

RANDOLPH/FULTON MARKET ASSOCIATION (RFMA)

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Serving Businesses and Property Owners to Energize Chicago's Economy

RFMA-CITY OF CHICAGO ECONOMIC DEVELOPMENT PARTNERSHIP

RFMA and the City of Chicago are ready to assist you to expand or locate your business in Chicago, improve or develop your property in Chicago, and retain or increase critical jobs in Chicago. Below are the City's key economic development incentives. Since 2000 RFMA has served as a delegate agency of the Department of Housing and Economic Development's "Local Industrial Retention Initiative (LIRI)." Please contact our staff for assistance.

TAX INCREMENT FINANCE DISTRICT (TIF) SMALL BUSINESS IMPROVEMENT FUND (SBIF) GRANTS

Pending annual allocations, the City offers a 50/50 matching-grant program to eligible businesses and property owners for property improvements ranging from \$2 to \$300,000 to modernize business operations or attract new tenants. As a 50/50 matching-grant program, grant amounts range from \$1 to \$150,000, and there is often a lottery drawing.

Applicants must satisfy **ONLY ONE** of these three criteria:

- Industrial business (wholesale, manufacturing, distribution) with maximum 100 full-time employees OR
- Commercial business (retail, service) with \$3 million maximum average annual sales for past 3 years OR
- Property owner with \$6 million maximum net worth and liquidity maximum of \$500,000.

RFMA serves the Kinzie, Near West and River West TIF districts. Contact us to determine if you are in a TIF district, if a SBIF program is active there, and if you are eligible.

TAX INCREMENT FINANCE DISTRICT (TIF) "STREAMLINED TIF" PROGRAM

The City offers financial assistance in the form of a property tax rebate for industrial and commercial property improvements in all TIF districts based on the property's expected new property tax differential. Assistance can reach 90% of the estimated new property tax differential, pending the City's calculation.

For this program, 24% of hard construction costs must be paid to City-certified Minority Business Enterprises (MBE) and 4% to Women Business Enterprises (WBE). Construction employees must be paid at "prevailing wages" with Chicago residents performing at least 50% of total construction hours.

TAX INCREMENT FINANCE DISTRICT (TIF) "TIF WORKS" PROGRAM

The City offers full-coverage workforce-training grants for companies in most TIFs to improve employee performance and productivity, expand product lines, adapt to new technologies, install new equipment, comply with safety and government regulations, expand into new markets, provide employee education, and other related business needs.

City funding actually depends on your company's need, with some companies receiving over \$100,000 in grants. To help you with the TIF Works application and process, there are private companies who specialize in helping you design and implement a training program and then report to the City. You may also administer the grant yourself.

CITY/COUNTY CLASS 6B PROPERTY TAX REDUCTION FOR PROPERTY IMPROVEMENTS

The City and Cook County offer a property tax reduction incentive for new business facilities, property rehabilitations and abandoned-building reutilizations. After construction is completed, industrial/commercial properties normally assessed at 36% may receive an assessment of 16% for the first 10 years, graduating back to 36% in the 13th year.

ENTERPRISE ZONE SALES TAX EXEMPTION FOR CONSTRUCTION MATERIALS

The City offers a combined 10.25% sales tax waiver for building construction materials purchased in Chicago for construction projects in any of the City's six Enterprise Zones. RFMA serves Enterprise Zone #4.

If you have a City-issued building permit and are located in an Enterprise Zone, the City will provide an official letter that grants you an immediate point-of-purchase sales tax waiver when purchasing construction materials.

ENTERPRISE ZONE REAL ESTATE TRANSFER TAX EXEMPTION

Buyers of commercial and industrial real estate in the Enterprise Zone are exempt from paying the City's real estate transfer tax. The exemption is taken at closing by checking the appropriate box on the City's form.

For more information, contact RFMA Executive Director Roger Romanelli at 312-243-0822 or via our website: [www.rfmachicago.org/City of Chicago Business Incentives](http://www.rfmachicago.org/City%20of%20Chicago%20Business%20Incentives). Thank you for investing in the City of Chicago.