



DPD | SBIF
Small Business Improvement Fund

somercor
Catalysts for the entrepreneurial dream



- What is TIF?
- What is SBIF?
- Who is eligible?
- What are eligible expenses?
- What's the application process?
- What are the requirements / restrictions?
- What's the payment process?



TIF: Tax Increment Financing



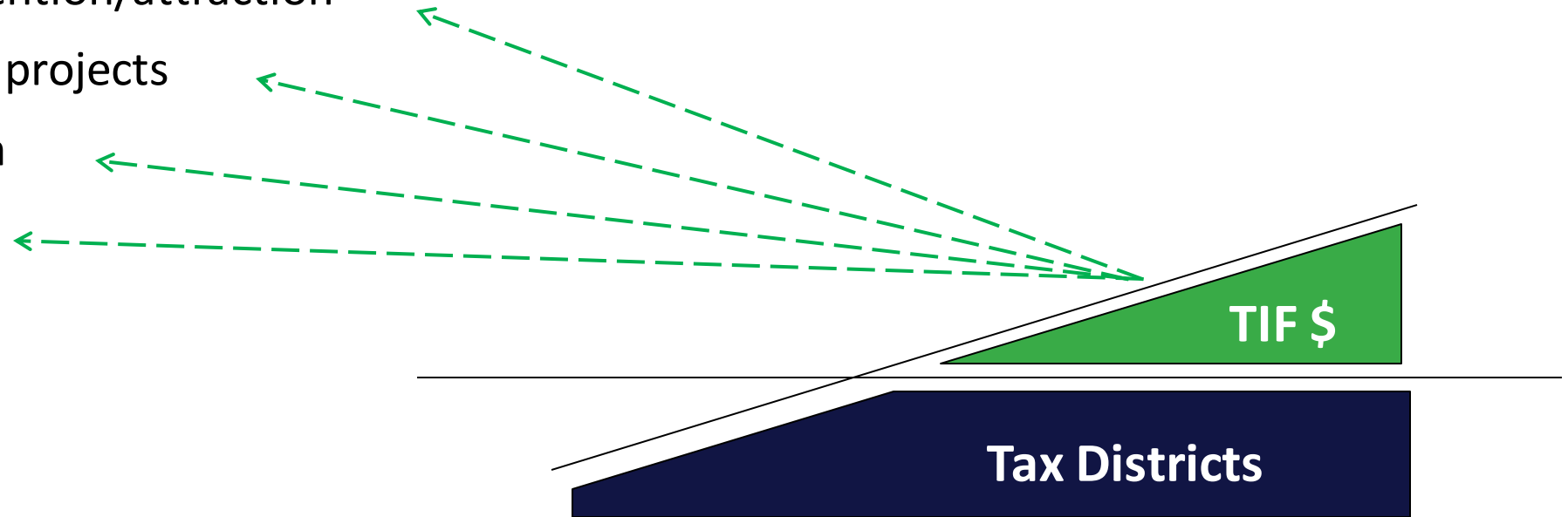
Property Tax \$ After TIF
- Property Tax \$ Before TIF
Tax Increment \$

