

**SALES TAX REIMBURSEMENT  
FINANCIAL ASSISTANCE  
APPLICATION PACKET  
Part 2 of 2**



**CITY OF ST. CHARLES**



**City of St. Charles**  
**Sales Tax Reimbursement Financial Assistance**  
**Application Packet Part 2**

**Submission of the Part 2 Sales Tax Reimbursement Financial Assistance Application**

In order for the City to effectively evaluate a request for financial assistance, the Applicant must:

- Provide all applicable items in a single submission;
- Organize the submission and present the required information in the manner indicated below; and
- Provide five (5) copies of the submission.

Failure to provide all required information in a complete and accurate manner could delay processing of the application. The City reserves the right to reject applications that lack all required items.

The Applicant is required to provide an initial fee of \$7,000 and a signed Reimbursement of Fees Agreement shall accompany any financial assistance application. This fee shall be used to cover the City's legal, administrative, and planning costs. Outside consultants hired by the City shall be paid for by the Applicant and will not be considered a part of the fee. It is also the responsibility of the Applicant to provide a deposit in the amount of any professional services contract provided by outside consultant(s) before the contract is executed. If an additional amount of money is required to reimburse the City for its related costs, the Applicant shall be responsible for such costs. If any portion of the fee is not utilized, the City will refund the amount to the Applicant.



**City of St. Charles**  
**Sales Tax Reimbursement Financial Assistance**  
**Application Packet Part 2**

**Applicant Information:**

**PRINCIPAL PROFILE(s)**

The following information must be provided for each individual that is an owner, partner, investor, director or officer of the Applicant entity or of any entity holding an interest in the applicant. **(All information must be typed)**

Name:

Address:

Company:

Phone:

Email:

Name:

Home Address:

Company:

Phone:

Email:

Name:

Home Address:

Company:

Phone:

Email:

Name:

Home Address:

Company:

Phone:

Email:



**City of St. Charles**  
**Sales Tax Reimbursement Financial Assistance**  
**Application Packet Part 2**

**Project Information**

**1. Project Narrative**

Provide an in-depth overview of the project in narrative format. The narrative must include a description of the following aspects of the project:

- Clear identification of the percentage of new sales tax revenue to the City of St. Charles that the Applicant is requesting be reimbursed on an annual basis.
- Clearly state the term (number of years) of that the application is requesting the sales tax sharing assistance.
- Current condition of the site and historical overview that includes the size and condition of any existing structures, environmental conditions, and past uses of the site.
- Proposed use(s) of project (e.g. industrial, commercial, retail, office, or mixed-use).
- Construction information about the project including: size of any existing structure to be demolished or rehabbed, size of any new construction, types of construction materials (structural and finish), delineation of square foot allocation by use, total number and individual square footage of residential units, type of residential units (e.g. for-sale, rental, condominium), number of affordable residential units, degree of affordability of residential units (i.e. 100% AMI, 80% AMI, 60% AMI), number and type of parking spaces, and construction phasing.
- **Table of residential unit mix** - Provide a detailed overview of the residential units in the project. Details must include: the number and type of unit (i.e. number of bedrooms and bathrooms), unit size measured in square feet, construction cost per square foot, base sales price, "write-down" for affordable units, and the projected amount of total sales revenue.
- **Submit in writing** – a response as to how the proposed sales tax reimbursement request meets the following standards established in the Illinois State Statutes 65 ILCS 5/8-11-20
  - “(1) *If the property subject to the 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 finding (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:*



**City of St. Charles**  
**Sales Tax Reimbursement Financial Assistance**  
**Application Packet Part 2**

- (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.”*

**2. Project Timeline**

A comprehensive project timeline is required. Include anticipated dates for site acquisition or lease, project start and completion, as well as other project milestones. Multi-phase projects must include details for each phase. The timeline should also identify any critical or time-sensitive dates as well as any time constraints facing the Applicant.

**3. Public Benefits**

Fully describe the public benefits that can be realized by the completion of this project. Projects with a high degree of public benefit are typically more likely to receive financial assistance. Examples of public benefits include, but are not limited to the following:

- Creation of affordable housing
- Creation of new permanent jobs
- Creation of new retail choices in an underserved segment of the community
- Catalyst for new private investment
- Re-occupancy of a vacant building
- Elimination of blight
- Incorporation of environmentally friendly features
- Creation of public infrastructure or facilities
- Increased sales tax revenue
- Increased property tax revenue creation and/or retention

This statement should include qualitative examples of public benefits as well as quantifiable and measurable outcomes of the short-term and long-term benefits to the neighborhood and to the City of St. Charles. Supporting documentation for the estimates of public benefits must be included.

