

CITY OF WEST CHICAGO DOWNTOWN RETAIL & RESTAURANT BUSINESS GRANT PROGRAM

DESCRIPTION OF PROGRAM

The Retail & Restaurant Business Grant Program ("Program") is sponsored by the City of West Chicago for the purpose of strengthening retail business activity in the Downtown Business District ("Downtown"), by attracting new retail and restaurant businesses as well as to assist existing retail and restaurant businesses.

Grants available under the Program at any particular time are subject to the then available funding as budgeted from time to time by the City of West Chicago within the Downtown TIF Fund.

PROGRAM PROCEDURES

Business owners desiring to apply for a grant under the Program should obtain the description of the Program and a grant application form either on the City of West Chicago website at www.westchicago.org or from City Hall. Questions concerning the details of the Program, or how to complete the grant application, should be directed to the City's Business Development Coordinator, at bregistration@westchicago.org or (630) 293-2200 x157. Completed applications should be delivered to City Hall.

Applications for grants under the Program are reviewed by a three-person committee ("Selection Committee") consisting of:

- Director of Community Development or designee;
- Director of Administrative Services or designee; and
- Marketing and Communications Coordinator or designee.

Grant award decisions made by the Selection Committee shall be made by majority vote taken at a meeting with all members of the Selection Committee in attendance or by unanimous written consent. The Selection Committee will advise the City Administrator of its decision in writing. The City Administrator will review the Committee's recommendation, and if he concurs, he will direct the Director of Community Development to prepare the documents to present the recommendation to the City Council for final action. Only a supermajority of the City Council may overturn a recommendation of the Selection Committee. Only the City Council has the right to modify or waive terms and conditions of the Program to accommodate special circumstances involved with a particular grant application.

An approved grant will be effectuated by City staff, based on procedures to be established by City staff. Applicants awarded grants shall adhere to such procedures, and shall provide appropriate documentation, as prescribed by City staff and established procedures to satisfy terms of the Program.

Failure by an applicant, with respect to an approved grant, to abide by the terms and conditions of the Program or for the specific grant as approved may result in forfeiture of the funding for the grant, at the discretion of the Selection Committee.

ELIGIBILITY FOR GRANTS

In General

Only one grant will be awarded per business for each physical location and/or expansion project. A minimum of five (5) years is required between grant awards for a business and for a physical location.

Business Location and Operation

- (a) A business must be located or locating within the boundaries of the Downtown TIF.
- (b) Existing businesses in the Downtown TIF Area with economic expansion plans within the Downtown TIF Area are eligible to apply.
- (c) Businesses currently located in the City of West Chicago, but are outside of the Downtown TIF Area, are eligible for a grant only if opening an additional location within the Downtown TIF Area that does not impact their existing location.
- (d) All businesses applying for a grant under the Program must execute a lease including a first floor retail or restaurant space on a public street within the Downtown TIF Area, of at least a three (3) year duration.
- (e) All businesses applying for a grant must submit applications prior to the opening or commencement of the retail or restaurant project.
- (f) All businesses approved for a grant must open for business or have completed their expansion project within six (6) months from the date of grant approval by the City Council.
- (g) Each business owner who receives a grant must submit to the Director of Community Development or his designee, copies of all of its monthly sales tax returns filed within the three (3) year period following the date of opening or commencement of the retail growth initiative of the business.

Retail & Restaurant Businesses

To be eligible for a grant under the Program, a business must offer merchandise and/or food to the public, the sale or providing of which is subject to sales tax ("Retail Sales"), and from which the revenue derived constitutes the majority of the revenue of the business.

Pursuant to the preceding paragraph, professional and medical offices, salons and other service businesses are not eligible for grants under the Program.

Notwithstanding the preceding two paragraphs, businesses that include Retail and/or Food & Beverage Sales as a complementary use to a primary use other than a Retail or Restaurant business may be considered for a grant under the Program, at the Selection Committee's discretion, if the Selection Committee determines that a Retail or Restaurant use is a significant financial component of the overall business.

CRITERIA FOR APPROVAL OF GRANTS

There are several criteria which the Selection Committee will consider for recommending (to the City Council) approval of grants under the Program. The Selection Committee will give weight to each criterion as it determines to be appropriate in the context of each application. Applications will be reviewed and evaluated as to:

- (a) The anticipated contributions by the business to the collection of tax proceeds by the City of West Chicago.
- (b) The other tangible benefits projected to be provided by the business to the Downtown TIF Area, including job creation and overall business activity.

- (c) The extent to which the business is considered to be complementary to the overall business environment of the Downtown Area.
- (d) The extent to which the business is thought to add to or enhance the mix of retail merchants in the Downtown Area.
- (e) The viability of the submitted business plan, assessing the combination of financial feasibility, product and market knowledge, and growth potential.