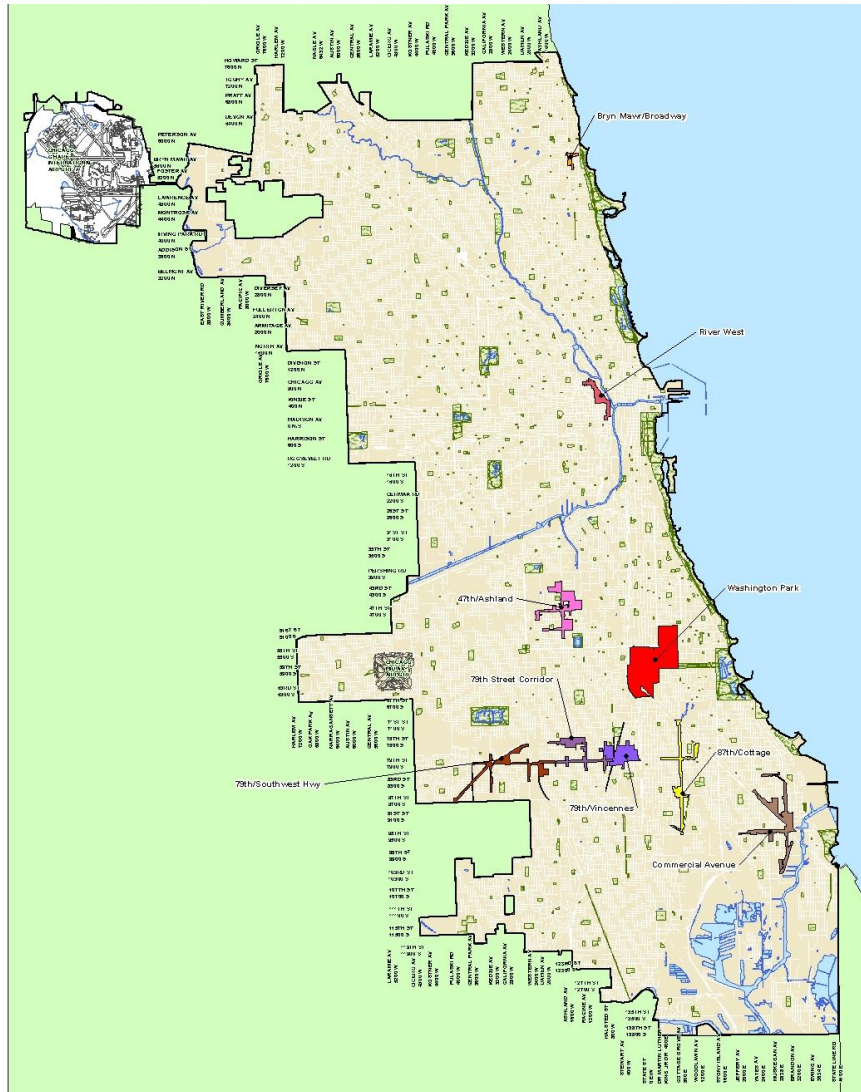


TIF: What Does It Do?

