

**EXHIBIT A**  
**Downtown/Southtown Business Area Redevelopment Program Policy**

1. **Purpose:** The purpose of the Downtown/Southtown Business Area Redevelopment Program (“Program”) is to encourage redevelopment of the City of Effingham’s existing downtown and southtown area by providing tax increment finance incentives to property owners who engage in the eligible redesign, rehabilitation and reconstruction of existing commercial or business use buildings located in the Eligibility Area. Residential properties are not eligible for the Program.
2. **Eligibility Area:** The Program Area will encompass the same area as the Central Redevelopment Tax Increment Finance District and the South Central Industrial Redevelopment Tax Increment Finance District.
3. **Term:** The Program will terminate on April 30, 2024 (“Term”). If the Program is successful and sufficient funds are available, the City Council anticipates expanding the Term of the Program.
4. **Budget:** The budget for the Program for the 2024 fiscal year is \$200,000.00 (“2023 Budget”), \$100,000.00 will be designated for projects in the Central Redevelopment Tax Increment Finance District and \$100,000.00 will be designated for projects in the South Central Industrial Redevelopment Tax Increment Finance District. These funds shall be budgeted and dedicated to the Program on an annual basis for the term of the program unless modified by the City Council. The Program is offered on a first-come, first-served basis.
5. **Program Plan:** The intent of the Program is to provide incentives for local business owners to rehabilitate, repair, and redevelop commercial buildings located in the Eligibility Area in order to foster reinvestment and economic growth. The program will provide for the opportunity for reimbursement of rehabilitation, repair and redevelopment costs incurred pursuant to this Policy, which are generally consistent with the following activities subject to approval of the City Council: tuck pointing, window and door replacement, signage permanently attached to the façade portion of the building, façade construction, rehabilitation, painting, siding and related exterior rehabilitation work. No reimbursement shall be available for any interior work. The program is primarily focused on those sides of the building which front a street, but consideration will be given to additional sides of the building which are highly visible from multiple public roadways and to those sides which have official public entrances.
6. **Eligibility Criteria:** A person is eligible for the Program if he/she:
  - a. Is the owner of real estate in the Eligibility Area.
  - b. Has property which generates real estate taxes. Not-for-profit owned properties which do not pay real estate taxes are not eligible for the Program.
  - c. Is in good standing with the City of Effingham and the State of Illinois with no taxes or fees owed.
  - d. Completes a letter of application to the City Council.

e. Executes a Program Agreement (“Agreement”) agreeing to redesign, rehabilitate and reconstruct the owner’s building in a manner consistent with the Program Plan approved by the City Council. The form of the Agreement is attached to the Policy.

7. **Application & Approval Process:** A person may apply for the Program by sending an application to the TIF Administrator (“Administrator”), requesting the City Council to approve his or her real estate for redesign, rehabilitation and reconstruction in a manner consistent with the Program Plan. The application letter must include your name, address, telephone number, a copy of your deed to the building, copies of appropriate plans, drawings or other documents showing your proposed redesign, rehabilitation and reconstruction of the building, and cost estimates to complete the proposed redesign, rehabilitation, and reconstruction of the building. The Administrator will meet with the owner to review the owner’s application and supporting materials, and to review with the owner the Program Plan and the Agreement. The owner and the Administrator develop a mutually agreed upon work plan for the redesign, rehabilitation and reconstruction of the building (“Work Plan”) which will be attached to the Agreement. The Administrator will also obtain approval of the work plan from the Building Official and Fire Chief. The Work Plan shall be consistent with the Program Plan. The owner may request that the Work Plan reflect changes or deviations from the Program Plan. The City Council reserves the right to accept or reject such requested changes or deviations. If acceptable to the owner, the owner may approve the Work Plan and execute the Agreement, and the Administrator will present the application, Work Plan and Agreement to the City Council for approval. All work approved in the Work Plan and the Agreement shall be completed within twelve (12) months after the date of the City Council’s approval of the Work Plan and the Agreement. Any work associated with the Program Plan cannot be started prior to approval by the City Council.
8. **Program Benefits:** Owners of property located in the Eligibility Area who satisfy the Eligibility Criteria and execute and complete Work Plans and Agreements approved by the City Council will be reimbursed an amount equal to 25% of the actual construction cost incurred to complete the approved Program Plan, not to exceed \$25,000.00. The total amount received by any one property owner cannot exceed \$50,000.00 over the life of the Program.
9. **Reimbursement Process:** Upon the completion of the Work Plan, the owner shall provide the Administrator with copies of invoices, statements, contracts, and other similar documents showing the costs incurred by the owner to complete the Work Plan, along with proof of payment of such amounts incurred. The Administrator shall approve only those costs actually incurred by the Owner in completing the actual redesign, rehabilitation and reconstruction of the building approved in the Work Plan. The Administrator shall submit a reimbursement report to the City Council. If the actual costs incurred and the actual redesign, rehabilitation and reconstruction of the building complies with the Work Plan, then the City Council shall approve the reimbursement of those costs approved by the Administrator. The maximum amount to be reimbursed shall be an amount equal to 25% of the actual construction cost incurred to complete the approved Program Plan, not to exceed \$25,000.00.