

CITY OF WEST CHICAGO

WHERE HISTORY & PROGRESS MEET

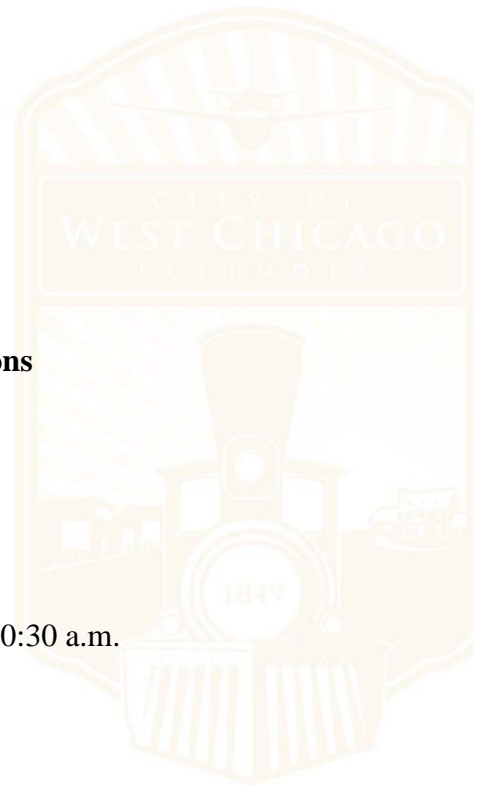
SPECIAL MEETING

**Economic Development Commission
Tuesday, April 30, 2024 - 10:30 a.m.**

**West Chicago City Hall
Committee Room B
475 Main Street, West Chicago, IL 60185**

A G E N D A

1. **Call to Order**
2. **Roll Call**
3. **Public Comment**
4. **Approval of the January 23, 2024 Meeting Minutes**
5. **Façade Improvement Grant Program Proposed Revisions**
6. **Retail & Restaurant Grant Program Discussion**
7. **Staff Report**
8. **Commissioner Reports**
9. **Adjournment** – Next Meeting Tuesday, July 23, 2024 at 10:30 a.m.



475 Main Street
West Chicago,
Illinois
60185

T 630.293.2200
F 630.293.3028
westchicago.org

Ruben Pineda
MAYOR

Michael L. Guttman
CITY ADMINISTRATOR

CITY OF WEST CHICAGO

WHERE HISTORY & PROGRESS MEET

DRAFT **ECONOMIC DEVELOPMENT COMMISSION** **Meeting Minutes** **January 23, 2024 – 10:30 a.m.**

1. Call to Order

Chairperson Beles called the meeting to order at 10:35 a.m.

2. Roll Call

Roll call found Chairperson Beles, and Commissioners Harms, Moran, Espinosa (arrived at 10:54 a.m.), Johnson, and Sabathne present. Commissioner Ventimiglia was absent. With six members present, a quorum was established.

Staff in attendance included Assistant Community Development Director/City Planner John Sterrett and Economic Development Coordinator Kelley Chrise.

3. Public Comment

None.

4. Approval of the October 24, 2023 Meeting Minutes

Commissioner Moran made a motion to approve the October 24, 2023 Meeting Minutes, which was seconded by Commissioner Harms. The motion passed unanimously via voice vote (Commissioner Espinosa had not yet arrived).

5. 2023 Economic Development Commission Annual Report

Chair Beles provided an overview of the Commission's activities in 2023. Commissioner Sabathne made a motion to approve and forward the 2023 Economic Development Commission Annual Report to the City Council, which was seconded by Commissioner Moran. The motion passed unanimously via voice vote (Commissioner Espinosa had not yet arrived).

6. Façade Improvement Grant Program Discussion

Ms. Chrise provided an overview of the Façade Improvement Grant Program. Commissioners Harms and Sabathne shared their experience with the program. Concerns about the current program include: the need to obtain three estimates for the same scope of work, particularly for smaller projects; the desire to secure quality contractors while only being funded at the lowest estimate; not being able to apply for funding if there is a documented violation (it was also noted that many violations exist without having been documented yet but they would be able to apply); the funding amount is not enough to offset the amount of work required for grant approval; and grant applications are not accepted if there is no remaining funding for the

475 Main Street
West Chicago, Illinois
60185

T 630.293.2200
F 630.293.3028
westchicago.org

Ruben Pineda
MAYOR
Michael L. Guttman
CITY ADMINISTRATOR

fiscal year despite the varying times when funding for the approved projects will be dispersed and Council is able to amend the budget to increase funding, if desired.

Other comments included the importance of including maintenance items as eligible expenses since these items contribute to the aesthetic appeal of the downtown. However, there seemed to be agreement that maintenance expenses should not carry the same weight as other improvements so they may need to be funded at a lower level. There was some discussion about allowing a cost and material reimbursement for certain types of improvements, which will need to be determined. The EDC agreed that due to the timing of these meetings, they should not be involved in the review and/or approval of the applications at this time.