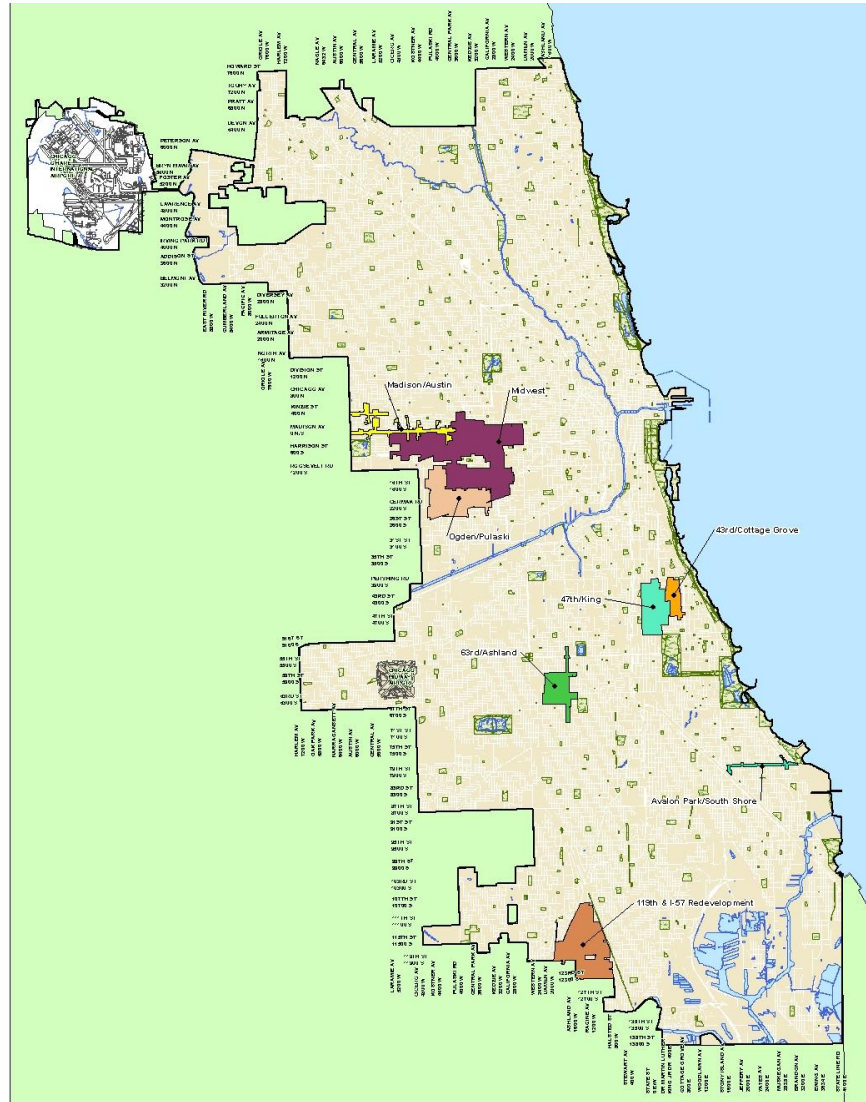


- Long term investment (23 years)
- Funds improvement projects & development
 - Business retention/attraction
 - Public works projects
 - SBIF Program
 - TIF Works



