

Village of Villa Park

Tenant Improvement Program – TIF Districts Only

Program Purpose and Overview

- The purpose of this program is to assist in enhancing or building out the interior of a tenant space with businesses that will attract the highest market interest throughout the Village in TIF districts.
- The Tenant Improvement Program operates as a grant reimbursement with the Village matching 50% of design and improvement costs for qualified improvements to new and existing commercial tenant spaces. Program guidelines, qualifications, and terms are described below.
- Reimbursements will be awarded in amounts between \$5,000 and \$25,000 (50% of total design and improvement costs for projects with a total value of \$10,000 or greater).

Business Eligibility & Requirements

The following table identifies the types of businesses that are deemed eligible to receive grant funding for interior tenant improvements:

Eligible Business Types	Ineligible Business Types
<ul style="list-style-type: none">• Restaurants, breweries, and bars with indoor dining rooms• Retail (e.g. boutiques, apparel, jewelry, grocery, gift shops, cosmetics, books, hardware, specialty shops, etc.)• Creative arts and entertainment uses (e.g. performing arts theater, club, movie theater, paint n’ sip, ceramic studios, indoor amusement, etc.)• Auto dealerships – TIF 3 only• Hotels	<ul style="list-style-type: none">• Delivery/carry-out, or drive-thru only restaurants• Service uses (e.g. spas, beauty salons, massage studios, dry cleaners, day care facilities, martial art/dance studios, gyms/yoga studios, etc.)• Automotive body work, paint, repair centers, and fueling station• Design showrooms• Professional/medical office spaces• Banks/financial institutions• Funeral homes• Tobacco and alternative tobacco sales

Eligible business types must meet the below requirements:

- Applicants must be either the property owner or the lessee of the subject commercial space. If the applicant is the Lessee, written approval from the property owner must be submitted with the application to participate in the program and consenting to all building modifications.
- Applicants must demonstrate the existing financial gap preventing the financing of the improvements described in the scope of work. This may be provided in a written statement detailing why the project would not be feasible without tenant improvement assistance.
- The tenant space must be on the ground floor of an existing commercial property.

- Total costs for proposed tenant improvements must exceed \$10,000 to participate in the program.
- Both existing and new commercial buildings are eligible for grant funding.
- Properties with unresolved code enforcement cases will not be eligible to receive grant funding unless the proposal would address the code enforcement issues.
- Within a five-year period, a maximum Tenant Improvement grant of \$25,000 will be reimbursed for tenant improvements. Exceptions may be considered on a case-by-case basis for large, multi-tenant buildings given the availability of program funds.
- The grant agreement between the applicant and the Village must be approved by the Village Manager and executed by the Grant recipient before any costs requested to be reimbursed are incurred.

Eligible Improvements

The Tenant Improvement Program will fund improvements that are permanent and will stay intact with the property. Therefore, the grant will not cover items deemed by staff to be for a particular use and would not be beneficial to other potential future uses to the space. The following improvements are eligible to receive funding through the program:

Improvements Eligible for Tenant Improvement Grant Funding:

- Interior demolition/shell reconstruction
- Drywall
- Permanent plumbing fixtures
- Permanent electrical improvements
- HVAC/mechanical
- Flooring
- Permanent lighting
- Permanent equipment (e.g. kitchen)
- Interior doors
- Improvements which achieve compliance with the Illinois Accessibility Code
- Water and sewer service upgrade and/or replacement

Ineligible Improvements for Tenant Improvement Grant Funding:

- Routine maintenance
- Painting/wall coverings
- Artwork
- Furniture
- Removable fixtures
- Non-fixed equipment

All improvements must comply with all applicable codes and standards of the Village of Villa Park and the Municipal Code. The Village must approve any improvements and projected budgets prior to the start of construction. The applicant must not begin any improvements to the property before the grant is approved by the Community & Economic Development Department and all necessary

permits are obtained. Any project costs incurred prior to grant approvals will not be eligible for reimbursement.

Eligible Costs

When included with the scope of work relating to an eligible tenant space, the costs below shall be eligible for reimbursement commensurate with the proportion of the work eligible for grant funding:

- Architectural and engineering fees (conceptual designs and construction drawings)
- Permits and fees
- Materials
- Construction labor

Review of Proposals

Grant awards will be determined by the Director of Community & Economic Development on a first-come, case-by-case basis until the total annually budgeted funds are expended. Applications that are denied can be revised and resubmitted if deficient/disqualifying characteristics can be corrected.