Some suggestions for the program included:

- Categorize improvements to fund certain types of improvements at different levels based on their impact to the downtown streetscape.
- Create a category for streetscape improvements to include elements like signage, landscaping, and lighting that support the downtown design guidelines.
- Determining a project timeline based on the type and scope of project, as opposed to a 12-month timeline for all projects.
- Creating a list of participating contractors to provide a starting point for property owners as they consider a project.

7. Staff Report – Ms. Chrissy summarized business activity in 2023, described business retention/support efforts in 2023, provided a status update on the annual business registration process, updated the Commission on new businesses and developments in the community, and described communications efforts with the business community. Ms. Chrissy requested that future meetings include Commissioner reports where each Commissioner verbally identifies any updates in their respective area of expertise/industry, which may include opportunities, challenges, and/or general comments.

8. Adjournment – Commissioner Moran made a motion to adjourn, which was seconded by Commissioner Espinosa. The motion passed unanimously by voice vote. The meeting was adjourned at 12:07 p.m.

Respectfully Submitted,
Kelley Chrissy, Economic Development Coordinator

CITY OF WEST CHICAGO

ECONOMIC DEVELOPMENT COMMISSION AGENDA ITEM SUMMARY

ITEM TITLE:

Façade Improvement Grant Program
Proposed Revisions

AGENDA ITEM NUMBER: 5**COMMISSION AGENDA DATE:** 04/30/2024**STAFF REVIEW:** Kelley Chrusse, AICP**SIGNATURE****ITEM SUMMARY:**

The Façade Improvement Grant Program has been in effect since 1994 to encourage rehabilitation of the exteriors of commercial property in the downtown. While the program was initially geared toward the historic structures, it had been expanded to include the entire Downtown TIF. Despite the expansion of geographic area, there has been a lack of investment and in some cases general maintenance on private structures in the downtown. This coupled with a number of commercial vacancies in the downtown has resulted in less activity in the area, which weakens future development potential.

The existing grant programs (Façade Improvement & Retail & Restaurant Grant), although having been around for many years, are underutilized. Based on conversations with property and business owners, reasons they have not used the grant programs include “difficult” approval processes, need for three estimates, lack of interest by multiple contractors for small projects, amount of time required to obtain grant approval, and lack of funding availability.

Based on the discussion by the Commission at the January meeting, this memo highlights proposed revisions to modernize the program and incentivize certain types of improvements.

The efforts of the revised Program are intended to:

- Improve the overall image and increasing property values within the downtown to strengthen the economy, EAV, and quality of life in the City;
- Remove and alleviate adverse conditions by encouraging private investment in the rehabilitation and maintenance of downtown properties within the TIF; and
- Further the objectives of the Downtown TIF II Redevelopment Plan including but not limited to reducing or eliminating the recurrence of blighted conditions.

Eligibility. There is no substantive change proposed to the properties or applicants eligible for this funding. However, based on direction received, the revisions categorize improvements so they can be funded at different levels based on potential impact as follows:

- Major Improvements to be reimbursed at 50% of the cost of the improvements;
- Minor Improvements to be reimbursed at 30% of the cost of improvements;
- Maintenance Expenses to be reimbursed at 15% of the cost incurred*, up to \$5,000; and
- Streetscape Improvements to be reimbursed at 50% of the cost of the improvements*, up to \$3,000.

*Alternatively, if the work will not be completed by a contractor (i.e. when no building permit is required), the cost of materials and equipment is to be reimbursed at 65% of the expenses.

The attached Program Overview itemizes the types of improvements included in each category.

The list of ineligible improvements is proposed to only highlight a few improvements not eligible. This is because the applicant can request consideration of improvements not specifically listed as eligible or ineligible. Note that wall signage is proposed to be ineligible for funding, as this improvement is not preferred in the downtown.

Project Costs. Some of the more significant proposed revisions for the project cost includes:

- Increasing project funding maximum to \$50,000;
- Restricting requests for additional funding for 5 years to be consistent with lease timeline; and
- Eliminating the denial of applications in excess of budget appropriation and allow consideration subject to budget availability.

Rehabilitation Guidelines & Project Application; Approval. Below is a summary of the revisions proposed to this section:

- Streamline the Certificate of Appropriateness and Façade Program applications by combining them into one application.
- Eliminate the filing fee that hasn't been collected in years and clarify that third-party permit fees are not waived.
- Remove references to the City Council selecting a contractor for the project.
- Allow applications to be accepted & presented for consideration even if the budget has been exhausted for the current fiscal year. The fiscal year in which the application is approved is not always the fiscal year in which the reimbursement would occur. Staff would track the grant approvals to identify the budgetary allowances at the time of consideration.
- Approve façade maintenance and streetscape improvements by staff with the City Administrator, or designee, executing the Grant Agreement.
- Align the timeline for completion with the permit expiration, update the project timeline for major and minor improvements to 12 months, unless a phasing plan has been approved, with the potential to request an extension from City Council for major and minor improvements.