AMOUNTS AND PAYMENT OF GRANTS

Grants will be awarded in amounts of up to \$10,000, the amount to be based on the City reimbursing fifty percent (50%) of Qualifying Expenditures incurred for the project approved by the City Council. For example, Qualifying Expenditures of \$20,000 must be submitted to obtain a maximum possible grant of \$10,000.

“Qualifying Expenditures” are defined for purposes of the Program as costs of (a) Build out of space; (b) Business start-up related media marketing and advertising; and (c) Other similar types of items as may be approved in the discretion of the Selection Committee.

Notwithstanding anything herein to the contrary, for purposes of determining the maximum amount for reimbursement of Qualifying Expenditures, costs of the grant award may not exceed fifty percent (50%) of the total amount of all Qualifying Expenditures for which reimbursement is made.

Examples of items which will not be considered as Qualifying Expenditures for purposes of the Program include moving expenses, rent, signs, production equipment, payroll, day-to-day operational costs (e.g. utilities, taxes, maintenance, refuse collection, etc), and inventory/product. In-kind services, donated services, and/or labor costs will also not be considered as Qualifying Expenditures.

All Qualifying Expenditures serving as the basis for an approved grant under the Program must have been actually incurred within six (6) months after the date of approval of the grant, and evidenced by an appropriate invoice or receipt satisfactorily indicating payment of the expenses. Documentation for Qualifying Expenditures, enabling payment to the applicant of an approved grant, must be submitted no later than seven (7) months after the date of approval of the grant.

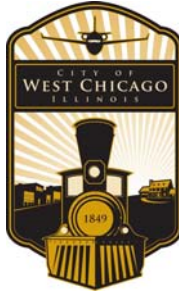
REQUIREMENTS FOR COMPLETION OF APPLICATIONS

All applications must be submitted using the application form attached as Appendix A.

All applications must be accompanied by a business plan, addressing as many matters as possible as set forth in the Business Plan Outline attached as Appendix B. The business plan shall identify planned expenditures for grant funds if awarded. A business plan submitted with an application may not exceed sixteen (16) double spaced pages (including exhibits). Applicants will retain all rights to their business plans regarding their use at all times. Applications and supporting documentation presented to the City may be subject to the Freedom of Information Act.

The Selection Committee may request a personal interview, at which the applicant may be requested to present and review the applicant’s business plan. An applicant may be required to submit a personal financial statement or other documents as requested.

In some instances, at the Selection Committee’s discretion, approval may be contingent upon a written lease from a landlord and the applicant.



**CITY OF WEST CHICAGO
DOWNTOWN RETAIL & RESTAURANT
BUSINESS GRANT PROGRAM**

Appendix A – Application Form

Business Information

Business Name:

Business Address:

Business Telephone Number: _____

Business E-mail Address: _____

Business Website (if applicable): _____

Amount Requested: \$ _____

Anticipated Date Opening or Completing initiative: _____

Individual Applicant Information

Applicant Name:

Home Address:

Appendix A – Application Form (continued)

Individual Applicant Information (continued)

Applicant Telephone Number: _____

Applicant E-mail Address: _____

Name of Co-Applicant: (if applicable):

Mailing Address:

Telephone Number: _____

E-mail Address: _____

References (three required):

Name: _____

Telephone Number: _____ E-Mail: _____

Name: _____

Telephone Number: _____ E-mail: _____

Name: _____

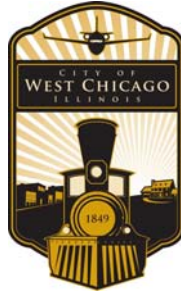
Telephone Number: _____ E-mail: _____

Applicant Signature: _____

Date: _____

Co-Applicant Signature(if applicable): _____

Date: _____



CITY OF WEST CHICAGO DOWNTOWN RETAIL & RESTAURANT BUSINESS GRANT PROGRAM

Appendix B - Business Plan Outline

The Business plan submitted with the Grant Application should include details for as many of the following items as possible. The accuracy and completeness of the Business Plan will be evaluated as a significant aspect of the overall grant application.