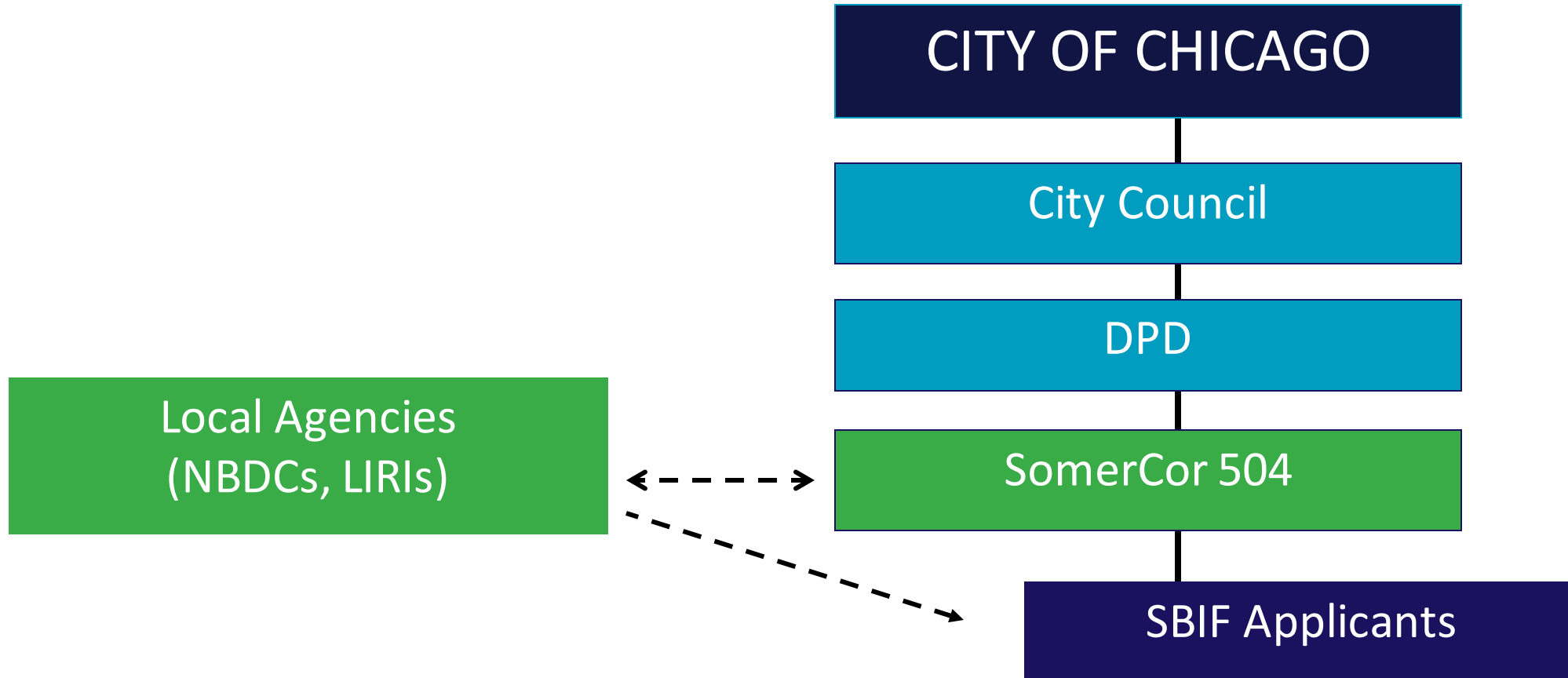


SBIF Districts open in July



SBIF Districts open in August

SBIF Organization





- Grants for permanent building improvements for small business properties in TIFs
- **Rebate** of 25%, 50% or 75% of SBIF-eligible costs
 - \$100,000 max per commercial applicant or landlord
 - \$150,000 max per industrial applicant
 - \$50,000 max per applicant in multi-tenant property with limit of \$250K per property





- **Property Owner:** Personal Net Worth (cumulative), Liquid Assets (cumulative)
- **Commercial Lessee:** Annual Sales Requirement / Limits (“gross receipts”)
- **Industrial Lessee:** Max 100 FTE *Employees (including all employees if multiple locations)*
- **Property & Business Owner:** Both Property Owner and Commercial Lessee requirements apply
- **Vacant Property:** Min 60% lease-up; 100% ground floor lease-up by “*SBIF-qualified tenants*”



1. Landlord

- No ownership interest in the business leasing the commercial space.
- All individuals with 7.5+% ownership interest evaluated

2. Net Worth (cumulative among all owners)

- Less than \$2.5 Million → **75%**
- \$2.5 - \$4.5 Million → **50%**
- \$4.5 - \$6 Million → **25%**
- Greater than or equal \$6 Million → **ineligible**

3. Additional eligibility considerations

- Cumulative liquid assets (<\$500K), lease-up requirement (*must be SBIF qualified tenants*)
- Applicable to industrial property owners that lease any part of property to 3rd party tenant



1. Tenant

- Leasing for a minimum of three years from a building owner of no financial relationship
- No overlap with property ownership.

2. Sales Requirements (gross receipts as filed on tax returns)

- Less than \$3 Million → **75%**
- \$3 - \$4 Million → **50%**
- \$4 - \$5 Million → **25%**
- Greater than or equal to \$5 Million → **ineligible**
- Start-ups: if business is new, projected income statement will be used to apply the sales schedule.
 - Business plan also required.



Industrial Business Owner:

Less than 100 FTE employees – 50% rebate

Industrial Landlord:

IF applicant owns an industrial property and also leases any portion of the industrial property to a third-party tenant (income generator), landlord sliding scale will be used.

SBIF Reimbursable Expenses



- Roofing
- Storefront/façade improvements
- Masonry repairs, tuck-pointing
- Building systems: HVAC, electrical, plumbing
- Interior renovations: rough and finish carpentry, “gut rehab” interior work
- ADA compliance improvements
- Environmental remediation
- Permanent signage (structural only)
- Land purchase (business expansion or parking)
 - Must already own directly adjacent real estate and operate a business from it

Ineligible Business/Organization Types



- National chains (food, bank branches, etc.)
- Currency exchanges, pay day loan stores
- Places of worship
- Liquor stores, bars
- Start-up banquet halls
- Astrology, palm readers
- Hotels and motels
- Home-based businesses
- Trailer storage, junk yards
- *Similar uses*



NON-Reimbursable Expenses



- New construction (additions/expansions, “ground up”)
- Serious/chronic building code violations (Circuit Court)
- Cosmetic upgrades/minor repairs as standalone projects (e.g. painting, new carpet, interior office remodel)
- Equipment-related expenses, personal property, impermanent items (e.g. computers, phones, kitchen appliances, cash registers, furniture, etc.)
- Parking lot improvements, landscaping
- Business-specific signage
- Perimeter security fencing
- Work on residential unit interiors



Total Eligible Project Costs - \$50,000

- Masonry improvements (tuckpointing, lintel replacement): \$30,000
- Roof replacement (tear off, new insulation, TPO membrane): \$20,000

Eligible rebate percentage: 75%

- SBIF Grant calculation: $\$50,000 \times 75\% = \$37,500$

Additional advantages

- Project can be completed in up to 3 phases
- SBIF funds can be assigned to a lender (“bank assignment” to leverage construction financing)

Recent Projects



BEFORE



AFTER

Fig Café & Custard
1004-08 W. 79th Street

Recent Projects



BEFORE



AFTER

Agencia Y Notaria Cadena
1642 W. 47th Street

Recent Projects



BEFORE



AFTER

Panamericana Auto Parts & Repair
5430 S. Ashland

Recent Projects



BEFORE



AFTER

The Roscoe Company
3535 W. Harrison Street



- For **commercial** grantees receiving over \$25,000 in SBIF funding, at least 10% of grant funding must be put towards an exterior improvement (i.e. masonry repairs, storefront improvements).