**4. Site Maps**

Provide a map that shows the location of the site. Also, provide a map that focuses on the project and its immediate surroundings. Both maps should be no larger than 11 x 17. Larger maps will be required for projects presented to the Council.



## City of St. Charles Sales Tax Reimbursement Financial Assistance Application Packet Part 2

### 5. List of PINs

Identify the specific Parcel Index Numbers (PINs) included in the proposal and include the "base" equalized assessed value(s) EAV for each of these PINs. This information can be obtained from the Kane County Assessors Office.

### 6. Renderings of Project

Provide preliminary architectural elevations, plans and renderings for the project. These drawings should be no larger than 11 x 17 inches. Larger drawings will be required for projects presented to the City Council.

### 7. Evidence of Site Control

Submit documents to verify that the developer has control of the project site or that the Applicant has, or will have control of the property. Acceptable documentation may include deeds, title policies, leases, options, and real estate sales contracts. If the property has yet to be acquired, provide a statement regarding the method of acquisition, status and next steps of the related processes.

## Project Financial Information

### 8. Sources and Uses of Funds

Identify the sources of funds used to finance the project. Typical sources include equity, lender financing, mezzanine financing, government financing, other anticipated types of public assistance, and any other types or methods of financing. Describe the sources of equity. Include a term sheet for lender financing, if available. The project budget must identify the up-front sources intended to finance the development costs of the project. If determined, specify each line item of the project budget that each source will finance. Summarize the uses of funds. General categories to be identified include: acquisition and related site costs, hard construction costs, and a breakdown of soft costs.

All projects must include, for the construction phase, a monthly or quarterly cash flow (i.e., sources or "cash in" by source, and uses or "cash out" by use).

For-sale housing developments must show income from the rental or sale of commercial space, the sale or rental of parking spaces, and unit upgrades must be included. Clearly identify all assumptions (such as absorption, sales prices, taxes, etc.). Identify the profit expected at the completion of the project.

Applicants are advised, that to the extent possible, sales contracts for land acquisition should not be executed until the City and the Applicant have agreed on an amount of assistance to be provided. This is because purchase price of a development site to be acquired or recently acquired will be reviewed to determine whether that price exceeds the property's current market value. For incentive agreements, market value sets the upper limit of acquisition costs that will be considered in the estimation of financial assistance. The City will review any market value



## City of St. Charles Sales Tax Reimbursement Financial Assistance Application Packet Part 2

appraisal submitted in support of an acquisition, and the department may obtain its own appraisal or review appraisal.

### 9. Development Budget

Provide an accurate and detailed development budget for the project that includes a detailed breakdown of significant line item costs. The budget should be arranged to identify acquisition and site related costs, hard costs, and soft costs. Also, identify all line items that are performed by the developer, owner, or related entities.

The applicant shall clearly identify in a table the cost of specific line items that contribute to the need for financial assistance and create unfavorable financial returns. For example, installation/repair of public infrastructure, costs related to environmental remediation, costs related to the identification of un-buildable soils, demolition of existing structures, rehabilitation structures that do not meet current life safety codes, etc. The city's consultant may request further financial information as deemed appropriate.

### 10. Pro Forma Income and Expense Schedule

Applicants whose projects involve the rental of commercial, retail, industrial, and dwelling space must submit pro formas that identify income and expense projections on an annual basis for an eleven-year period. A hypothetical property reversion is to be assumed. Clearly identify all assumptions (such as absorption, vacancies, debt service, operational costs, etc.) that serve as the basis for the pro forma. Two sets of pro formas are to be submitted. The first set should show the project without sales tax reimbursement assistance and the second set with sales tax reimbursement assistance. For owner-occupied industrial and commercial projects, detailed financial information must be presented that supports need for financial assistance (see below).

### 11. Analysis of Financial Need

Each application must include financial analyses that demonstrate the need for sales tax reimbursement assistance. Two analyses must be submitted: one without sales tax reimbursement assistance and one with sales tax reimbursement tax assistance. The Applicant must indicate the minimum return or profit the Applicant needs in order to proceed with the project and the rationale for this minimum return or profit.

