

# Thrive Zone SBIF

*As part of the Retail Thrive Zones initiative, Mayor Rahm Emanuel has developed a specialized SBIF program for these areas. This “Thrive Zone SBIF” is tailored to the unique needs of businesses and property owners in economically challenged corridors. This program will offer greater financial assistance, increase the accessibility of the program and prioritize projects that are catalytic and/or provide their community with goods and service that are otherwise lacking.*

## What are Retail Thrive Zones?

The Retail Thrive Zones initiative is a three-year pilot that aims to create and strengthen neighborhood-based commercial corridors that are inclusively vibrant. The program has targeted eight commercial corridors that are economically challenged but have strong potential for growth and redevelopment. This approach offers an opportunity to focus the City’s efforts in order to quickly develop new concepts and programs that address specific challenges. The program will build community-based wealth and improve communities by increasing their access to amenities that elevate the neighborhood’s quality of life.

To learn more about the Retail Thrive Zone program and to find out if your property is located in a Thrive Zone, please visit [www.thrivezones.com](http://www.thrivezones.com).

## Thrive Zone SBIF Assistance

Like the standard SBIF program, Thrive Zone SBIF provides grant funding as a reimbursement that is paid out following the completion of the work.

The maximum program assistance for the Thrive Zone SBIF program has been increased from \$100,000 to \$250,000 per property. The total amount of assistance that applicants may receive is 25%, 50%, or 75% of the amount of SBIF-eligible costs. This figure is set according to the net worth of the applicant or the gross annual sales of the business – those that need more, get more.

Assistance Provided	Applicant’s Total Net Worth	Applicant’s Gross Annual Sales
75% of SBIF – eligible costs	Less than \$2.5 million	Less than \$3.0 million
50% of SBIF – eligible costs	Between \$2.5 to \$4.5 million	Between \$3.0 to \$4.0 million
25% of SBIF – eligible costs	Greater than \$4.5 million	Greater than \$4.0 million

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## Thrive Zone SBIF Eligibility Requirements

Eligible applicants for this program include the owners of retail commercial businesses or commercial properties that lease to small businesses. Additionally, the property must be located within a Retail Thrive Zone. To see if your property is within a Retail Thrive Zone, please visit [www.thrivezones.com](http://www.thrivezones.com).

As with the standard SBIF program, funding can only be provided to make permanent building improvements. This work may include structural repairs; exterior improvements, such as façade and windows; and plumbing, electrical, HVAC, or other building system improvements. Ineligible expenses include minor repairs; equipment or furniture; residential units; and new construction.

Projects applying for Thrive Zone SBIF must also demonstrate that they will have a positive impact on the community and demonstrate their capacity to build a stronger commercial corridor. To do this, applicants must describe how the project will meet four of the seven community impact criteria.

- Have a positive, catalytic impact on a commercial corridor;
- Provide goods or services where those goods or services are lacking;
- Support a new or expanding small business;
- Have the potential to leverage other resources (private, state, federal);
- Show a clear path to financial closing and construction start;
- Commit to hiring from qualified investment areas; and
- Are economically viable and sustainable

## What if I Need Assistance Securing Funding?

Grant funds for the Thrive Zone SBIF program are provided following the completion of work – meaning that applicants must pay for the project before assistance is provided. This can be a challenge for many applicants who do not have access to enough funds to successfully finish the project.

In order to address this issue, the City of Chicago and [Somercor](http://Somercor.com) have partnered with seven local lending institutions to create a loan product specifically for SBIF applicants – the SBIF bridge loan. If approved, a SBIF bridge loan will provide applicants with capital to begin construction and bridge the period until SBIF funds are disbursed.

## Why Were These Changes Made?

The overall economic conditions in the Retail Thrive Zones are significantly more difficult than in the City's other commercial corridors. In order for SBIF to be effective, Mayor Emanuel believes that it must provide greater assistance in areas where it is most needed.

By increasing the level of assistance per project, SBIF can help overcome the barriers that otherwise limit development in Thrive Zones. Also, by eliminating the net worth and sales caps for applicants, the program will be accessible to business and property owners who have not previously been able to utilize the program. Additionally, the assistance provided by the Thrive Zone SBIF is being aligned with additional incentives and programmatic efforts.