Staff will also maintain a list of participating contractors that are familiar with the program and understand how the process works. This list will be made available to potential applicants to assist in their efforts to obtain estimates.

The Program is currently regulated by Chapter 4, Article VI of the Code of Ordinances. However, the program is not required and is tied to the Downtown TIF District in both geography and its source of funding. Staff proposes amending the Code by deleting Chapter 4, Article VI. – Façade Program in its entirety. Additionally, staff proposes adopting the program revisions by Resolution.

Attached are the detailed proposed changes as well as a Program Overview document that summarizes the program and process.

ACTION PROPOSED:

Staff is seeking feedback on proposed revisions to the Façade Improvement Grant Program.

Façade Improvement Grant Program

| Section Name | Current Regulation/Program Guideline | Proposed Guideline | Remarks |
|---------------------|--|---|--|
| Purpose | The purpose of the facade program is to encourage the rehabilitation of the exteriors of commercial property in the City of West Chicago Downtown Redevelopment Project Area by establishing a program where the city will provide a limited match of private funds in the form of grants to be used for building facade renovation. | <p>The Program is designed to promote revitalization and activation of the downtown to spur future private development in the area. By doing so, the following will also be achieved:</p> <p>(1) Improving the overall image and increasing property values within the downtown to strengthen the economy, EAV, and quality of life in the City;</p> <p>(2) Removing and alleviating adverse conditions by encouraging private investment in the rehabilitation and maintenance of downtown properties within the TIF; and</p> <p>(3) Furthering the objectives of the Downtown TIF II Redevelopment Plan including but not limited to reducing or eliminating the recurrence of blighted conditions.</p> | This change is intended to outline how the program supports economic development goals identified in various plans |
| Eligible Properties | Commercial properties within the downtown redevelopment project area are eligible for participation in this program. Residential properties, including apartment buildings, are not eligible. Dwelling units, when accessory to a commercial building, are eligible. | Properties located with the Downtown Tax Increment Financing (TIF) District II are eligible for participation in this program. Residential properties, including apartment buildings, are not eligible. Dwelling units, when accessory to a commercial building, are eligible. | The program eligibility is tied to the TIF District, which has changed. |
| Eligible Applicants | <p>(a) Facade program applications may be submitted by:</p> <p>(1) The owner of property to be rehabilitated.</p> <p>(2) A contract purchaser or holder of an option to purchase the property to be rehabilitated, with written permission of the owner, provided that no grant funds shall be distributed to such applicant prior to its closing on the purchase of the property.</p> <p>(3) A lessee of the property to be rehabilitated, under a lease with an unexpired term of not less than five (5) years and with written permission of the owner.</p> | Property and business owners with an eligible property are eligible to apply for funding under this program. A lessee of an eligible property having a lease with a remaining term of at not less than five (5) years. Lessees, contract purchasers, or holders of an option to purchase must obtain and provide written permission from the property owner to submit an application. Change of ownership, where applicable, must occur prior to grant funds being distributed. | No substantive changes. |
| | (b) No facade improvement grant shall be awarded, or grant funds distributed, to any applicant who is in default on its mortgage, installment land sale contract or lease with respect to the property, or who is delinquent in the payment of any tax, fine, fee or special assessment owed the city, the county, the state or the United States of America, as indicated by the records of the county recorder. | Exclusions: Any applicant who is delinquent in the payment of any tax, fine, fee or special assessment owed to the City, County, or State as documented by the City or County is ineligible until the outstanding tax, fine, fee or special assessment is paid. | Rewording of requirement based on how the City can verify outstanding balances owed to different agencies. |

