes, provide application numbers and dates for each application:_____________________________

4. What is the nature of the proposed project?
   - ☐ New Construction  ☐ Expansion  ☐ Occupancy of Existing Building
      
      If new construction specify as: ☐ Commercial; ☐ Residential; ☐ Industrial

5. Provide a narrative description of the proposed project (attach additional pages if necessary). Applicant must be as specific as possible in describing: (1) the type of business proposed to be conducted at the site; (2) current condition of the site including size and condition of any existing structures, environmental conditions, and past uses of the site; (3) proposed development/redevelopment activities, scope of work, type of construction, etc.; (4) financing; (5) why Business Assistance Program monies are necessary for completion of the project; and (6) how the project is consistent with the goals and objectives identified in the TIF Redevelopment Plan or Business District Plan.

6. Are any public infrastructure improvements required for this project to proceed?
   - ☐ YES  ☐ NO. If Yes, describe improvements required:

7. Will the applicant obtain competitive bids from local contractors and sub-contractors?
   - ☐ YES  ☐ NO
8. Identify: Project Start Date:_______________ and Project Completion Date:_____________

**Project Costs**

1. Estimated Total Project Cost: complete the following worksheet

<table>
<thead>
<tr>
<th>Remodeling/Rehabilitation/Expansion (TOTAL):</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor</td>
<td>$</td>
</tr>
<tr>
<td>Materials</td>
<td>$</td>
</tr>
<tr>
<td>New Construction (TOTAL):</td>
<td>$</td>
</tr>
<tr>
<td>Labor</td>
<td>$</td>
</tr>
<tr>
<td>Materials</td>
<td>$</td>
</tr>
<tr>
<td>Capital Equipment:</td>
<td>$</td>
</tr>
<tr>
<td>Site Improvements (Acquisition/Preparation, etc.):</td>
<td>$</td>
</tr>
<tr>
<td>Other:</td>
<td>$</td>
</tr>
<tr>
<td><strong>TOTAL ESTIMATED PROJECT COST:</strong></td>
<td>$</td>
</tr>
</tbody>
</table>

* Attach evidence (such as commitment letters or terms sheets) evidencing that the portion of the project funded by private investment will be financed, as well as the source of the funding.

**Public Benefits**

Provide the Property Identification Number (PIN) for each parcel of property comprising the proposed project area, as well as the current equalized assessed value (EAV) and property taxes as stated on the most recent tax bill for each parcel. Please provide an estimated projection of the EAV and taxes resulting from the project.

<table>
<thead>
<tr>
<th>PIN</th>
<th>EAV</th>
<th>TAXES</th>
<th>Projected EAV</th>
<th>Projected TAXES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Existing sales subject to sales tax: ______________________________
Proposed sales subject to sales tax: ______________________________
Existing number of FTE jobs: ______________________________
Proposed number of FTE jobs: ______________________________

Indicate the total amount of financial assistance requested (in current dollars): $_____________.00

* Attach data supporting the financial feasibility of the project, the projected performance outcomes of the requested financial assistance, or any professional studies or reports supporting the viability of the project.

Describe the public benefits that will be realized by the completion of this project. Examples of public benefits include, but are not limited to, creation of affordable housing, creation of new permanent jobs, creation of new retail choices in an underserved neighborhood, rehabilitation of a historic building, catalyst for new private investment in a neighborhood, re-occupancy of a vacant building, elimination of blight, incorporation of environmentally-friendly features, job training opportunities (attach additional sheets if necessary):

______________________________________________________________________________
______________________________________________________________________________
Miscellaneous

1. Does project involve a move from another location?  □ NO  □ YES

If Yes, indicate City and State ____________________________________________

2. Applicant acknowledges that, to obtain benefits under the City of Fairview Heights’ Business Assistance Program, the proposed project must be of a nature that a building permit must be obtained through the City of Fairview Heights. As such, the applicant agrees that such a permit must be obtained prior to disbursement of any funding under the Business Assistance Program.

□ Applicant Agrees  □ Applicant Disagrees

SIGNATURE OF PROJECT REPRESENTATIVE

I hereby certify I have read and understand the content of the Business Assistance Program Document and to the best of my ability present the above information as true and accurate.

____________________________________  _____________________________  ______________________
NAME     TITLE                                                DATE

NOTE: Applications will not be considered for approval unit they are completed in full and signed by the applicant.

LEGAL DISCLAIMER: completion of this application does not entitle the applicant to financial assistance under the Business Assistance Program. Any such assistance must be approved by the Fairview Heights City Council.

All applications shall be submitted to Paul Ellis, AICP, CEcD, at the address listed below.

If you have any questions, please contact:

Paul Ellis, AICP, CEcD
Director of Economic Development
City of Fairview Heights
10025 Bunkum Road
Fairview Heights, IL 62208
618.489.2033 (Direct)
618.489.2067 (Fax)
ellis@cofh.org
APPENDIX 2
APPLICATION
SITE PLAN REVIEW

1) Name of Applicant: _______________________________ Phone # __________________________
   Address: _______________________________________________________________________

2) Property Interest of Applicant: ( ) Owner ( ) Contract Purchaser ( ) Lessee ( ) Other

3) Name of Owner(s): _____________________________________________ Phone # ___________
   Address: _______________________________________________________________________
   (If other than applicant): ___________________________ Phone # ______________________
   Address: _______________________________________________________________________

4) Location of property: ____________________________________________
   Address: _______________________________________________________________________

Site Plan and Legal Description (Lot/Block/Subdivision/Metes & Bounds)
   _______________________________________________________________________________
   _______________________________________________________________________________
   _______________________________________________________________________________

5) Present use of property: ________________________________
   (Industrial, Residential, Commercial, etc.)