- Possible waiver of this requirement if:
 1. Exterior was recently updated and/or no exterior work needed;
 2. AND Interior work is “substantial” (i.e. building systems, concrete, structural work)



Ways to save money with energy efficiency

- Insulation and high efficiency furnaces and water heaters will dramatically cut down energy costs.
 - *Peoples Gas Natural Gas Savings Program*
- Look for EnergyStar ratings (required for industrial)
- High efficiency lighting will cut down electrical bills.
 - *ComEd Smart Ideas program*

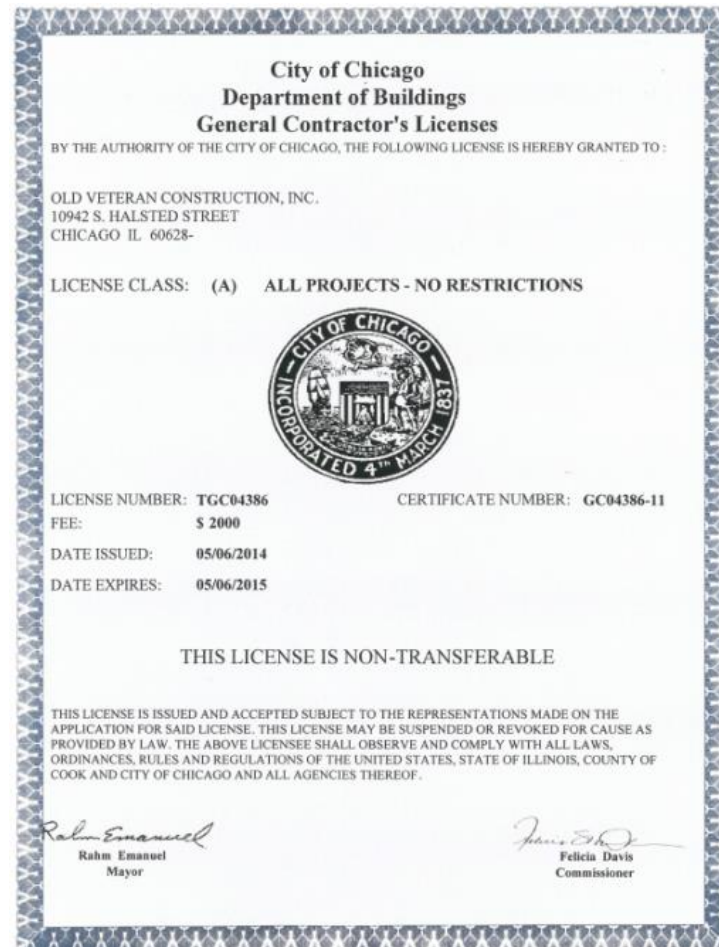


- Façade design guidelines
- Valid city business license
- No city debt
- Economic Disclosure Statement
- Property taxes - *current*
- Grant Recipient Affidavit (e.g. no relocation)
- Proof of land ownership or min 3 yr. Lease
- Other direct city financial assistance deducted from grant amount, excluding TIF Works
- Start-ups – “follow through” required

Other SBIF Criteria



- Contractor licensed by City and insured
- M/WBE contractor list provided
- Technical Assistance by SomerCor



City of Chicago The City of Chicago's Official Site

Certification and Compliance

Department Facts
About Us:
Mission
Leadership
Our Structure

City Services
I Want To...
Apply For
Check Status Of
Find/Get
Pay for/Buy
Register
Report/File
Request
Sign up for/Volunteer

Advanced Search

Apply for Certification

Current Bid Opportunities

Bid Tabulations

Certification and Compliance System (C2)

MWDBE Directory
Search City of Chicago's MWDBE Directory by entering search terms and clicking **Search**. You must select at least one certification type.