Façade Improvement Grant Program

| Section Name | Current Regulation/Program Guideline | Proposed Guideline | Remarks |
|--|---|---|---|
| Eligible improvements | (a) In order to be eligible for a grant under the facade program, improvements must relate to a building facade that is visible from a public way, must be permanently fixed to the real estate, and must not restrict any future use of the building. Eligible improvements include, but are not limited to: | | This change reflects the desire to incentivize improvements that will lead to a greater increase in property values, curb appeal, and include maintenance expenses. |
| | (1) Architectural services relating to eligible improvements. | | |
| | (2) Chimney and flue repair, when it improves the overall appearance of a building. | | |
| | (3) Exit door (exterior) and hardware installation, repair and replacement, where current doors do not meet the building code or it will improve the overall appearance of the building. | | |
| | (4) Exterior permanent lighting. | | |
| | (5) Exterior handicap accessibility improvements not including sidewalks pursuant to the Illinois Accessibility Code. | | |
| | (6) Gutters. | | |
| | (7) Landscaping and permanent planters. | | |
| | (8) Painting of the exterior surface of buildings. | | |
| | (9) Removal of non-original siding. | | |
| | (10) Repair or restoration of original exterior. | | |
| | (11) Retaining wall, on Turner Court. | | |
| | (12) Roofing replacement and repairs within the Turner Junction Historic District that are part of the historical facade. | | |
| | (13) Shutter and awning repair, replacement or additions. | | |
| | (14) Signs (permanent), new exterior signs or repair and replacement of existing exterior signs. | | |
| | (15) Stair, porch, railing and exit repair, replacement or installation. | | |
| | (16) Terraces, on Turner Court. | | |
| | (17) Wall (exterior) repair and rebuilding, including cleaning, sealing, tuckpointing and painting. | | |
| (18) Windows, repair of frames, sills, glazing, replacement of glass, and installation of new windows. | | | |
| | (b) Upon the request of an applicant, the city staff shall review improvements not specifically listed as eligible or ineligible under this article and make a recommendation to the city council. Upon receipt of the recommendation of city staff, the city council may, in its discretion, approve facade program funding with respect to such improvements. | Upon the request of an applicant, the city staff shall review improvements not specifically listed as eligible or ineligible under this article and make a recommendation to the city council. Upon receipt of the recommendation of city staff, the city council may, in its discretion, approve facade program funding with respect to such improvements. | No change proposed |

Façade Improvement Grant Program

| Section Name | Current Regulation/Program Guideline | Proposed Guideline | Remarks |
|--|---|---|---|
| Ineligible improvements | The following are ineligible for funding under the facade program: | | Expenses not identified as eligible are inherently ineligible. The few recommended to be listed are those that are not desired, reinforce code compliance, and the need to enter into a grant agreement prior to commencing work subject to the grant funding |
| | (1) Acquisition of property. | | |
| | (2) Air conditioning and heating facilities. | | |
| | (3) Within the Turner Junction Historic District, artificial architectural elements including, but not limited to, applied mansard fronts and applied facades that would cover existing significant architectural elements or materials. | | |
| | (4) Bartered work or services, direct or indirect, including, but not limited to, labor, architectural services, consulting, and acquisition of materials. | | |
| | (5) Electrical wiring or service upgrades. | | |
| | (6) Elevators—Repair or installation. | | |
| | (7) Extermination of insects, rodents, vermin, and other pests in interior or exterior areas. | | |
| | (8) Improvements completed or in progress prior to notification of grant approval. | | |
| | (9) Interior floor or ceiling replacement or repair. | | |
| | (10) Interior improvements including, but not limited to, remodeling and structural repairs. | | |
| | (11) Loading docks. | | |
| | (12) New facilities, building additions, or expansion outside the Turner Junction Historic District. | Ineligible expenses include, but are not limited to: | |
| | (13) Plumbing. | (1) Improvements in progress or completed prior to approval and execution of a Grant Agreement | |
| | (14) Purchase of furnishings, equipment, or other personal property which does not become a part of the real estate. | (2) Improvements that do not comply with the approved Certificate of Appropriateness, building permit and/or zoning regulations | |
| | (15) Refinancing existing debt. | (3) Increasing non-conforming conditions | |
| | (16) Resurfacing of parking lots. | (4) New or replacement wall signs | |
| | (17) Security grilles and screens. | | |
| | (18) Sidewalks. | | |
| | (19) Sprinklers, fire or smoke alarm systems. | | |
| | (20) Improvements which are required to comply with a violation of the City of West Chicago Code of Ordinances including, but not limited to, the zoning ordinance and International Property Maintenance Code. Except that the cost of improvements that provide additional upgrade beyond the minimum code requirement shall be eligible. | | |
| | (21) Title reports and legal fees. | | |
| | (22) Ventilation systems. | | |
| | (23) Working capital. | | |
| | (24) Improvements made by contractor not approved by the city council. | | |
| | (25) Improvements that do not comply with the approved certificate of appropriateness, if required, and/or building plans. | | |
| (26) Worked performed by construction or other companies that are owned wholly or in part by the building owner or his family. | | | |