1. Description of your business and industry
 - a. Your business
 - b. The industry and its history
2. Features and advantages of your product
 - a. Description
 - b. Competitive advantage
 - c. Proprietary position
 - d. Future potential
3. Market research and analysis
 - a. Definition of your customers and markets
 - b. Market size and trends
 - c. Competition
4. Estimated market share and sales
 - a. Market plan
 - b. Market strategy
 - c. Pricing
 - d. Sales tactics
 - e. Service and warranty policies
 - f. Advertising, public relations and promotions

Appendix B - Business Plan Outline (continued)

5. Design and development plans

- a. Development status and tasks
- b. Difficulties and risks
- c. Costs

6. Operation plans

- a. Business location
- b. Facilities and improvements
- c. Strategy and plans
- d. Labor force

7. Management team

- a. Key management personnel (credentials/resume)
- b. Management assistance and training needs

8. Overall schedule

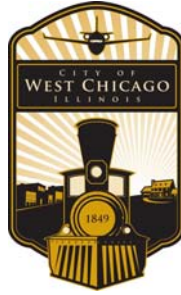
- a. Timing of critical activities before opening (e.g. company incorporation, signed lease, suppliers ordered, employees hired, opening date)
- b. Timing of critical activities after opening, (e.g. expansion, product/service extension)

9. Critical risks and problems (how will you respond?)

- a. Price cutting by competitors
- b. Unfavorable industry-wide trends
- c. Operating cost overestimates
- d. Low sales
- e. Difficulties obtaining inventory or supplies
- f. Difficulty in obtaining credit
- g. Lack of trained labor

10. Financial plan

- a. Profit and loss forecasts for 3 years (first year monthly)
- b. Cash flow projections for 3 years
- c. Pro forma balance sheet at start-up, semi-annually in first year and at the end of 3 years



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Appendix C – Expenditures

Example of Acceptable Expenditures

"Qualifying Expenditures" are defined for purposes of the Program as costs of:

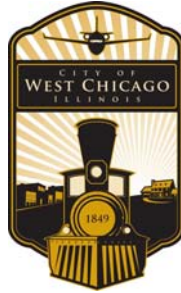
- (a) Build out of space
- (b) Business start-up related media marketing and advertising
- (c) Other similar types of items as may be approved in the discretion of the Selection Committee.

Notwithstanding anything herein to the contrary, for purposes of determining the maximum amount for reimbursement of Qualifying Expenditures, costs of build out of space may not exceed fifty percent (50%) of the total amount of all Qualifying Expenditures for which reimbursement is made.

Example of Non-Acceptable Expenditures

Examples of items which will not be considered as Qualifying Expenditures for purposes of the Program include:

- Moving expenses
- Rent
- All City fees including, but not limited to, fees, licenses, deposits or other charges
- Signs
- Production equipment
- Payroll
- Day-to-day operational costs (e.g. utilities, taxes, maintenance)
- Refuse collection
- Inventory/product



CITY OF WEST CHICAGO DOWNTOWN RETAIL & RESTAURANT BUSINESS GRANT PROGRAM

Appendix D – Terms and Conditions

1. The business must be located within the City of West Chicago's Downtown TIF boundaries (see attached map). An existing business in West Chicago that is outside of the TIF boundaries would not be eligible for funds unless it was opening an additional location in the City of West Chicago Downtown TIF Area boundaries.
2. Businesses that are thought to add to or enhance the business mix of the Downtown West Chicago area will be favored.
3. The criteria for evaluation will be the feasibility of the business plan. An applicant may be required to submit a personal financial statement. A successful business plan will be the one that conveys the most promising combination of financial feasibility, product and market knowledge, growth potential, job creation and financial need.
4. Applicants to the Retail & Restaurant Business Grant Program must have a minimum three-year lease in a first floor retail location along a public street. In some instances, at the Selection Committee's discretion, approval may be contingent upon a written lease from a landlord and the applicant.
5. The grant application and business plan are not to exceed 16 double-spaced pages, including exhibits.
6. Each applicant will retain all rights to the business plan regarding its use at all times.
7. The Selection Committee may request a personal interview and/or the proposal business plan to be presented as part of the review process.
8. All businesses must submit applications and complete review by the Selection Committee prior to the opening of the business in the TIF area. A new or expanding business either must open for business or have expanded their business within nine months from the date of grant approval.
9. All eligible expenditures will be matched by the City of West Chicago at 50% of costs as designated by an appropriate receipt or invoice. Therefore, overall costs may be submitted up to \$20,000 within twelve months after registering the business with the City of West Chicago or approval of the Retail & Restaurant Business Grant if the business is already registered.

Appendix D – Terms and Conditions (continued)

10. Only one grant shall be awarded per business for each location and/or expansion, in the Downtown TIF Area.
11. Failure to abide by the grant terms and conditions will result in forfeiture of Business Grant Program funding, at the discretion of the Selection Committee.
12. An applicant who is rejected by the Selection Committee will have the option of appealing directly to the City Council.
13. The West Chicago City Council has the right to amend or waive program terms and conditions to accommodate special circumstances.

NOTE: PLEASE DIRECT QUESTIONS TO:

Department of Community Development: 630.293.2200 or bregistration@westchicago.org

