Breath of Life For Profit Support

For-Profit Business Lease-to-Own Program

Application Process & Selection Criteria Guide

1. Program Overview

This program makes vacant or underused commercial space on the Lincoln College campus in Lincoln, Illinois available to for-profit businesses on a below-market lease, with a path to below-market purchase, in exchange for creating measurable new-to-Lincoln employment. It is the for-profit counterpart to the campus's nonprofit Space-Use Program, and it is deliberately structured and scored around a single overriding priority: new job creation in Lincoln.

The mission of this program is to generate jobs in Lincoln, Illinois and to maximize economic return, with the aspiration of ensuring that the companies who locate here can grow. Unlike the nonprofit program, community-benefit programming is not part of the scoring here — general community goodwill is intentionally excluded from the rubric in Section 5 so that reviewers evaluate applications on job creation, financial capacity, and genuine economic growth.

The central goal of this program is net-new economic growth for Lincoln — not the redistribution of existing local commerce. The program is not meant to attract businesses already operating in Lincoln to relocate into vacant campus space without creating new jobs; Section 3 and Section 5.3 build a non-displacement test into eligibility and scoring specifically to guard against that outcome.

Lease pricing, annual escalation, and the end-of-term purchase option are all structured to reward businesses that create the most new-to-Lincoln jobs and invest the most capital into the property, and to reward the length of time a business commits to staying in Lincoln — on the premise that the longer a company is established here, the more likely it is to remain a long-term employer.

The framework below draws on established models for tying below-market commercial space to job-creation outcomes, including municipal and county economic-development lease-to-own programs, performance-based rent abatement tied to hiring benchmarks, and job-creation-linked property-disposition programs used by redevelopment authorities.

2. Roles & Governance

- Property Owner / Program Sponsor — the philanthropist or the entity holding title to the buildings. Sets program goals and can make final award decisions.
- Program Administrator — a staff person or contracted organization who manages outreach, intake, eligibility screening, lease and purchase-option administration, job-creation verification, and ongoing compliance monitoring. This is the day-to-day point of contact for applicants. This is to be administered by Uriah Kilgallin, CEO of Lincoln Economic Advancement & Development (LEAD).
- Review Committee — a small panel (recommend 3–5 people: Administrator, one Owner/Board representative, and subject-matter volunteers with commercial real estate or economic-development experience) that independently scores applications and interviews finalists.
- Property/Facilities support — whoever handles building condition, NNN expense pass-throughs (taxes, insurance, maintenance), and insurance coordination during due diligence and occupancy.

3. Eligibility Requirements

To apply, a business generally must:

- Be a legally formed for-profit entity (corporation, LLC, partnership, or sole proprietorship) in good standing and authorized to do business in Illinois.
- Meet the program's Non-Displacement Requirement: an applicant that already operates in Lincoln may apply only if the proposal is tied to a documented expansion that creates new-to-Lincoln jobs beyond its current Lincoln headcount. A proposal that simply moves an existing Lincoln business's current jobs from one Lincoln address to another, without net new job creation, is not eligible.
- Have the legal capacity to execute a triple-net (NNN) commercial lease that includes a future purchase option.
- Carry or be able to obtain commercial general liability insurance and, where applicable, workers' compensation coverage.
- Propose a use that is legally permitted in the space and compatible with the building and surrounding campus.
- Submit a credible business plan and job-creation projection, including target FTE headcount by year, wage levels, and hiring timeline through the end of the proposed lease term.

Typically excluded: nonprofit organizations (which apply under the companion nonprofit Space-Use Program), purely passive or speculative real-estate uses that do not operate an active business in the space, and any proposal whose primary practical effect is to relocate an existing Lincoln employer's current jobs rather than create new ones.

4. Application Process

The process below moves an applicant from initial interest to a signed lease-with-purchase-option agreement and ongoing monitoring.

Stage	What happens	Owner
1. Formal Application	Eligible businesses complete the full Application Form on the LEAD website with financials, year-by-year job-creation and wage projections, planned capital investment, and references.	Applicant
2. Completeness Review	Administrator checks the application for completeness and requests missing items before it moves to scoring.	Administrator
3. Independent Scoring	Each member of the Review Committee scores the application independently against the scoring matrix in Section 5.	Review Committee
4. Interview / Business Plan Discussion	Shortlisted applicants meet with the Administrator to clarify their hiring plan, wages, financing, and capital-investment commitments.	Administrator
5. Committee Recommendation	Scores are averaged and a written recommendation (award, waitlist, or decline), with a proposed initial rent tier and lease term, is issued to the property owner.	Review Committee
6. Board Decision	Designated oversight board makes the final award decision.	Board
7. Award & Lease/Purchase Terms Negotiation	Successful applicant negotiates lease term (3–5 years), initial NNN base rent, the annual escalation schedule, job-creation rent tiers, and the purchase-option discount formula.	Administrator + Applicant
8. Due Diligence & Lease Execution	Certificate of insurance, condition survey, and the NNN lease with embedded purchase option are completed before move-in.	Administrator
9. Onboarding & Move-In	Keys/access issued; orientation to building rules, NNN billing, safety, and reporting requirements.	Administrator