Façade Improvement Grant Program

| Section Name | Current Regulation/Program Guideline | Proposed Guideline | Remarks |
|---|--|---|---|
| Project costs | The city council may, in its discretion, approve the facade program grants for eligible improvements to properties within the downtown redevelopment project area, provided however: | The city council may, in its discretion, approve the facade program grants for eligible improvements to properties within the Downtown TIF District II in accordance with the established tiered funding and subject to budget availability. | Many Façade Grants may not be reimbursed in the same fiscal year as approved. Also, the City Council can amend the budget to accommodate additional funding, if desired |
| | (1) That no grant shall be approved if the amount of such grant, together with the amount of all other grants approved in the same fiscal year, would exceed the amount appropriated for the facade program for that fiscal year; | | Increasing the funding maximum and aligning the lease requirement with the timeline for funding requests |
| | (2) That no grant shall exceed the lesser of (a) fifty (50) percent of the project cost; or (b) ten thousand dollars (\$10,000.00), except as provided below: | Funding level to be tied to category of improvements with a maximum award of up to \$50,000 where property is not eligible for additional funding for five years. | |
| | a. That an individual may be granted up to three (3) years of matching funding at any one time, so long as the total grant does not exceed thirty thousand dollars (\$30,000.00) and the property is not eligible for additional funding during that three-year period; and/or | | Keep this allowance that may only be utilized on improvements not requiring a building permit. (Registered contractors are required to perform permitted work on non-residential structures. Building and business owners are not able to do work themselves that is subject to a building permit.) |
| | b. That an individual may be granted sixty-five (65) percent of the cost for the equipment and materials only, so long as he provides necessary documentation via three (3) detailed estimates for the work, with the labor, equipment and materials components associated with the project listed separately so it can be evaluated. | On projects where a building permit is not required and where a contractor will not be performing the work, the applicant may be granted sixty-five (65) percent of the cost for the equipment and materials only, so long as the necessary documentation via three (3) itemized quotes with applicable cut sheets is provided. | |
| | (3) That the total amount of all grants approved with respect to any building shall not exceed ten thousand dollars (\$10,000.00) in any fiscal year or thirty thousand dollars (\$30,000.00) over three (3) fiscal years. | | Remove - this section is already covered above |
| (4) An applicant may submit a phasing plan for a period not to exceed one (1) year from the date of approval delineating the timing of various components of the overall project. Grant funding may be reimbursed in increments up to the facade grant total. | An applicant must submit a phasing plan for requests for partial reimbursement or if the project is not expected to be completed within one (1) year from the date of approval. Grant funding may be reimbursed in increments up to the facade grant total in accordance with milestones identified in the Grant Agreement. The standard timeline to complete projects is one (1) year but can be modified by the City Council upon approval of the project. Alternatively, projects not able to be completed within one (1) year may request an extension from the City Council to extend the term of the agreement accordingly. | Omitted from program guidelines currently; recommend keeping - individual milestones to be determined on a case-by-case basis | |

Façade Improvement Grant Program

| Section Name | Current Regulation/Program Guideline | Proposed Guideline | Remarks |
|--|--|--|--|
| Rehabilitation guidelines and project application; approval | (a) Each applicant for a grant under the facade program shall submit an application on approved forms available from the community development department, including: | Each applicant for a grant under the façade program shall submit an application on approved forms available from the community development department, which may include some or all of the following: | Minor revision to identify that this list does not apply to every project |
| | (1) Plans for the exterior improvements, which to the extent required by applicable law, shall be prepared by a licensed architect; | (1) Plans for the exterior improvements (e.g. elevations) prepared by a licensed architect, as required; | Incorporated type of architectural drawing that might be required |
| | (2) An elevation drawing, plat of survey or site plan; | (2) Plat of survey or site plan; | Separate out the vertical from horizontal plane |
| | (3) Material and color sample(s) of improvements; | (3) Material specifications, including material and color sample(s) of improvements; | Door and window cut sheets are often missing |
| | (4) Three (3) written estimates for each component of the entire project to include the contractor's name, address, telephone number and list of references; | (4) Three (3) written estimates for each component of the entire project to include the contractor's name, address, and phone number; | Staff will not be checking references - this is recommended for removal |
| | (5) Two (2) photographs of each existing facade proposed for improvements; | (5) Two (2) photographs of each existing facade proposed for improvements; | No change proposed |
| | (6) A tract search report identifying the property's owners of record and all mortgages, liens and other encumbrances of record, from a title insurance company qualified to business in the state; | (6) A tract search report identifying the property's owners of record and all mortgages, liens and other encumbrances of record from the DuPage County Recorder's Office; and | This information can be obtained by the County Recorder |
| | (7) If applicable, a copy of the written consent from the property owner, signed installment sales contract and/or current lease; and | (7) If applicable, a copy of the written consent from the property owner, signed installment sales contract and/or current lease. | No change proposed |
| | (8) A filing fee in the amount of two hundred dollars (\$200.00), refundable upon satisfactory completion of the project. | | Remove - the fee has not been collected for many years |
| | (b) If the property is within the Turner Junction Historic District, the applicant shall concurrently file an application for a certificate of appropriateness with the historical preservation commission. The applicant shall obtain any necessary certificate of appropriateness as a precondition to the city council's consideration of the facade program application. | If the property is within the Turner Junction Historic District, the applicant shall concurrently file an application for a certificate of appropriateness with the historical preservation commission. The applicant shall obtain any necessary certificate of appropriateness as a precondition to the city council's consideration of the facade program application. | No change but staff intends to create a streamlined application process whereby one application will be used for both requests |
| (c) Facade program applications will be accepted each fiscal year, until budgeted and appropriated amounts are exhausted. The community development department may, in its discretion, establish application deadlines from time to time. | | Remove - review and process all requests with the expectation that a project could be funded through a budget amendment, if needed | |
| (d) The community development department shall review applications in the order received and recommend for funding projects which have (1) completed the applications; (2) met any applicable application deadlines; (3) met the guidelines for funding; and (4) a commitment from, and the demonstrated ability of, the applicant pay the portion of the project costs that are not covered by the grant. | The community development department shall review applications in the order received and recommend for funding projects which have (1) completed the application(s); and (2) met the requirements for funding. | As a reimbursement program, the ability to pay for the project upfront is a requirement. | |
| (e) Upon completion of the community development department's review, and the issuance of any necessary certificate of appropriateness, the department shall forward the application to the city council, together with its recommendation. | Upon completion of the community development department's review, and the issuance of any necessary certificate of appropriateness, the department shall forward the application for major and minor improvements to the city council, together with its recommendation. Facade maintenance and streetscape improvements are to be reviewed and approved by staff. | No committee review - straight to City Council for major and minor improvements | |