For Lease Property - For projects involving the leasing or rental of space by the developer to tenants (tenants include offices, retail stores, industrial companies, and households), an internal rate of return on equity must be computed with and without sales tax reimbursement assistance based on the pro forma of income and expense prepared. The reversion at the end of the ten-year holding period must be based on the capitalized 11th year net operating income. The reversionary value is then added to the 10th year cash flow before discounting to present value. State all assumptions in the analyses.

Mixed Use Commercial / For-Sale Residential - Provide either separate analyses for each component of the project or include in the revenue sources for the for-sale portion, the sale



## **City of St. Charles** **Sales Tax Reimbursement Financial Assistance** **Application Packet Part 2**

value of the commercial component based on the net operating income of the commercial space at stabilization. Indicate how the sale value was derived.

Owner-Occupied Commercial - For projects such as "big-box" retail projects, provide copies of the analyses that the company used to determine the amount of sales tax reimbursement assistance that would be needed to allow the company to meet or exceed the company's minimum investment threshold(s) for proceeding with the project.

Competitive Projects - In instances where the City is competing with other jurisdictions for the project (e.g., corporate headquarters, new manufacturing plant), present detailed analyses that demonstrate the capital and operating cost differential between the proposed location(s) in St. Charles and locations outside the City that are being seriously considered by the Applicant.

### **12. Projections**

Provide the amount of total sales tax generated for all PIN(s) included in the request for sales reimbursement project Area. This information should include the previous twelve (12) months prior to submitting this information. If this information is not readily available, the applicant shall make their best efforts to estimate these amounts based on historical information.

State the estimated amount of new sales tax that the proposed project will create over the entire requested term of the agreement. These projections should be computed on an annual basis and illustrate the amount of new sales tax generated that the applicant is requesting to be reimbursed based on the percentages identified in the project narrative.

### **13. Financial Commitments**

Submit commitment letters and/or terms sheets from all lenders for proposed debt (such as construction, mezzanine, permanent, and government financing) and all other financial sources of the project (such as grants, and tax credits). Commitment letters must clearly specify the nature and terms of the obligations.

### **Professional Studies**

#### **14. Market Studies**

Applications for commercial and mixed-use projects must include a comprehensive market study. Market studies are not required for industrial projects. The market study must identify target markets, analysis of competition, demographics, market rents, letters of intent/interest from prospective tenants, or for residential mixed-use, sale prices or rental rates of comparable properties.

#### **15. Appraisal**

All projects that involve the transfer of land must include a recent appraisal. Projects that include land as a form of equity or collateral must also submit a recent appraisal. The appraisal must value the property "as is", and the impact on value must be considered for such items as demolition, environmental remediation, relocation of utilities, lease buy-outs, and other work





## **City of St. Charles Sales Tax Reimbursement Financial Assistance Application Packet Part 2**

necessary to make the site developable. The property must be valued assuming that the highest and best use is the proposed use.

All appraisals must be performed by a designated MAI or bank-approved appraiser. The initial appraisal may need to be updated or amended at the request of the City. Also, the City may obtain its own appraisal or review appraisal at the expense of the Applicant. Contact the City if there are questions or concerns about the approach to the appraisal.

### **16. Environmental Studies and Reports**

When required by the City, submit a copy of the Phase I environmental report/study performed on the property. If there is probable or potential contamination on the project site, then a Phase II report/study or evidence that the site has been, or is being enrolled in an IEPA, a No Further Remediation (NFR) Program must also be included.

### **17. Other Studies and Reports**

Include, as appropriate, other reports in support of information that is presented in the application.

### **Developer Information**

### **18. Financial Statements**

Provide year-end historical (prior 3 years) and interim financial statements of the Applicant and owning and/or operating entity if different from the Applicant. Financial Statements should include accountant audited or compiled balance sheet, income statement, and statement of cash flows.

### **19. Economic Disclosure Statement**

Submit a City of St. Charles Economic Disclosure Statement (EDS) for each of the business entities with a financial interest in this project (see attached).

### **20. Prevailing Wage Requirements**

The owner / developer must declare knowledge and acceptance of the Illinois Prevailing Wage requirements to the extent required by state law or the City. Applicant agrees that they have read, been informed and understood the provisions associated with the application.