Stage	What happens	Owner
10. Ongoing Monitoring & Rent-Tier Tracking	Tenant submits periodic reports on jobs created, wages paid, and capital invested vs. commitments; Administrator sets the applicable rent tier and updates the running purchase-discount tally.	Administrator + Tenant
11. End-of-Term Purchase Option / Renewal	Administrator calculates the final purchase-price discount from cumulative job creation and capital investment; tenant may exercise the purchase option, negotiate renewal, or vacate.	Administrator + Tenant

5. Selection Criteria & Scoring Rubric

Every complete application is scored on a 100-point scale across four weighted criteria. Consistent with the program's mission, New-to-Lincoln Job Creation is weighted more heavily than all other criteria combined — more than half of the total score — and general community-benefit programming is intentionally not a scoring factor.

Committee members score independently, then scores are averaged; given how heavily job creation is weighted, a higher minimum combined score (recommend 65/100) should be required for an award, to ensure a strong jobs pitch is still backed by real financial and economic-growth fundamentals.

Criterion	Weight	What it measures
New-to-Lincoln Job Creation & Retention	**55 pts**	Number, wage level, and durability of "new to Lincoln" full-time-equivalent (FTE) jobs the applicant will create over the lease term (see 5.1).
Financial Sustainability & Lease Capacity	**15 pts**	Applicant's financial health and ability to carry a triple-net (NNN) lease and sustain/grow operations in the space (see 5.2).
Net-New Economic Growth (Non-Displacement) Fit	**15 pts**	Whether proposed jobs represent genuine new economic activity in Lincoln rather than relocation of an existing Lincoln business's current jobs (see 5.3).
Commitment Length, Space Utilization & Capital Investment	**15 pts**	Length of the initial lease term, how fully the space is used, and the tenant's own capital investment in improvements (see 5.4).
Total	**100 pts**	

5.1 New-to-Lincoln Job Creation & Retention — 55 points

Applicants should project, by year, the number of new-to-Lincoln full-time-equivalent (FTE) jobs the proposed use will create, target wages and benefits, and the hiring timeline through the end of the initial lease term. Because job creation is this program's central purpose, it is weighted at more than half of the total score.

Points	Job-creation intensity
45–55	Creates 25+ new-to-Lincoln FTE jobs by the end of the lease term, at or above the area median wage, with a credible year-by-year hiring plan
34–44	Creates 15–24 new-to-Lincoln FTE jobs by the end of the lease term with a credible hiring plan
20–33	Creates 8–14 new-to-Lincoln FTE jobs by the end of the lease term

Points	Job-creation intensity
6–19	Creates 1–7 new-to-Lincoln FTE jobs by the end of the lease term
0	No credible new-to-Lincoln job-creation plan provided, or projected jobs are not net-new to Lincoln

5.2 Financial Sustainability & Lease Capacity — 15 points

The space should go to businesses that can carry a NNN lease — base rent plus their share of taxes, insurance, and maintenance — and actually sustain and grow operations there. An undercapitalized tenant creates re-vacancy risk and undermines the job-creation goal.

Points	Financial sustainability
12–15	2+ years of clean financials or committed financing covering NNN lease obligations for the full initial term; diversified revenue or funding
7–11	Adequate financials/projections with identified funding sources covering at least 1–2 years of NNN obligations
1–6	Thin financial documentation or heavy reliance on a single, unconfirmed funding source
0	Required financials not provided, or applicant is not in good standing

5.3 Net-New Economic Growth (Non-Displacement) Fit — 15 points

This measures whether the proposal represents genuine new economic activity in Lincoln, not the relocation of an already-established local business into vacant campus space. The program's goal is economic growth in Lincoln — not moving other businesses to a new location within the same town.

Points	Net-new economic growth fit
12–15	Business is new to Lincoln, or an existing Lincoln business's proposed jobs are entirely incremental to its current Lincoln headcount, with no reduction in force at its existing location
7–11	The majority of proposed jobs are net-new, with a minor and clearly explained overlap with an existing Lincoln location
1–6	Significant overlap with an existing Lincoln operation; net job creation is unclear or modest relative to jobs simply being moved
0	Proposal is primarily a relocation of an existing Lincoln business's current jobs with no net job creation

5.4 Commitment Length, Space Utilization & Capital Investment — 15 points

This rewards applicants who commit to a longer initial lease term, make full and active use of the space, and invest their own capital in tenant improvements — tenant improvements are viewed favorably because a better-capitalized, longer tenancy is more likely to keep jobs in Lincoln well beyond the lease term.