Façade Improvement Grant Program

| Section Name | Current Regulation/Program Guideline | Proposed Guideline | Remarks |
|--------------|--|--|--|
| | (f) The city council shall determine whether, and the extent to which, the city will provide facade program funds for the proposed project. If the city council approves the application, the city council shall approve the amount of funding of the qualified contractor having submitted the lowest estimate, but that the applicant may use any of the three (3) contractors submitting estimates. The applicant shall be responsible for paying the difference between the lowest estimate from the qualified contractor and the estimate from the contractor utilized. | The city council shall determine whether, and the extent to which, the city will provide facade program funds for the proposed project. If the city council approves the application, the city council shall approve the amount of funding of the contractor having submitted the lowest estimate at the reimbursement rate based on the scope of improvements. The applicant may use any contractor that has registered with the City to perform the work. The applicant shall be responsible for paying the full amount of the project regardless of the contractor selected and will only be reimbursed based on the approved funding amount specified in the Grant Agreement. | City Council does not select the contractor |
| | (g) All rehabilitation work shall be completed in conformance with the codes and ordinances of the city. If the project requires a building permit, the city shall issue such building permit at fifty (50) percent of the regular permit fee. Construction shall be monitored by building inspectors. | All work covered under this Program shall be completed in conformance with the codes and ordinances of the city. If the project requires a building permit, the city shall issue such building permit at fifty (50) percent of the regular permit fee. All third-party plan review and inspections fees will be passed on to the applicant. | Third party fees are not waived. |
| | (h) Upon completion of the project, which shall be evidenced by final approval from the community development department or the issuance of an occupancy permit, the city shall pay the amount authorized by the city council, provided that: (1) the contractor selected by the city council was used for the entire project; (2) the plan approved by the city council was strictly adhered to; and (3) there was strict compliance with the terms of any applicable certificate of appropriateness. | Upon completion of the project, which shall be evidenced by final inspection from the community development department, the city shall reimburse the amount authorized by the city council, provided that: (1) the plan approved by the city council was strictly adhered to; and (2) there was strict compliance with the terms of any applicable certificate of appropriateness. | City Council does not select the contractor; these types of projects would not likely require a certificate of occupancy |
| | (i) The city reserves the right to reject any or all applications received. | The city reserves the right to reject any or all applications received. | No change proposed |
| | (j) The city reserves the right to withdraw a commitment for funding or recall a grant for any project which is not completed within six (6) months of the issuance of the building permit for the project or, if no building permit is required for the project, within six (6) months of the approval of the grant by the city council. | The city reserves the right to withdraw a commitment for funding or recall a grant for any project which is not completed within twelve (12) months of the issuance of the building permit for the project or, if no building permit is required for the project, within twelve (12) months of the approval of the grant by the city council, unless an extension has been granted by the City Council. | Update to reflect that permits are valid for 12 months |
| | (k) The city reserves the right to withdraw a commitment for funding or recall a grant if any of the eligibility requirements are violated, including, but not limited to, the use of the contractor selected by the city council and strict compliance with the terms of the plan approved by the city council and the certificate of appropriateness, if any. | The city reserves the right to withdraw a commitment for funding or recall a grant if any of the eligibility requirements are violated, including, but not limited to, strict compliance with the terms of the plan approved by the city council and the certificate of appropriateness, if any. | City Council does not select the contractor so that provision was removed |
| | (l) All proposed exterior improvements within the Turner Junction Historic District shall be compatible with the downtown area; specifically, these improvements should: (1) Focus on restorative construction; (2) Be compatible with original building material and style; (3) Be compatible with predominant color schemes and window configurations; and (4) Be compatible with the general architectural theme of the historic district. | | No change proposed |