**City of St. Charles**  
**Sales Tax Reimbursement Financial Assistance**  
**Application Packet Part 2**

**Sales tax reimbursement Financial Assistance Application Checklist**

Include this Checklist when applying for sales tax reimbursement assistance. If any of the required items are omitted from the application, please provide a brief explanation.

**General Project Information**

1  Project Narrative

11  Analysis of Financial Need

12  Projections

13  Financial Commitments

**Detailed Project Information**

2  Project Timeline

3  Public Benefits

4  Site Maps

5  List of PIN(s)

6  Renderings of Project

7  Evidence of Site Control

**Professional Studies**

14  Market Studies

15  Appraisal

16  Environmental Studies and Reports

17  Other Studies and Reports

**Project Financial Information**

8  Sources and Uses of Funds

9  Development Budget

10  Pro Forma Income and Expense  
Schedule

**Other Information**

18  Financial Statements

19  Economic Disclosure Statement (EDS)

20  Prevailing Wage Requirements



**City of St. Charles  
Sales Tax Reimbursement Financial Assistance  
Application Packet Part 2**

**PREVAILING WAGE AND JOB CREATION AFFIDAVIT**

**NOTICE:** The owner / developer must declare knowledge and acceptance of the Illinois Prevailing Wage requirements to the extent required by state law or the City. Applicant agrees that they have read, been informed and understood the following provisions associated with the application. In addition, if awarded a contract and required by state law or the City, the Applicant agrees to comply and require all participating subcontractors to comply with all requirements for each of the following applicable provisions:

- Prevailing Wage (*initial attachment*)
- Job Creation/Retention (*initial attachment*)

I, \_\_\_\_\_ HEREBY DECLARE AND AFFIRM that I am the

\_\_\_\_\_ and duly authorized representative of  
(Title – Print or Type)

\_\_\_\_\_ located at  
(Name of Company – Print or Type)

\_\_\_\_\_  
(Address, City, State & Zip of Company – Print or Type)

( ) \_\_\_\_\_ ( ) \_\_\_\_\_  
(Phone) (Fax)

Have you previously participated in any Federally funded or City funded projects with any company?

Yes  No If yes, please provide: Project Address \_\_\_\_\_

Developer/Company \_\_\_\_\_ Amount \_\_\_\_\_ Year \_\_\_\_\_

**I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS DOCUMENT ARE TRUE AND CORRECT, AND THAT I AM AUTHORIZED ON BEHALF OF THE APPLICANT TO MAKE THIS AFFIDAVIT.**

Signature: \_\_\_\_\_ Name of Affiant: \_\_\_\_\_

Date: \_\_\_\_\_

State of: \_\_\_\_\_ County (City) of: \_\_\_\_\_



**City of St. Charles  
Sales Tax Reimbursement Financial Assistance  
Application Packet Part 2**

This instrument was acknowledged before me on \_\_\_\_\_ (date)

by \_\_\_\_\_ (name/s of person/s)

as \_\_\_\_\_ (Type of authority, e.g., officer, trustee, etc.)

of \_\_\_\_\_ ( name of party on behalf of whom instrument as executed).

Signed and sworn to before me on \_\_\_\_\_ by \_\_\_\_\_

\_\_\_\_\_,

(date)

at \_\_\_\_\_ County, \_\_\_\_\_.

(state)

Notary Public: \_\_\_\_\_

**SEAL**

Commission Expires: \_\_\_\_\_

**PROVISIONS CONCERNING PREVAILING WAGE RATE**

The owner / developer must declare knowledge and acceptance of the Illinois Prevailing Wage requirements to the extent required by state law or the City. If required by state law or the City, the developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor and each subcontractor to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all Project employees. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each type of worker or mechanic employed pursuant to such contract. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, the developer shall provide the City with copies of all contracts entered into by the Developer of the General Contractor to evidence compliance with this requirement.

Initials: \_\_\_\_\_ Date: \_\_\_\_\_



**City of St. Charles**  
**Sales Tax Reimbursement Financial Assistance**  
**Application Packet Part 2**

**INSTRUCTIONS FOR COMPLETING THE CITY OF ST. CHARLES  
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT**

The City of St. Charles (the "City") requires disclosure of the information requested in this Economic Disclosure Statement and Affidavit ("EDS") before any City agency, department or City Council action regarding the matter that is the subject of this EDS. Please fully complete each statement, with all information current as of the date this EDS is signed. If a question is not applicable, answer with "N.A." An incomplete EDS will be returned and any City action will be delayed.