6) Type of development for which permit is requested: ________________________________

7) Development schedule (when requested): A development schedule shall be attached to this application,
   providing reasonable guarantees for the completion of the proposed development.

8) Density (for residential developments only):
   Number of structures ___________ Dwelling units per structure: _________________
   Total number of dwelling units __________
   Estimated number of persons per dwelling unit ________________
   Density = Population of development = __________ = __________ persons/acre.

9) Present use of adjacent properties:
   Address Present Use
   _______________________________________________________________________________
   _______________________________________________________________________________
   _______________________________________________________________________________
10) I certify that all of the above statements and the statements contained in any papers or plans submitted herewith are true and accurate. I consent to the entry in or upon the premises described in this application by any authorized official of the City of Fairview Heights for the purpose of inspecting, or of posting, maintaining and removing such notices as may be required by law.

Date:_____________________Applicant:______________________________________________

Date:___________________ Owner(s):_______________________________________________

SUBMITTAL REQUIREMENTS

In order for an application to be considered complete, the following items must be submitted to this office at the time of application. Any missing items may subject the application to delays.

• Pre-application Meeting as required

• Application Fee Required: __________ Fee Provided: _____________

• Title Company Proof of Ownership (ownership and encumbrance report) dated no later than 180 days prior to date of application. Contract Owner must provide any contract proof as necessary.

• 4 – 24” X 36” (minimum size), 1 – 11” X 17”, and a PDF of the sealed Preliminary Site Plan

• 2 – 24” X 36” (minimum size), 1 – 11” X 17”, and a PDF of the Architectural Elevations

• 2 – 8.5” X 11” (minimum size), of any proposed signs

• Drainage Report/ Calculations

• Landscape Plan

• Photometrics Plan

• Grading / Erosion Control Plan
APPENDIX 3

Letter of Intent [Template]

__________, 20_

_____________________

_____________________

RE: LETTER OF INTENT - ________________________________

Dear ______________:

This will confirm that ____________________ (“Developer”) has applied for benefits under the City of Fairview Heights’ Business Assistance Program (Application No._______). The purpose of this Letter of Intent is to memorialize the preliminary requests of the City of Fairview Heights (“City”) and the Developer, with respect to the project proposed by the Developer at ___________________________ (“Project”). The parties mutually acknowledge and understand that this Letter of Intent is a non-binding document intended only to describe the respective expectations of the parties. The parties mutually acknowledge and understand that, should the Fairview Heights City Council (“City Council”) approve this Letter of Intent, the parties will negotiate and submit to the City Council for review a proposed Development Agreement between the Developer and Mayor Mark Kupsky, City of Fairview Heights (“Mayor”). While the parties will endeavor to draft the proposed Development Agreement using provisions consistent with the terms provided herein, the parties mutually acknowledge and understand that the City Council may revise, delete or recommend different or additional terms. The parties mutually acknowledge and understand that said proposed Development Agreement cannot be executed by Mayor absent the approval of the City Council. Subject to and without waiving any of the foregoing:

The Developer represents that Business Assistance Program monies are necessary to complete the proposed project. Further, the Developer estimates that the total development costs to allow such a construction project to occur, to be in excess of $___________.00.

The City understands that the likelihood of the proposed project, as envisioned, is contingent upon the infusion of public funds and “but for” this public assistance, the project would not go forward.

Listed below are the major responsibilities of each party. Upon approval of this Letter of Intent by the City Council, provisions consistent with these responsibilities shall ultimately be made a part of an overall Development Agreement between the Developer and the Mayor.

Proposed Responsibilities of the City of Fairview Heights

1. Rebate ___ % of incremental property taxes (estimated at $________ annually) associated with expansion of existing facility for ____ years with the total tax rebate for _______ years not to exceed $ __________.
2. Reimburse $_________, for demolition (on-site), infrastructure improvements (on-site, off-site) over a period of ___ years with annual payments being$______.
3. Rebate ___ % of 1% Business District Tax, annually and/or bi-annually, for a period of ___ years with total rebate not to exceed $ __________.
4. Rebate ___ % of 2% State sales tax and Home Rule tax, annually, for a period of _____ years with total rebate not to exceed $ __________.

3-1
Responsibilities of Developer

A. Developer shall commit to a private investment in the project of no less than $__________, including but not limited to the expansion, remodeling or new construction no later than ______________.

B. Developer shall commit to retain _____ FTE jobs.

C. Developer shall commit to create _____ FTE jobs within the first year of operation.

D. Developer shall commit to create _____ FTE jobs within 2-5 years of operation.

E. Developer shall commit to generate through sales $________ per year for a period of _____ years.

F. The property owner shall not apply to St. Clair County for a reduction in assessed valuation without the consent of the City. The City shall not unreasonably withhold consent.

G. Developer shall demolish _____ structures on-site and make infrastructure improvements (on-site/off-site).

H. Developer and any heirs and/or successors shall commit to remain and operate at the site for no less than _____ years.

I. Developer shall comply with all existing and applicable Federal, State, County, and Local laws and ordinances.

J. Developer shall obtain all insurance coverages required by City Code Section 37-4-1 and name the City of Fairview Heights as an additional insured on the policies of insurance specified therein.

K. Developer shall agree to hold the City of Fairview Heights harmless concerning the provision of Lincoln Trail TIF incentive in the event the Lincoln Trail TIF is dissolved and/or a judgment disallows the City to honor the contained incentives as a result of the pending and ongoing litigation against the City and its Lincoln Trail TIF.

L. Developer agrees to reimburse the City for all public funds abated and or provided to date under the prior section, entitled “Responsibility of the City of Fairview Heights,” in the event that it fails to meet the obligations set forth in the Development Agreement.