Points	Commitment & investment
12–15	Commits to a 5-year initial term with full space utilization and a substantial, documented tenant-improvement investment. Expresses significant interest in purchase option.

Points	Commitment & investment
7–11	Commits to a 3–4 year initial term with substantial space utilization and a meaningful tenant-improvement investment. Expresses interest in purchase option.
1–6	Commits to a shorter term, partial space utilization, or minimal capital investment
0	No firm commitment on term or use, and no capital investment proposed

6. Application Form

A standalone Application Form aligned to this rubric is provided on the LEAD website (leadlincoln.com/Breath-of-Life). It collects business information, the space and use requested, year-by-year job-creation and wage projections, financial documentation, a non-displacement disclosure of any current Lincoln operations, a proposed capital-investment / tenant-improvement plan, and references — mirroring the four scoring criteria above so reviewers can score directly from the submission.

7. Lease Structure, Purchase Option & Ongoing Compliance

7.1 NNN Lease & Graduated Base Rent

- All leases under this program are triple net (NNN): the tenant pays base rent plus its proportionate share of property taxes, building insurance, and common-area/structural maintenance, in addition to its own utilities and interior upkeep.
- Initial base rent is set at **nominal $1 annual lease**
- Base rent escalates on a gradual, pre-set annual schedule over the lease term rather than remaining flat — for example, a fixed percentage step each year. This lets a tenant enter at its most affordable rate while it is ramping hiring, while moving rent toward market-sustaining levels by the end of the term so the program remains self-sustaining for its next tenant.
- The exact escalation schedule (e.g., starting discount and annual step) is set by the Review Committee/Owner at award and written into the lease. The expectation is that the rent rate will be modified based on proposed investment and job growth in the community.

7.2 Job-Creation Rent Tiers (Modular Rent)

- In addition to the scheduled annual escalation, the base rent tier is modular and tied to job-creation performance: a tenant meeting or exceeding its committed FTE job-creation schedule qualifies for the lower, discounted rent tier for the following period.
- A tenant that falls materially behind its committed job-creation schedule moves to a higher rent tier — up to, but not exceeding, prevailing market rate — until performance is back on track.
- Job-creation performance is checked at each periodic reporting interval (Section 7.4), and the applicable rent tier for the next period is set accordingly.

7.3 End-of-Term Purchase Option & Price Discount

- Each lease includes an option, exercisable by the tenant at or near the end of the initial term to purchase the property.

- The purchase price is based on the property's fair market value (FMV), established by independent appraisal at lease commencement, and is discounted below that FMV based on two factors tracked over the lease term:

    Job-Creation Discount — tied to the cumulative number of new-to-Lincoln FTE jobs actually created relative to the jobs committed to in the application, scaling up to a maximum discount percentage for tenants who meet or exceed their committed job target.

    Capital-Investment (Tenant-Improvement) Discount — tied to the tenant's own documented capital investment in improvements to the property, scaling up to a maximum discount percentage for the largest, best-documented investments. It is not the intent of this program for a tenant to grow the property value and then purchase the property at a price commensurate with their increased investment.

- The two discounts are additive, up to a combined maximum discount off appraised FMV (to be set by the Owner/Review Committee at the time of the lease being signed), so a tenant that both hits its job-creation targets and invests significantly in the building receives the deepest purchase-price discount.
- A tenant that does not exercise the purchase option may have the option to negotiate a lease renewal at then-current market or job-tier rent, subject to Owner approval. It is not the Owner's intent to be a long-term landlord but to stimulate economic vitality in Lincoln.

7.4 Monitoring & Reporting

- Require semi-annual reports comparing actual new-to-Lincoln jobs created, wages paid, and capital invested against what was proposed in the application and against the current lease term's committed schedule.
- Use these reports to (a) set the applicable rent tier for the next period under Section 7.2, and (b) maintain a running tally of the job-creation and capital-investment figures that will determine the end-of-term purchase discount under Section 7.3.
- Provide information for an annual impact report the Administrator can share with the Owner/Board summarizing new-to-Lincoln jobs created, wages paid, and capital invested across all tenants.

7.5 Non-Renewal, Reallocation & Non-Displacement Enforcement

If a tenant materially underperforms against its committed job-creation schedule without reasonable cause, lease agreement will have a documented process to work towards reconciliation and the Administrator issue a corrective-action notice and, if unresolved, move the tenant to the higher rent tier and/or decline renewal so the space can be reallocated to another qualifying business. If the tenant is significantly underperforming it may result in early termination of the lease to allow the space to be utilized by another tenant.

If, after occupancy, the Administrator determines a tenant's jobs are substantially a relocation of the tenant's own existing Lincoln workforce rather than net-new positions (see Section 5.3), the same corrective-action process applies. These terms will be outlined in detail in the lease/purchase agreement executed with each tenant.