Department of Procurement Services Disclaimer

Search by Business Name or DBA
Business Name/DBA
Tip: Try just a few letters of the firm's name.

Search by Business Description
Business Description
Tip: Try just a few letters of a keyword.

Search by Commodity Code
Commodity Code
Click to Lookup Commodity Code (popup window will appear to browse and search available Commodity Codes)

Search by Contact Person
Contact Person/Owner First name Last name
Tip: Use the first letter. Tip: Try just the first few letters.

Search by Location
City

System Links
» System Login
» Password Reminder
» Account Lookup
» FAQs
» MWDBE Directory
» Apply for Certification
» Upcoming Events
» Staff Information
» News & Announcements
» Contact Us & Support

Related Links
Department of Procurement Services
Department of Business Affairs and Consumer Protection
Department of Aviation



Project Completion Requirements

- **Proof of payment:**
 - Invoices
 - Cancelled checks
 - Waivers of lien
- **Site visit**
- **Copy of building permit(s)**

- ➔ **3-5 weeks for grant payment**



SBIF Timeline - 3 Stages



Application Period and Lottery: App Period Ends **August 14, 2020 at 5 PM CST**

Stage 1 - Within 20 DAYS: Furnish additional documents to complete initial application

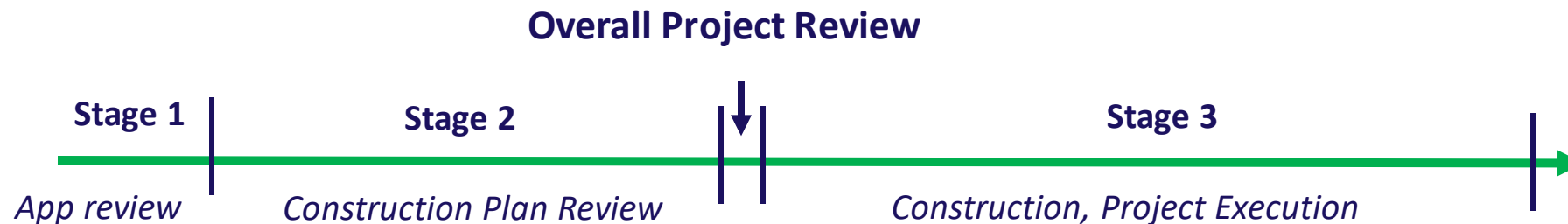
Stage 2 - Within 120 DAYS: Construction planning & cost estimate submittal

Note: Stage 1 and 2 must be completed before approval of grant funds can be fully considered.

Application Review – Conditional commitment letter issuance if approved

Stage 3 – Within 120 DAYS – Submit proof of financing (e.g. bank statement, commitment letter)

Within 300 DAYS: Complete construction





July Open Districts – Deadline is August 14th at 5PM CST

- 47th/Ashland
- 79th/Southwest Highway
- 79th Street Corridor
- 79th/Vincennes
- 87th/Cottage Grove
- Bryn Mawr/Broadway
- Commercial Avenue
- River West
- Washington Park

Applications must be received by SomerCor by 5:00 pm CST, **August 14, 2020!**

Submit via email: sbif@somercor.com

Applications can also be submitted via fax to 312-757-4371 or USPS / UPS / FedEx / courier to SomerCor's offices (601 S. LaSalle St. #510, Chicago, IL 60605).



August Open Districts

Accepting Applications August 3, 2020 through September 4th at 5PM CST

- 43rd/Cottage Grove
- 47th/King Drive
- 63rd/Ashland
- 119th & I-57
- Avalon Park/South Shore
- Madison/Austin
- Midwest
- Ogden/Pulaski

Note: Applications received for these areas will NOT be accepted prior to 9AM CST on Monday, August 3, 2020. Applications received for these areas will NOT be accepted after 5pm CST on Friday, September 4, 2020.



Register Now for SBIF Overview & Application Process Webinar



DPD and SomerCor will host another webinar this summer to review program requirements and the application process:

August 5th @ 1-2:30pm

Advance registration is recommended, however, the meetings can also be live streamed the day of the meeting on [DPD's YouTube page](#).



August 14, 2020

by 5:00 p.m. Central Time

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THANK YOU

QUESTIONS?



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