The City trusts that the content of this Letter of Intent, which outlines a proposed public participation in the project through providing Business Assistance Program monies in the estimated amount of $_____________, confirms the City’s desire to work with Developer and for Developer to remain and expand or construct a facility in the City of Fairview Heights.

This non-binding Letter of Intent must be approved by the City Council before a Development Agreement can be drafted. Upon approval by the City Council, provisions consistent with the terms set forth herein shall be made part of the proposed Development Agreement.

I believe this Letter of Intent accurately characterizes the understanding and expectations of the respective parties regarding the project, but if you should disagree, please provide clarification in writing at your earliest convenience.

Yours truly,

Paul Ellis, AICP, CEcD
Director of Economic Development
City of Fairview Heights, IL
APPENDIX 4

Business Assistance Programs
City of Fairview Heights, Illinois
FEDERAL, STATE, AND COUNTY ECONOMIC DEVELOPMENT RESOURCES

DISCLAIMER: This Appendix 4 is intended to provide merely an overview of economic development resource programs that are offered through various federal, state, and county departments, administrations, or other institutions. This information is intended only as a tool of assistance in seeking funding for various projects that may qualify for the various programs listed herein. This Appendix 4 is in no way intended to be a guarantee, or even an offer or opportunity to apply, for this funding. To file a formal application for any of the programs listed in this Appendix 4, please contact the institution responsible for administering the funding which you are seeking. Neither the City of Fairview Heights nor the Fairview Heights Business Assistance Program can issue any funding pursuant to the programs listed below. Please note that the information contained in this Appendix 4 is taken from the resources noted herein and is subject to change. The City of Fairview Heights takes no responsibility for the accuracy, or the lack thereof, of the information contained on these institutions’ websites and makes no representations about the availability of funding through these various programs.

I. FEDERAL

A. Economic Development Administration (EDA)¹

(1) Mission

To lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy.

The U.S. Economic Development Administration’s investment policy is designed to establish a foundation for sustainable job growth and the building of durable regional economies throughout the United States. This foundation builds on two key economic drivers – innovation and regional collaboration. Innovation is key to global competitiveness, new and better jobs, a resilient economy, and the attainment of national economic goals. Regional collaboration is essential for economic recovery because regions are the centers of competition in the new global economy and those that work together to leverage resources and use their strengths to overcome weaknesses will fare better than those that do not. EDA encourages its partners around the country to develop initiatives that advance new ideas and creative approaches to address rapidly evolving economic conditions.

(2) Economic Development Administration Federal Grants²

The EDA provides the following grants and assistance programs, in addition to others not noted herein:

(a) Community Trade Adjustment Assistance (11.010)
(b) Economic Adjustment Assistance (11.307)
(d) Economic Development-support for Planning Organizations (11.302)
(e) Economic Development-technical Assistance (11.303)
(f) Grants for Public Works and Economic Development Facilities (11.300)
(g) Research and Evaluation Program (11.312)

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¹ www.eda.gov
² www.federalgrantswire.com
B. Small Business Administration (SBA)

(1) Mission

The Small Business Administration (SBA) is a United States government agency that provides support to entrepreneurs and small businesses. The mission of the Small Business Administration is “to maintain and strengthen the nation’s economy by enabling the establishment and viability of small businesses and by assisting in the economic recovery of communities after disasters.” The agency’s activities are summarized as the “3C’s” of capital, contracts and counseling.

SBA loans are made through banks, credit unions and other lenders who partner with the SBA. The SBA provides a government-backed guarantee on part of the loan. Under the Recovery Act and the Small Business Jobs Act, SBA loans were enhanced to provide up to a 90 percent guarantee in order to strengthen access to capital for small businesses after credit froze in 2008. The agency had record lending volumes in late 2010.

SBA helps lead the federal government’s efforts to deliver 23 percent of prime federal contracts to small businesses. Small business contracting programs include efforts to ensure that certain federal contracts reach women-owned and service-disabled veteran-owned small businesses as well as businesses participating in programs such as 8(a) and HUBZone.

(2) Lending Programs

The most visible elements of the SBA are the loan programs it administers. The SBA does not provide grants or direct loans with the exception of Disaster Relief Loans. Instead, the SBA guarantees against default certain portions of business loans made by banks and other lenders that conform to its guidelines.

These programs are not generally for persons with bad credit who can’t get bank loans. Rather, the primary use of the programs is to make loans for longer repayment periods based in part upon looser underwriting criteria than normal commercial business loans. A business can qualify for the loan even if the yearly payment approximates previous year’s profit. Most banks want annual payment for loans no more than two-thirds (2/3) of prior year’s operating profits. Lower payments, longer terms and relaxed criteria allow some businesses to borrow more money than otherwise.

One of the most popular uses of SBA loans is commercial mortgages on buildings occupied or to be occupied by small business. These programs are beneficial to small business because most bank programs frequently require larger down payments and/or have repayment terms requiring borrowers refinance every five years. They can be beneficial to the bank in that banks can reduce risk by taking a first-lien position for a smaller percentage of the project, then arranging for a SBA Certified Development Company to finance the remainder through a second-lien position.

(a) Loan Guarantee Program

The 7(a) Loan Guarantee Program is designed to help small entrepreneurs start or expand their business. The program makes capital available to small business through bank and non-bank lending institutions. The Small Business Jobs Act of 2010 permanently increased the maximum size of these loans from $2 million to $5 million.
(b) 504 Fixed Asset Financing Program

The 504 Fixed Asset Financing Program is administered through nonprofit Certified Development Companies throughout the country. This program provides funding for the purchase or construction of real estate and/or the purchase of business equipment/machinery. Of the total project costs, a lender must provide 50% of the financing, a Certified Development Company provides up to 40% of the financing through a 100% SBA-guaranteed debenture, and the applicant provides approximately 10% of the financing. Thorough due diligence of properties purchased through this program is required. Specific SBA Level I Environmental Site Assessment guidelines apply as all properties are treated as “high risk.” The Small Business Jobs Act permanently increased the maximum size of these loans from $2 million on $5 million ($5.5 million for manufactures).