Façade Grant Program Overview

| | Major Façade Improvements | Minor Façade Improvements | Façade Maintenance | Streetscape Improvements |
|--|--|---|--|--|
| Type of Improvement | Restoration of original architectural features | Adding or replacing exterior lighting | Expenses related to addressing a code violation (whether cited or not) | New or replacement awnings |
| | Significant façade renovation/enhancements | Roofing replacement within the Turner Junction Historic District that are part of the historical façade | Façade cleaning and sealing | New permanent under canopy/awning lighting |
| | New or replacement exterior doors & windows | | Restoration of brick | New or replacement signs (only includes under canopy, window and projecting) |
| | Replacement or repair of exterior building materials or decorative elements | Screening of unsightly utilities | Gutter replacement | Adding permanent landscaped planters |
| | Installation or replacement of stairs, porch and handrails | Tuckpointing | Repair of pitched roof and chimney or flue when it improves the overall appearance of the building | Incorporating a bench adjacent to the eligible property |
| | Architectural design fees related to the eligible improvements | Exterior painting | Repair of retaining walls on Turner Court | Creating and installing exterior art (not signage) |
| | | Repair of window frames, sills and glazing | | |
| Maximum Reimbursement | 50% Reimbursement | 30% Reimbursement | 15% Reimbursement, up to \$5,000 or 65% of the material and equipment expenses if applicant does work themselves | 50% reimbursement, up to \$3,000 or 65% of the material and equipment expenses if applicant does the work themselves |
| | Schedule pre-application meeting with staff to review the program, determine project eligibility and provide list of participating contractors | | | |
| Approval Process | Applicant to submit completed application (combined Façade and Certificate of Appropriateness (COA), if applicable) and required documents including three (3) estimates for scope of work | | | |
| | Staff reviews applications (Façade & COA, if applicable) for completeness | | | |
| | Historic Preservation Commission evaluates and acts on request for Certificate of Appropriateness, as applicable | | | |
| | Staff reviews for compliance with terms of Façade Program & prepares Grant Agreement | | | |
| | City Council to approve and authorize Mayor to enter into a Grant Agreement with applicant | | City Administrator or designee to approve and enter into a Grant Agreement with applicant | |
| | Applicant to sign Grant Agreement before any work can commence | | | |
| Permit Requirements | Architectural drawings likely required; must be drawn by an architect licensed in Illinois | Architectural drawings, if required, must be drawn by an architect licensed in Illinois | | Permit required for signage - architectural drawings not required |
| | Improvements in the ROW may require Public Works approval via ROW permit | | | |
| | Contractor and sub-contractors to perform work covered by the Program to be registered prior to permit issuance | | | |
| | If permit is required, work subject to the permit(s) may not commence until the permit has been paid for and issued. Building permit fees are reduced by 50%, with the exception of third-party review and inspection fees. | | | |
| | Upon permit issuance, complete inspections required by permit(s) | | | |
| Project Completion Steps | Final inspection(s) closes out any required permit(s). The project must be completed within 12 months of permit issuance or grant approval, when a permit is not required. However, a phasing plan may be approved in the Grant Agreement that exceeds 12 months, depending on the scope of work. An extension may be granted by City Council if requested prior to expiration of the building permit. | | Final inspection(s) closes out any required permit(s). The project must be completed within 12 months of permit issuance or grant approval, when a permit is not required. An extension may be granted by the City Administrator or designee if requested in advance of the 12 month deadline. | |
| Reimbursement Process | Partial reimbursements are permitted in accordance with milestones specified in the Grant Agreement. Documents required for partial reimbursement include: 1) invoice from contractor indicating the amount paid to date; 2) proof of partial payment to contractor; and 3) partial waivers of lien from applicable contractors | | Partial reimbursements not permitted | |
| | Upon closing out the permit(s) or completion of the scope of work, submit the following documents within 60 days: 1) paid invoice from contractors, 2) proof of payment to contractor; and 3) final waiver of liens from each contractor | | Upon closing out the permit(s) or completion of the scope of work, submit the following documents within 60 days: 1) invoices and receipts for materials and equipment, as applicable; 2) proof of payment; and, if using a contractor, 3) paid invoice from contractor(s) and 4) final waiver of liens from each contractor | |
| | Staff to verify receipt of all required documentation. Upon confirmation, staff to process the reimbursement request for the portion of the total expenses to be reimbursed per the Grant Agreement | | | |
| | City Council will authorize the payment amount & check is mailed to Grantee | | | |
| Subsequent Grant Request Timeline | Upon entering into the Grant Agreement, the applicant is not eligible to apply for a subsequent grant for 5 years from the date of approval unless project did not proceed | | | |