Please print or type all responses clearly and legibly. Add additional pages if needed, being careful to identify the portion of the EDS to which each additional page refers.

For purposes of this EDS:

**"Applicant"** means any entity or person making an application to the City for action requiring City Council or other City agency approval.

**"Disclosing Party"** means any entity or person submitting an EDS.

**"Entity" or "Legal Entity"** means a legal entity (for example, a corporation, partnership, joint venture, limited liability company or trust).

**"Person"** means a human being.

**WHO MUST SUBMIT AN EDS:**

An EDS must be submitted in any of the following three circumstances:

1. Applicants: An Applicant must always file this EDS. If the Applicant is a legal entity, state the full name of that legal entity. If the Applicant is a person acting on his/her own behalf, state his/her name.
2. Entities holding an interest: Whenever a legal entity has a beneficial interest (i.e. direct or indirect ownership) of more than 7.5% in the Applicant, each such legal entity must file an EDS on its own behalf.
3. Controlling entities. Whenever a Disclosing Party is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture that has a general partner, managing member, manager or other entity that can control the day-to-day management of the Disclosing Party, that entity must also file an EDS on its own behalf. Each entity with a beneficial interest of more than 7.5% in the controlling entity must also file an EDS on its own behalf.



**City of St. Charles  
Sales Tax Reimbursement Financial Assistance  
Application Packet Part 2**

**ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT**

**SECTION I -- GENERAL INFORMATION**

A. Legal name of Disclosing Party submitting this EDS. Include d/b/a if applicable:

**Check ONE of the following three options:**

Indicate whether Disclosing Party submitting this EDS is:

1. the Applicant, or
2. a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which Disclosing Party holds an interest: or
3. a specified legal entity with a right of control (see Section II.B.1.b.). State the legal name of the entity in which Disclosing Party holds a right of control:

B. Business address of Disclosing Party:

\_\_\_\_\_

\_\_\_\_\_

C. Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

D. Name of contact person: \_\_\_\_\_

E. Federal Employer Identification No. (if you have one): \_\_\_\_\_

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include the location of property, if applicable):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



**City of St. Charles  
Sales Tax Reimbursement Financial Assistance  
Application Packet Part 2**

**SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS**

**A. NATURE OF DISCLOSING PARTY**

1. Indicate the nature of the Disclosing Party:

- |                                |   |
|--------------------------------|---|
| Person                         | Joint venture*  |
| Corporations                   | Not-for-profit corporation (Is the not-for-profit corporation also a 501(c)(3))? <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Sole proprietorship            | Other (please specify) _____  |
| General partnership*           | _____   |
| Limited partnership*           |   |
| Trust                          |   |
| Limited liability company*     |   |
| Limited liability partnership* |   |

\* Note B.1.b below.

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

\_\_\_\_\_

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

Yes     No     N/A

**B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:**

1.a. List below the full names and titles of all executive officers and all directors of the entity. For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

Name	Title
_____	_____
_____	_____
_____	_____
_____	_____



**City of St. Charles**  
**Sales Tax Reimbursement Financial Assistance**  
**Application Packet Part 2**

---

---

1.b. If you checked "General partnership," "Limited partnership," "Limited liability company," "Limited liability partnership" or "Joint venture" in response to Item A. 1. above (Nature of Disclosing Party), list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

**Name**

**Title**

---

---

---

---

---

---

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture, interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: The City may require any such additional information from any Applicant that is reasonably intended to achieve full disclosure.

**Name**

**Business Address**

**% Interest in Disclosing Party**

---

---

---

---

---

---





**City of St. Charles**  
**Sales Tax Reimbursement Financial Assistance**  
**Application Packet Part 2**

**CERTIFICATION**

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS are true, accurate and complete as of the date furnished to the City.

**Please print or type**

Disclosing Party: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

(sign here)

Person Signing: \_\_\_\_\_

Title of Person Signing: \_\_\_\_\_

Signed and sworn to before me on (date) \_\_\_\_\_ by \_\_\_\_\_,  
at \_\_\_\_\_ County, \_\_\_\_\_(state).

Notary Public: \_\_\_\_\_

**Seal**

Commission Expires: \_\_\_\_\_