(c) Micro Loan Programs

The Small Business Jobs Act increased the maximum amount of SBA micro loans from $35,000 to $50,000. These are offered through nonprofit micro loan financial intermediaries.

(d) Disaster Assistance Loans

Homeowners and renters are eligible for long-term, low-interest loans to rebuild or repair a damaged property to pre-disaster condition. Before making a loan, the SBA must establish the cost of repairing or rebuilding the structure (determined by SBA’s Field Inspectors who visit the property), applicant’s repayment ability (determined by applicant’s creditworthiness and income) and whether the applicant can secure credit in the commercial market (called the credit elsewhere test). Applicants who do not qualify for disaster assistance loans are referred to the Federal Emergency Management Agency (FEMA) for grants. Although SBA won’t decline a loan for lack of collateral, the agency is statutorily required to collateralize whatever assets are available including the damaged property, a second home or other real estate.

Businesses are also eligible for long-term, low-interest loans to recover from declared disasters. Similar to the homeowner’s loan program mentioned above, small business owners pledge any available assets and acquire a similar pledge from a spouse or partner in the case of shared assets. If defaulting on the debt, the spouse or partner must surrender their value in the assets. The total value of an applicant’s assets is not considered by the SBA; therefore, a company may be approved for a loan regardless of whether that entity has little or substantial net worth.

Once an SBA loan is approved, the SBA mails closing documents to the applicant for signature. Disbursements include an initial unsecured amount of $14,000 and subsequent disbursements depending upon construction progress and continued insurance coverage. After final disbursement, the loan is transferred to one of the SBA’s servicing offices for management, or to its collections office in the case of default.

Disaster Relief Loans are often approved within 21 days. However, after Hurricane Katrina, the SBA processed applications, on average, in about 74 days.

If a business with a Disaster Relief Loan defaults on the loan, and the business is closed, the SBA will pursue the business owner to liquidate all personal assets, to satisfy an outstanding balance. The IRS will withhold any tax refund expected by the former business owner and apply the amount toward the loan balance.

(3) Entrepreneurial Development Programs

(a) Small Business Development Centers

Approximately 900 Small Business Development Center sites are funded through a combination of state and SBA support in the form of matching grants. Typically, SBDCs are co-located at community colleges, state universities, and/or other entrepreneurial hubs.
(b) **Women’s Business Centers**

100 Women’s Business Centers are funded through matching grants to nonprofit organizations, many of which are located in underserved, accessible areas. These centers often serve small, home-based enterprises.

(c) **Service Corps of Retired Executives (SCORE)**

SBA annually grants SCORE the funds to oversee approximately 350 chapters of volunteers who provide free mentoring and counseling to entrepreneurs and small business owners.

(4) **Federal Contracting and Business Development Programs**

(a) **8(a) Business Development Program**

The 8(a) Business Development Program assists in the development of small businesses owned and operated by individuals who are socially and economically disadvantaged, such as women and minorities. The following ethnic groups are classified as eligible: Black Americans; Hispanic Americans; Native Americans (American Indians, Eskimos, Aleuts, or Native Hawaiians); Asian Pacific Americans (persons with origins from Burma, Thailand, Malaysia, Indonesia, Singapore, Brunei, Japan, China, (including Hong Kong), Taiwan, Laos, Cambodia (Kampuchea), Vietnam, Korea, The Philippines, U.S. Trust Territory of the Pacific Islands (Republic of Palau), Republic of the Marshall Islands, Federated States of Micronesia, the Commonwealth of the Northern Mariana Islands, Guam, Samoa, Macao, Fiji, Tonga, Kiribati, Tuvalu, or Nauru); Subcontinent Asian Americans (persons with origins from India, Pakistan, Bangladesh, Sri Lanka, Bhutan, the Maldives Islands or Nepal).  In 2011, the SBA, along with the FBI and the IRS, uncovered a massive scheme to defraud this program. Civilian employees of the U.S. Army Corps of Engineers, working in concert with an employee of Alaska Native Corporation Eyak Technology LLC allegedly submitted fraudulent bills to the program, totaling over 20 million dollars, and kept the money for their own use. It also alleged that the group planned to steer a further 780 million dollars towards their favored contractor.

(b) **HUBZone**

HUBZone is an SBA program for small companies that operate and employ people in Historically Underutilized Business Zones (HUBZones). The HUBZone program was created in response to the HUBZone Empowerment Act created by the US Congress in 1998.

(5) **SBA Loan Industry**

The SBA loan industry can be divided into distinct categories:

- Large bank institutions, such as Chase, Bank of America and Wells Fargo, generate the bulk of their SBA loan volume by loans, especially the express loan and line of credit, offered to those who would be declined for ‘normal’ bank credit due to factors such as length of time in business or slightly more conservative underwriting factors. Banks have sophisticated computer systems that generally make this process seamless, and are quite different from other financial institutions who utilize SBA lending for separate and distinct purposes.

- SBA loans are used heavily by banks of all sizes to finance the purchase or construction of business owner-occupied real estate (i.e. real property purchased for commerce). Many banks offer SBA loans only for this purpose. In particular, they finance properties that a bank would consider too risky to finance conventionally, due to being of a special use [bowling alley, automobile repair] or environmentally risky nature [petroleum products storage, electrical substation] that can make their resale value limited. Some example properties include motels, gas stations and car washes.