CITY OF WEST CHICAGO

ECONOMIC DEVELOPMENT COMMISSION AGENDA ITEM SUMMARY

ITEM TITLE:

Downtown Retail & Restaurant Business
Grant Program Potential Revisions

AGENDA ITEM NUMBER: 6**COMMISSION AGENDA DATE:** 04/30/2024**STAFF REVIEW:** Kelley Chrusse, AICP**SIGNATURE****ITEM SUMMARY:**

The Downtown Retail & Restaurant Business Grant Program was adopted by the City Council in 2013 to strengthen retail business activity in the downtown. There has been one grant awarded in the program's history. That project has not yet been completed so there has not been any reimbursement made for this program to date.

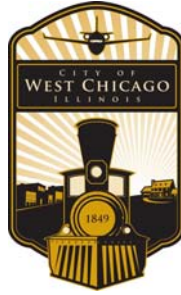
Given that this program has had limited use thus far, the following considerations may increase the effectiveness in attracting and/or encouraging expansion of retailers and restaurants in the downtown:

- Program Purpose: Does the program as written strengthen retail business activity in the downtown?
- Program Procedures: Should the EDC assume the role of the Selection Committee? If so, is the timing of the EDC meetings a concern?
- General Eligibility: Is a 5 year separation between a business and/or location being awarded this grant appropriate?
- Business Location & Operation:
 - Should the geographic boundaries of this program coincide with that of the Façade Grant?
 - If this program should have different geographic boundaries, is the TIF District an appropriate boundary?
 - Should there be a set timeline for completion of the proposed improvements, i.e. 6 months or 1 year of grant authorization? Or should each project have its own timeline?
 - Does a monthly review of sales tax returns provide any assurances to the City? What type of assurance is being sought?
- Retail & Restaurant Businesses: Under what circumstances might a retail & restaurant be eligible under this program as a complimentary use?
- Criteria for Approval of Grants: Aside from evaluating the Business Plan, are evaluation criteria relevant? Or should there be specific metrics incorporated?
- Amounts & Payment of Grants:
 - Is the maximum grant amount sufficient to support the build-out of older, historic structures?
 - Should the permit fees for a build-out be reduced, similar to the Façade Program?
 - Are there other specific qualifying expenditures that should be eligible under this program?
 - Should labor costs be included as a qualifying expenditure?
 - Should partial reimbursements be allowed?
 - Should there be a set timeline for completion of a build-out, i.e. 6 months or 1 year of grant authorization? Or should each project have its own timeline?
 - Should there be a penalty for not completing the project within the specified timeline?

Attached is the Downtown Retail & Restaurant Business Grant Program.

ACTION PROPOSED:

Staff is seeking input regarding potential revisions to the Downtown Retail & Restaurant Business Grant Program.



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.

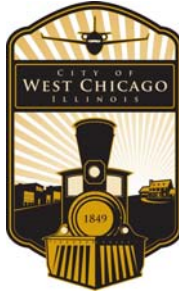
REQUIREMENTS FOR COMPLETION OF APPLICATIONS

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: _____

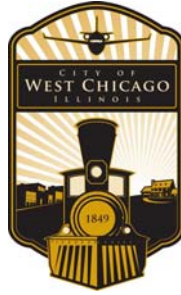
Telephone Number: _____ E-mail: _____

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

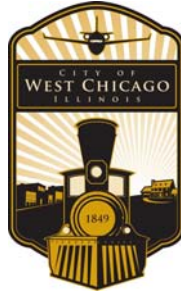
- a. Timing of critical activities before opening (e.g. company incorporation, signed lease, suppliers ordered, employees hired, opening date)
- b. Timing of critical activities after opening, (e.g. expansion, product/service extension)

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



CITY OF WEST CHICAGO DOWNTOWN RETAIL & RESTAURANT BUSINESS GRANT PROGRAM

Appendix C – Expenditures

Example of Acceptable Expenditures

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

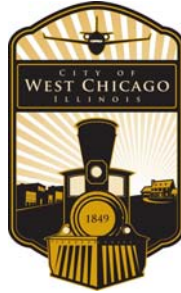
- (a) Build out of space
- (b) Business start-up related media marketing and advertising
- (c) Other similar types of items as may be approved in the discretion of the Selection Committee.

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

