

CITY OF WEST CHICAGO

WHERE HISTORY & PROGRESS MEET

ECONOMIC DEVELOPMENT COMMISSION Special Meeting Minutes April 30, 2024 – 10:30 a.m.

1. Call to Order

Chairperson Beles called the meeting to order at 10:31 a.m.

2. Roll Call

Roll call found Chairperson Beles, and Commissioners Harms, Moran, Espinosa, Johnson (arrived at 11:52 a.m.), Sabbathne, and Ventimiglia present. With six members present at the start of the meeting, a quorum was established.

Aldermanic Liaison Hallett and the following staff were in attendance: Assistant Community Development Director/City Planner John Sterrett, Economic Development Coordinator Kelley Chrise and Management Fellow Brady Fisher (left at 11:25 a.m.).

3. Public Comment

None.

4. Approval of the January 23, 2024 Meeting Minutes

Commissioner Moran made a motion to approve the January 23, 2024 Meeting Minutes, which was seconded by Commissioner Espinosa. The motion passed unanimously via voice vote (Commissioner Johnson had not yet arrived).

5. Façade Improvement Grant Program Proposed Revisions

Ms. Chrise provided an overview of the Façade Improvement Grant Program proposed revisions. Commissioner Ventimiglia suggested that proposed projects use visuals to convey the impact of the project (showing before and after) that can be used in marketing the program to others.

There was a question as to how to protect the City from a property owner making improvements to a property using the Façade Grant and selling it. Discussion ensued regarding accountability and/or a claw back provision like a forgivable loan. There is an opportunity to require a maintenance period for any improvements made using the Façade Grant but the new owner would not be able to apply for more funding until after the wait/maintenance period. The consensus was that the sale of a property after improvements were made using the Façade Grant was not of concern due to the increased value of the property as a result of the improvements. Additionally, if a property owner did sell after making these improvements, staff would take that opportunity to invite that property owner to invest in a new property to make similar types of improvements.

Commissioner Harms inquired about increasing the percentages for all categories of improvements. It was noted that if the allowable reimbursement for major façade improvements exceeded 50% of the cost of improvements, the amount of funding budgeted would be depleted quicker resulting in fewer projects that could be funded per year. As a result, the Commissioners agreed to increasing the reimbursement amounts for minor façade improvements to 35% and façade maintenance work to 25%. The new reimbursement percentages will provide additional funding for the type of work that is needed to maintain the properties in the downtown while still encouraging more transformative investments.

6. Retail & Restaurant Grant Program Discussion

Ms. Chrissie described how the program has been in existence for more than a decade and only one grant has been awarded but not yet paid out. Ms. Chrissie provided an overview of the program and described staff concerns, which included the need for staff to review and “approve” a Business Plan as a criteria to receive funding and the maximum amount of funding per project. While there was consensus that new businesses should have a Business Plan, Commissioners agreed that staff should not be evaluating the viability of a business and questioned if the grant should be tied to a Business Plan at all. It was noted that businesses can craft a great business plan but they could still fail for a variety of reasons.

Commissioners noted a concern about how reimbursing a business for marketing expenses if that business fails does not provide any lasting value to the community. However, it was agreed that interior improvements made to a property would not only increase the value of the property but would also make it more marketable for a future tenant, if the business applicant is not successful.

There was discussion about three different types of interior improvements that could be subject to this funding:

- Prospective restaurants have to make a significant investment to either build-out a new space that has no kitchen or to bring an existing kitchen up to code. As such, there was discussion about whether this amount should be increased to \$20,000 or \$30,000 for a restaurant build-out.
- Potential retail space is less costly than a restaurant build-out but there are likely upgrades necessary to bring the space up to code and modernize the space. The current maximum reimbursement of \$10,000 was determined to be adequate.
- A new type of interior improvement was discussed, which is for the property owner to ready the space for a new tenant regardless of the intended use. This is likely to include work to improve the marketability of the space and could include upgrading HVAC, electrical, plumbing, fire alarm, sprinkler system, etc.

It was agreed that there is no need to collect financials for three years after the business opens, as this information is provided to the City already. Discussion ensued regarding what else could be used as criteria for the grant if the Business Plan is not required or, at least, does not need to be approved as part of the grant approval. Commissioners also agreed that the branding and marketing expenses should be separated from the interior improvements.

Without a Business Plan as criteria for approval, staff suggested that the process include three estimates to align with the process for the Façade Improvement Grant. There was some discussion about the need for three estimates for interior renovation work. Commissioner Johnson described how three estimates is industry standard to prevent fraud.

Commissioners asked staff to evaluate programs in other communities to identify best practices and to determine comparability, especially since businesses may choose another community over West Chicago to locate if there is a better incentive.

Staff will draft potential program revisions after reviewing successful programs in other communities for the Commission's review at the next meeting.

7. **Staff Report** – Ms. Chrise highlighted a few new businesses that have opened since the last meeting, which includes The Wrestling Room, Julio Garcia Enterprises and Muy Cool Party in the downtown. Additionally, The Whistle Stop has relocated to Main Street and Raised Bakery and Café has received a Certificate of Occupancy but does not plan to open until summer). Ms. Chrise summarized the challenges identified by prospective developers when evaluating a mixed-use development in the downtown, which includes lack of maintenance, lack of private investment, and a number of commercial vacancies in addition to exorbitant requests for public assistance and low market rental rates that do not support current financing requirements.

Staff reminded the Commission about this being National Small Business Week and to support small businesses in the community.

8. **Commissioner Reports** - None
9. **Adjournment** – Commissioner Espinosa made a motion to adjourn, which was seconded by Commissioner Moran. The motion passed unanimously by voice vote. The meeting was adjourned at 12:08 p.m.

Respectfully Submitted,
Kelley Chrise, Economic Development Coordinator