- SBA loans also encourage individuals to buy existing business. Since, unlike in real estate transactions, commercial lenders can fund referral fees earned by business brokers helping people buy and sell businesses, this segment of industry is supported by smaller banks and standalone finance companies who understand this sector.
C. Housing and Urban Development (HUD)\(^5\)

(1) Community Planning & Development

**Brownfields Economic Development Initiative (BEDI):** The BEDI provides grants on a competitive basis to local entitlement communities. Non-entitlement communities are eligible as supported by their state governments. BEDI’s must be used in conjunction with loans guaranteed under the Section 108 Program. Communities fund projects with the BEDI grants and the 108 guaranteed loan financing to clean up and redevelop environmentally contaminated industrial and commercial sites, commonly known as “brownfields.”

**Chicago Regional Office**
Antonio Riley, Regional Administrator
Ralph Metcalfe Federal Building
77 West Jackson Boulevard
Chicago, Illinois 60604-3507
Phone: 312-353-5680
Fax: 312-913-8293

**Springfield Field Office**
Beverly Bishop, Acting Field Office Director
500 West Monroe Street 1SW
Springfield, IL 62704
Phone: 217-492-4120
Fax: 217-492-4154

D. United States Department of Agriculture - Rural Development (RD)\(^6\)

(1) **Rural Business Enterprise Grants (RBEG) Program**

The RBEG program provides grants for rural projects that finance and facilitate development of small and emerging rural businesses, help fund distance learning networks, and help fund employment related adult education programs. To assist with business development, RBEG’s may fund a broad array of activities.

- **How much are the grants?** There is no maximum level of grant funding. However, smaller projects are given high priority. Generally grants range $10,000 up to $500,000.

- **Who is eligible?** Rural public entities (towns, communities, state agencies, and authorities), Indian tribes and rural private nonprofit corporations are eligible to apply for funding. At least 51 percent of

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\(^5\) [www.hud.gov](http://www.hud.gov)
\(^6\) [www.rurdev.usda.gov](http://www.rurdev.usda.gov)
the outstanding interest in any project must have membership or be owned by U.S. citizens or resident aliens.

- **Define rural.** Rural is defined as any area other than a city or town that has a population of greater than 50,000 and the urbanized area contiguous and adjacent to such a city or town according to the latest decennial census. At least 51 percent of the outstanding interest in any project must have membership or be owned by U.S. citizens or resident aliens.

- **What types of projects are eligible?** The RBEG program is a broad based program that reaches to the core of rural development in a number of ways. Examples of eligible fund use include: acquisition or development of land, easements, or rights of way, construction, conversion, renovation of buildings, plants, machinery, equipment, access streets and roads, parking areas, utilities, pollution control and abatement, capitalization of revolving loan funds including funds that will make loans for start ups and working capital, training and technical assistance, distance adult learning for job training and advancement, rural transportation improvement, and project planning. Any project funded under the RBEG program should benefit small and emerging private businesses in rural areas. Small and emerging private businesses are those that will employ 50 or fewer new employees and have less than $1 million in projected gross revenues.

- **How to apply.** To apply for funding for the RBEG program, please contact your Rural Development State Office.

- **Availability of funds.** Each year, Congress provides program funding as called for in the Federal Budget. Fiscal Year funding levels will be made available as soon as possible after the beginning of each Fiscal Year.

Fairview Heights may or may not be eligible for the Rural Development Business Programs. Urbanizing areas of high population density are not eligible for the Business Programs. These same areas may be eligible for the Rural Development.

(2) **Rural Development Representative and States Covered**

**Illinois**

Rural Development  
Community Facilities Division  
Mt. Vernon, Illinois  62864  
618-244-0773, Ext. 5

(3) **Business Loans and Grants**

The Business Program (BP) works in partnership with the private sector and the community-based organizations to provide financial assistance and business planning. BP helps fund projects that create or preserve quality jobs and/or promote a clean rural environment. The financial resources of BP are often leveraged with those of other public and private credit source lenders to meet business and credit needs in under-served areas. Recipients of these programs may include individuals, corporations, partnerships, cooperatives, public bodies, nonprofit corporations, Indian tribes, and private companies.

Fairview Heights may or may not be eligible for the Rural Development Business Programs. Urbanizing areas of high population density are not eligible for the Business Programs. These same areas may be eligible for the Rural Development Community Facility Programs. Please refer to the map provided on the website to see whether your area is eligible.

E. **Environmental Protection Agency (EPA)**

(1) **Grants & Funding**

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7 [www.rurdev.usda.gov](http://www.rurdev.usda.gov)  
8 [http://eligibility.sc.egov.usda.gov](http://eligibility.sc.egov.usda.gov)
EPA’s Brownfields Program provides direct funding for Brownfields assessment, cleanup, revolving loans, and environmental job training. To facilitate the leveraging of public resources, EPA’s Brownfields Program collaborates with other EPA programs, other federal partners, and state agencies to identify and make available resources that can be used for Brownfields activities. In addition to direct Brownfields funding, EPA also provides technical information on Brownfields financing matters.

- **Area-Wide Planning Pilot Program:** The grant funding and direct assistance (through Agency contract support) will result in an area-wide plan which will inform the assessment, cleanup and reuse of Brownfields properties and promote area-wide revitalization.

- **Assessment Grants:** Assessment grants provide funding for a grant recipient to inventory, characterize, assess, and conduct planning and community involvement related to Brownfield sites.

- **Revolving Loan Fund Grants:** The purpose of Revolving Loan Fund Grants is to enable States, political subdivisions, and Indian tribes to make low interest loans to carryout cleanup activities at Brownfields properties.

- **Cleanup Grants:** Cleanup grants provide funding for a grant recipient to carry out cleanup activities at Brownfield sites.