Staff will consider the following criteria to determine whether to issue a grant award for each proposed project:

1. Need (0-10 points)
 - a. 10 points will be awarded to projects where the tenant space or elements thereof:
 - i. Have exceeded their useful life and can no longer be regularly maintained in an aesthetic manner;
 - ii. Are incompatible to the current/proposed use; and/or
 - iii. Are no longer compliant with current Codes, design guidelines, etc.
 - b. 5 points will be awarded to projects which are primarily comprised of alterations/modifications (walls/finishes, flooring, hardware, plumbing, electric, interior doors, lighting, window treatments/blinds, eligible mechanical units, heating/cooling, etc.) to tenant spaces which otherwise remain in good repair.
 - c. 0 points will be awarded to projects that are being pursued exclusively for branding or rebranding purposes where maintenance issues with existing are not significant.
2. Location (0-10 points)
 - a. 10 points will be awarded to projects on sites abutting commercial corridors
 - b. 5 points will be awarded to projects on sites abutting mixed-use corridors
 - c. 0 points will be awarded to projects on sites abutting industrial corridors
3. Scale (1-10) points
 - a. 10 points will be awarded to projects including remodeling of entire tenant spaces
 - b. 5 points will be awarded to projects including partial tenant space improvements or combinations of improvements including permanent plumbing, permanent electrical, HVAC/mechanical, etc.
 - c. 0 points will be awarded to projects comprised exclusively of minor elements including permanent lighting, flooring, and storefront systems (doors and windows).

4. Activation of Vacant Space (0-10 points)
 - a. 10 points will be awarded to tenant spaces vacant for a period of time in excess of 1 year.
 - b. 5 points will be awarded to tenant spaces vacant for a period of time between 6 months and 1 year.
 - c. 0 points will be awarded to tenant spaces vacant for fewer than 6 months.
5. Use (0-10 points)
 - a. 10 points will be awarded will be awarded to projects with tenant spaces utilized for restaurants, breweries, and bars with indoor dining rooms.
 - b. 5 points will be awarded to projects with tenant spaces utilized for retail, creative arts and entertainment uses, auto dealerships, and hotels.
 - c. 0 points will be awarded to projects with tenant spaces for which tenants have not yet been identified.

Projects which will be eligible for a grant award must achieve a minimum combined score of at least half (25) of the 50 available points.

Please note that the approved grant amount may be less than the maximum, depending on Village program priorities, funding availability, and eligible project expenditures.

Grant Terms and Conditions

1. Grant Funds
 - a. Tenant Improvement Program Grants are subject to the availability of funding.
 - b. Fifty (50) percent of eligible costs related to the approved grant project will be reimbursed up to a maximum of \$25,000 (for projects with total costs in excess of \$50,000).
 - c. The Applicant must have a minimum total project cost of \$10,000 to participate in the Program.
2. Eligibility
 - a. Applicants must be either the property owner or the lessee of the subject commercial space. If the applicant is the Lessee, written approval from the property owner must be submitted with the application to participate in the program and consenting to all building modifications.
 - b. The tenant space must include floor areas accessible to the public within an existing commercial building.
 - c. Both new and existing businesses are eligible to apply for grant funding.
 - d. Within a five-year period, a maximum Tenant Improvement grant of \$25,000 will be reimbursed for tenant improvements. Exceptions may be considered on a case-by-case basis given the availability of program funds.
 - e. Applicants may also apply for Façade and Site Improvement grants simultaneously with the Tenant Improvement grant.
 - f. The grant agreement between the applicant and the Village must be approved by the Village and executed by the Grant recipient before any costs requested to be reimbursed are incurred.
3. Bidding