- **Environmental Workforce Development and Job Training Grants:** Environmental Workforce Development and Job Training Grants are designed to provide funding to eligible entities, including nonprofit organizations, to recruit, train, and place predominantly low-income and minority, unemployed and under-employed residents of solid and hazardous waste-impacted communities with the skills needed to secure full-time, sustainable employment, in the environmental field and in the assessment and cleanup work taking place in their communities.

- **Multi-Purpose Pilot Grants:** The EPA is piloting a new grant program that will provide a single grant to an eligible entity for both assessment and cleanup work at a specific Brownfield site owned by the applicant.

- **Training, Research, and Technical Assistance Grants:** Training, Research, and Technical Assistance Grants provide funding to eligible organizations to provide training, research, and technical assistance to facilitate Brownfields revitalization.

- **Targeted Brownfields Assessments:** The Targeted Brownfields Assessment (TBA) program is designed to help states, tribes, and municipalities-especially those without EPA Brownfields Assessment Pilots/Grants-minimize the uncertainties of contamination often associated with Brownfields.

**Office of Brownfields Assistance**
Illinois Environmental Protection Agency
1021 North Grand Avenue East
P. O. Box 19276
Springfield, IL 62794-9276
II. STATE

A. Department of Commerce and Economic Opportunity (DCEO)*

1. Grants

- **Illinois Department of Agriculture AgriFIRST Grant Program.** The AgriFIRST program is designed to provide grants to persons and agribusinesses in Illinois for the purpose of developing projects that enhance the value of agricultural products or expand agribusiness in Illinois.

- **Business Development Public Infrastructure Program (BDPIP).** The BDPIP program is designed to provide grants to units of local government for public improvements on behalf of businesses undertaking a major expansion or relocation project that will result in substantial private investment and the creation and/or retention of a large amount of Illinois jobs. The infrastructure improvements must be made for public benefit and on public property and must directly result in the creation or retention of private sector jobs. The local government must demonstrate clear need for financial assistance to undertake the improvements. Grant eligibility and amounts are determined by the amount of investment and job creation or retention involved.

- **Illinois Department of Transportation (IDOT).** IDOT has several programs that provide state assistance in improving highway and rail access improvements to new or expanding industrial, distribution or tourism developments. The focus of these programs is the retention and creation of Illinois jobs. Funding may be available for transportation improvement projects related to facilities that provide direct access to economic development projects. Projects providing access to retail establishments, office parks, government facilities or school/universities are not eligible. To view IDOT programs please click on the links below.

- **Community Development Assistance Program for Economic Development (CDAP-ED).** The CDAP-ED program is a federally funded program that is designed to provide grants to units of local government for economic development activities related to business retention and/or expansion opportunities. The program is targeted to assist low-to-moderate income people by creating job opportunities and improving the quality of their living environment. Local governments qualifying to receive grant funds can then make these funds available in the form of loans to businesses locating or expanding in their community. A local government may request grant funds of up to $750,000. Funds may be used for machinery and equipment, working capital, and building construction and renovation. The local government may also use the grant funds for improvements to public infrastructure that directly support a specific economic development project. Applications may be submitted at any time. Local government entities located in heavily populated metropolitan areas of the state may receive funding directly from the federal government and therefore, are ineligible for participation through this program.

- **Employer Training Investment Program (ETIP) – Competitive Component.** The Employer Training Investment Program (ETIP) is a competitive application program for Illinois based manufacture and service companies to facilitate upgrading the skills of their workers in order to remain current in new technologies and business practices. Participation in the program will enable companies to remain competitive, expand into new markets and introduce more efficient technologies into their operations. ETIP grants may reimburse Illinois companies for up to 50 percent of the eligible cost of training their employees. Grants may be awarded to individual businesses, intermediary organizations operating multi-company training projects and original equipment manufacturers sponsoring multi-company training projects for employees of their Illinois supplier companies.

- **Employer Training Investment Program (ETIP) – Incentive Component.** The ETIP Incentive Program is eligible to pre-qualified Illinois businesses applying for training funds as part of an Economic Development Incentive Project. Companies located in Illinois who are expanding, relocating, or are in jeopardy of closing may be eligible for pre-qualification in the program.

*www.commerce.state.il.us*
Participation requires companies to meet certain capital investment and job creation/retention goals and provide a dollar for dollar match of the grant award.

• **Large Business Development Program (LDBP).** The LDBP program is designed to provide grants to businesses undertaking a major expansion or relocation project that will result in substantial private investment and the creation and/or retention of a large number of Illinois jobs. Funds available through the program may be used by large businesses for bondable business activities, including financing the purchase of land or buildings, building construction or renovation, and certain types of machinery and equipment. Grant eligibility and amounts are determined by the amount of investment and job creation or retention involved.

(2) **Loan Programs**

• **Advantage Illinois.** The Advantage Illinois program is designed to provide Illinois businesses and entrepreneurs with access to the capital they need to start new companies and expand existing business. The program is comprised of multiple programs to spur institutional lending, including Capital Access Program, Participation Loan Program, which includes a component for Minority/Women/Disabled/Veteran-Owned businesses, and Collateral Support Program; and the Invest Illinois Venture Fund, which leverages private investments in start-ups and high-growth businesses.

• **DCEO’s Community Development Fund.** Part of Governor Quinn’s Neighborhood Recovery Initiative, starting in November and available until funds are depleted, DCEO is partnering with financial institutions with strong small business lending backgrounds to distribute $5 million in micro loans to start-ups and existing small businesses through the Community Development Fund. More than 300 loans will likely be made to start-up and existing small businesses, which will lead to more than 800 jobs being created or retained over the next two years.

• **Community Service Block Grant (CSBG) Loan Program.** The CSBG Loan Program is administered jointly by the Illinois Department of Commerce and Economic Opportunity (DCEO), statewide Community Action Agencies (CAAs) and Illinois Ventures for Community Action (IVCA). The Program provides long-term, fixed-rate financing to new or expanding small businesses in exchange for job creation and employment for low-income individuals. CSBG funds usually make up between 20-49% of the entire loan project and have a low interest rate of 5% to 7.5%.

• **The Illinois Finance Authority (IFA).** The Illinois Finance Authority (IFA) is a self-financed, state authority principally engaged in issuing taxable and tax-exempt bonds, making loans, and investing capital for businesses, nonprofit corporations, agriculture and local government units statewide. IFA finances about $3 billion each year, helping generate economic growth and job creation.

• **The Illinois State Treasurer’s Office.** The Illinois State Treasurer’s Office offers programs that are designed to assist the Illinois business community by providing access to capital and financing at affordable rates in order to promote economic development activities that create and retain jobs within the state.

• **Manufacturing Modernization Loan Program.** The Manufacturing Modernization Loan Program is designed to provide manufacturers with access to adequate and affordable financing for upgrading and modernizing their manufacturing equipment and operations.

(3) **Tax Assistance**

• **Illinois Angel Investment Credit Program.** The Illinois Angel Investment Credit Program is designed to offer a tax credit to interested firms or natural person(s) who make an investment in one of Illinois’ Innovative, qualified new business ventures. The investment will encourage job growth and expand capital investment in Illinois. The program can offer a tax credit to qualifying firms in an amount equal to 25% of their investment made directly in a qualified new business venture. The maximum amount of an investment that may be used as the basis for a credit under this section of $2,000,000 for each investment directly in a qualified new business venture. An awarded tax credit may not be sold or otherwise transferred to another person or entity. Businesses desiring to be registered as a qualified new business venture shall submit a registration form in each taxable year for which the business desires registration. The registration will attest to the fact that the business is principally engaged in innovation, their business headquarters is located in Illinois and their business has the potential for increasing jobs and capital investment in Illinois. Interested firms or natural person(s) desiring a tax credit based on their investment in a qualified new business venture must submit an application to the
Department which attests to the fact that an investment has been made and remains in the qualified new business venture for no less than 3 years.

- **High Impact Business (HIB).** The HIB Program is designed to encourage large-scale economic development activities, by providing tax incentives (similar to those offered within an enterprise zone) to companies that propose to make a substantial capital investment in operations and will create or retain above average number of jobs. Businesses may qualify for: investment tax credits, a state sales tax exemption on building materials, an exemption from state sales tax on utilities, a state sales tax exemption on purchases or personal property used or consumed in the manufacturing process or in the operation of a pollution control facility. The project must involve a minimum of $12 million investment causing the creation of 500 full-time jobs or an investment of $30 million causing the retention of 1500 full-time jobs. The investment must take place at a designated location in Illinois outside of an Enterprise Zone. The program has been expanded to include qualified new electric generating facility, production operations at a new coal mine or, a new or upgraded transmission facility that supports the creation of 150 Illinois coal-mining jobs, or a newly constructed gasification facility as a “Coal/Energy High Impact Businesses.” In 2009, the program was further expanded to include wind energy facilities. The designation as a Wind Energy/High Impact Business is contingent on the business constructing a new electric generation facility or expanding an existing wind power facility. “New wind power facility” means a newly constructed electric generation facility, or a newly constructed expansion of an existing electric generation facility, placed in service on or after July 1, 2009, that generates electricity using wind energy devices. “New wind energy device” means any device, with a nameplate capacity of at least 0.5 megawatts, that is used in the process of converting kinetic energy from the wind to generate electricity.

- **Illinois Historic Preservation Tax Credit Program.** The Illinois Historic Preservation Tax Credit Program provides a state income-tax credit equal to 25% of a project’s qualified expenditures to owners of certified historic structures located within River Edge Redevelopment Zones (Aurora, East St. Louis, Elgin, and Rockford) who undertake certified rehabilitations during the taxable year. The substantial rehabilitation investments will create jobs in Illinois, stimulate the economies of River Edge communities, and revitalize historic structures and neighborhoods. An awarded tax credit may not be sold or otherwise transferred to another person or entity. The Illinois Historic Preservation Tax Credit Program runs from January 1, 2012 to December 31, 2016.

- **New Markets Development Program.** The Illinois New Markets Development Program provides supplemental funding for investment entities that have been approved for the Federal New Markets Tax Credit (NMTC) program. This program will support small and developing businesses by making capital funds more easily available and will make Illinois more attractive to possible investors. The NMTC program provides state and federal tax credits to investors that make investments into approved funds, which will make investments in eligible projects located in low income census tracks throughout Illinois. This program provides non-refundable tax credits to investors in qualifying Community Development Entities (CDE’s) worth 39% of the equity investment made into the CDE over a 7 year credit allowance period.

(4) **Workforce Development**

The Office of Employment & Training is committed to encouraging statewide economic development by cultivating a well-trained workforce. To accomplish this goal, the Office identifies youth, adults and dislocated workers who are eligible for assistance under the Workforce Investment Act (WIA), assesses their employability skills and provides training as appropriate for identified sectors of growing employment demand. Ideally, this will lead to the placement of these individuals in self-sufficient employment. The Office also provides follow-up services leading to employment retention in high-wage and high-skilled jobs. These services are provided statewide while maintaining focus on the economic needs of each region.

**Southwest Region**

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(1) SIUE Small Business Development Center (SIUE SBDC)¹⁰

The SIUE Small Business Development Center is a service to the community supported by the U.S. Small Business Administration (SBA), Illinois Department of Commerce and Economic Opportunity, and Southern Illinois University Edwardsville (SIUE) School of Business.

SIUE houses two Small Business Development Centers, The Southwestern Illinois Entrepreneur Center and the International Trade Center. All Centers provide resources and information to the Southwestern Illinois Business community and the University.