- a. At least three (3) competitive quotes/bids must be obtained. All quotes must be received from contractors who are licensed to work in the State of Illinois and in the Village of Villa Park (if required) and meet all bonding, insurance, and prevailing wage requirements.
 - b. All contractors and subcontractors are required to pay all laborers and workers performing work on the project no less than the prevailing wage in DuPage County.
 - c. The Village of Villa Park must approve the Applicant's chosen contractor(s) prior to the execution of any agreements. The Applicant is responsible for selecting the contractor(s) and executing any corresponding agreement(s); however, the Village will reimburse the Applicant for costs equivalent to fifty percent (50%) of the lowest bid amount.
4. Zoning Approval
- a. Where applicable, zoning approvals relating to architecture, landscaping, lighting, and signage changes within the scope of work must be obtained prior to the start of construction.
 - b. Zoning applications must be applied for within sixty (60) days of grant approval.
5. Permits, Construction, & Inspections
- a. All necessary permit applications and corresponding documentation, including architectural/construction drawings, must be submitted within ninety (90) days of grant and/or zoning approval.
 - b. All necessary permits must be obtained prior to the start of construction.
 - c. Work may extend across multiple Village fiscal years (starting January 1) but only one (1) check for Village reimbursement will be issued at the completion of the project.
 - d. Projects must pass all inspections and receive all necessary approvals for the completed improvements. All final inspections must be approved prior to reimbursement of costs in accordance with the agreement. If no final inspections are required in association with the permit, a final appearance inspection must be requested from the Community & Economic Development Department.
6. Disbursement of Grant Funds
- a. The Applicant must pay all contractors and subcontractors for work performed.
 - b. Copies of all waivers of lien(s) shall be submitted to the Village for review.
 - c. All receipts of payment of invoices related to work associated with the grant must be submitted to the Village within forty-five (45) days of completion of the work to facilitate the Village's deadlines for reimbursement.
 - d. The applicant may submit a written request for extension for staff consideration.
 - e. Failure to meet the above-mentioned deadline will result in the cancellation of the Village's obligations regarding any past or future costs in connection with the proposed improvements.
 - f. The Village shall process the reimbursement within thirty (30) days following the completion of the above requirements or as otherwise provided by law.
7. Maintenance Obligation

- a. Applicant shall maintain the improvements of the property in good condition and in accordance with all State of Illinois and Village of Villa Park property maintenance codes and standards.
- b. Properties with unresolved code enforcement cases will not be eligible to receive grant funding unless the grant application resolves the code enforcement issue.

Program Steps

1. Submit application

Applicants must submit a fully executed and signed application, along with all supporting documents. Staff will then review the application and determine eligibility for grant award within thirty (30) days of receipt of complete application. Applications will not be considered until all required documents are submitted. Grant funds are subject to availability at the time of the complete application submittal, and funds will not be awarded or held if an application is submitted without all required documentation.

2. Grant approval

A Letter of Award will be sent to the applicant upon project approval. All selected applicants will be required to execute a written agreement with the Village of Villa Park, which will establish terms, conditions, and requirements for participation in the program. The agreement must be signed by both the applicant and the Village prior to any project costs being incurred. The Village is not responsible for costs incurred prior to the approval and execution of the agreement.

3. Permitting process

All tenant improvement projects must go through the standard zoning, plan review, permitting, and inspection process. All permit documents, including architectural/construction drawings, must be submitted within ninety (90) days of grant approval. The applicant must obtain all necessary permits prior to the start of construction.

4. Final inspection and completion of work

Projects must pass all rough and final inspections and receive all necessary approvals for the completed improvements. All final inspections must be approved prior to reimbursement of costs in accordance with the agreement. If no final inspections are required in association with the permit, a final appearance inspection should be requested from the Community & Economic Development Department.

5. Grant reimbursement

Once the project has passed inspections, the applicant must submit copies of all invoices, proof of payment, and waivers of lien within 45 days. Staff will review the documents and, upon completion of all project requirements, facilitate reimbursement with thirty (30) days, or as otherwise provided by law.

Application Checklist

The following items must be completed in their entirety and submitted together for the project to be considered for grant funding:

- Completed and signed application
- Proof of ownership or lease
- If the applicant is the lessee of the subject commercial space, a written approval from the property owner must be submitted with the application to participate in the program and consenting to all building modifications
- Current W-9 form of the applicant
- Photos of the existing interior of the subject property
- Detailed scope of work
- Three (3) bids outlining costs of project
- Executive summary: background information and highlights of proposed project (goals, logistics, project constraints, potential generation of eligible sales tax, etc.)
- Dimensioned, dated, and scaled floor plan
- Catalog cuts for proposed permanent fixtures

Incomplete application packets may result in a delay of review.