Our Center is directly affiliated with the federal, state and local resources for small business. The SIUE SBDC serves as the direct source for your small business needs.

By assessing companies in defining their path to success, the SIUE SBDC network positively impacts the Southwestern Illinois Region by strengthening existing companies, creating new jobs, retaining existing jobs. The SIUE SBDC enhances Southwestern Illinois’ economic interests providing one-stop assistance to individuals by means of counseling, training, research, and advocacy for new ventures and existing small businesses. When appropriate, the SIUE SBDC strives to affiliate its ties to the Southwestern Illinois Region to support the goals and objectives of both the SIUE School of Business and the University at large.

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¹⁰ www.siue.edu
III. COUNTY

A. St. Clair County Economic Development Department (SCCEDD) 11

(1) Demographic Data

The SCCEDD can provide concise data reflecting the population and economic characteristics of the County and region.

Financial Incentives

The SCCEDD offers a Business Loan Program that works with area lenders. The SCCEDD administer two of the five Enterprise Zones located within the County that offer several tax credits and exemptions, and the SCCEDD issues industrial revenue bonds to finance larger, eligible developments. The SCCEDD also helps business gain access to other local, regional and state incentive programs such as workforce training programs and tax increment financing (TIF) incentives.

(2) Business Loan Program

See Exhibit “A” to the Appendix for detailed information.

The St. Clair County, Illinois Economic Development Department administers two business revolving loan funds established through grants provided to the St. Clair County Intergovernmental Grants Department (IGD) by both the Community Development Block Grant (CDBG) program of the U.S. Department of Housing and Urban Development (HUD) and through the Community Services Block Grant (CSBG) program, CSBG funds are granted by the Illinois Department of Commerce & Economic Opportunity (DCEO).

Low interest, fixed-rate loans are available to SBA defined small businesses located in St. Clair County. The primary purpose of the loan program is to create employment for persons of low or moderate income.

Terms

- Loans are made at a per annum rate of three percent (3%).
- Repayment period usually matches that of the principal private lender, which allows up to ten (10) years for real property improvements or land acquisition and seven (7) years for equipment purchases. A balloon provision is effective after two years at which point the interest rate may be adjusted.
- Loan amounts may not be less than $15,000 or more than $100,000 per loan program for a loan maximum of $200,000 but loans may not exceed forty percent (40%) of the total project cost. The loan amount is limited to up to $12,000 per full-time equivalent job created under the CDBG funded loan program and $20,000 per job under the CSBG funded loan program.

11 www.co.st-clair.il.us
B. Business Financing in Southwestern Illinois

(1) Southwestern Illinois Development Authority (SWIDA)

SWIDA was created by action of the Illinois General Assembly and the Governor in 1987. Tax-exempt revenue bonds are available through SWIDA but are limited by federal law to selected purposes including not-for-profit organization objectives, pollution control, solid waste facilities, transportation and small issue manufacturing companies. Interest on tax-exempt bonds is exempt from federal income tax, and therefore attracts a much lower rate than conventional financing.

SWIDA can also issue taxable revenue bonds for commercial, industrial, and recreational projects that are not eligible for tax-exempt financing. Taxable bond rates generally run two to two and one-half points higher than tax-exempts. Proceeds can be used to purchase land, buildings and equipment, and to construct new or renovate existing facilities. Taxable bonds provide the ability to borrow money for a longer term and at a lower rate of interest than alternative forms of taxable financing.

The issuance of revenue bonds through SWIDA provides the following benefits:

- The advantage of longer and more flexible debt repayment periods and lower interest rates than conventional financing;
- A moral obligation commitment of the State of Illinois (optional);
- The availability of unlimited dollar amounts for project activities with no fixed minimum job creation or capital investment requirements; and
- All SWIDA bonds are exempt from state taxation.

SWIDA also administers the Southwestern Illinois Community Development Corporation (SWICDC) which was created to provide “gap” financing at market rates to small businesses when conventional lenders are unwilling to assume 100 percent of the risk of financing or when the small business’ project does not meet with requirements of Madison or St. Clair Counties’ Job Creation Loan Programs. The SWICDC concentrates on small to medium sized businesses that require capital for modernization, physical rehabilitation of their facilities or cash flow to make them more economically viable. The SWICDC will make loans between $50,000 and $500,000 but will not be the primary lender. A private financial institute must lend a majority of the necessary funds and must sponsor the SWICDC loan application.

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12 www.siteselection-il.com
C. The Illinois Finance Authority (IFA)

The Illinois Finance Authority (IFA) is a self-supporting state agency created to stimulate economic development and provide jobs for Illinois residents. Their loan programs include their revenue bond financing and participation lending programs.

**IFA Taxable and Tax Exempt Revenue Bonds:** IFA is empowered to issue both tax exempt and taxable bonds as is SWIDA. Please see Section A for a description of taxable and tax-exempt revenue bonds.

**IFA Participation Lending Program:** IFA established this program to assist banks in lending to Illinois businesses that create or retain jobs but may be unable to obtain sufficient financing through conventional sources. Through this program, IFA will purchase up to the lesser of $300,000 or 50 percent participation directly from the bank. Participation loans can finance the purchase of land and buildings, construction and renovation of buildings and the acquisition of machinery and equipment. Interest rates will be 150 basis points below the rate charged to the borrower by the bank, resulting in a lower blended rate on the loan. If the loan carries an SBA 7(a) guarantee, an additional 50 basis points may be subtracted from the bank lending rate. If the maturity of the bank’s loan exceeds 10 years, IFA requires a balloon payment at the end of the 10 years. Banks may retain 50 basis points as a servicing fee, but the remaining 100 basis points (or 150 basis points if it is a SBA7(a) loan) must be passed on to the borrower.

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