



## Agenda Item Details

Meeting	Dec 21, 2020 - Village Board Regular Meeting Agenda
Category	13. New Business - All Listed Items for Discussion and Possible Action
Subject	L. Resolution Approving an Updated Facade and Building Improvement Grant Program to be Retitled The Wheeling Retail and Restaurant Build Out Assistance Program
Type	Action
Budgeted	Yes
Budget Source	TIFs
Recommended Action	Motion to approve

**From:** Patrick Ainsworth, Director of Economic Development

**Subject:** Modifying the Wheeling Facade Improvement Program into the Wheeling Retail and Restaurant Build-Out Assistance Program

### EXECUTIVE SUMMARY

Economic Development staff recommends implementing an update and revamp of the current Wheeling Façade Improvement Program into the Wheeling Retail and Restaurant Build-Out Assistance Program. The current Wheeling Façade Improvement Program provides grant funds for certain improvements on eligible buildings. Staff proposes expanding the parameters of this program in an attempt to help modernize commercial buildings and reactivate vacant spaces with new restaurant and retail users.

## MEMO

### Background:

Economic Development staff has been actively assessing the existing financial assistance resources that are within the Village of Wheeling's economic development "toolbox" in order to ensure that assistance is provided to help attract new tax-generating businesses, to reactivate vacant spaces, and to assist existing businesses where appropriate. One program that has been identified for proposed enhancement is the Wheeling Façade Improvement Program.

Since 2005, the Village of Wheeling has offered assistance to eligible commercial buildings within the Village's Tax Increment Finance (TIF) Districts by providing grant funding through the Wheeling Façade Improvement Program. This program was originally created to assist with facade updates, but it was expanded in 2011 by adding more eligible improvements including parking lots, landscaping, and grease-trap installations. While most of these enhancements are associated with the exterior portion of a commercial property, many other building improvements qualify with the use of TIF funds, especially permanent interior improvements. With this notion, Economic Development staff is proposing to revamp the Wheeling Façade Improvement Program into the Wheeling Retail and Restaurant Build-Out Assistance Program.

This revamped program will directly help enhance existing restaurants, retailers, and shopping centers, as well as reactivate vacant spaces by encouraging new investment and reinvestment of eligible spaces. The new permanent improvements installed within these spaces and buildings will be reimbursed to the applicant in the form of a grant. This grant reimbursement goes directly to the business owner paying for the improvements and would not be part of any redevelopment agreement. Note, this program is specifically for eligible commercial spaces and buildings within the Town Center-II TIF District and the North Milwaukee Avenue TIF District.

Economic Development staff anticipates this revamped program will help to attract new sales tax-producing businesses, specifically restaurants and retailers, by providing up to \$150,000 in potential reimbursement for sit-down restaurants and up to \$50,000 in reimbursement for retailers and other food- and beverage-based businesses. An emphasis has been placed on the dollar value for sit-down restaurants as this type of business generally has the highest build-out costs. To assist with breaking down these two dollar values, staff composed the Wheeling Retail and Restaurant Build-Out Assistance Program Application into two programs: Program A, Sit-down Restaurant Build-Out Assistance Program, and Program B, Food and Beverage, Retail, and Shopping Center Assistance Program. Each program is summarized below and the application is attached to this memorandum.

## **Summary of the Wheeling Retail and Restaurant Build-Out Assistance Program:**

### **Program A – Sit-down Restaurant Build-Out Assistance Program**

- Sit-down restaurants that are at least 4,000 SF in size and have at least 100 inside seats may qualify for up to \$150,000 as a reimbursement grant towards permanent interior and exterior improvements including:
  - Permanent kitchen fixtures such as a walk-in cooler and oven hoods (black iron)
  - Electrical
  - Plumbing
  - Bathroom fixtures
  - Fire suppression and alarm systems
  - Doors and windows
  - Permanent outdoor dining improvements
  - Parking lot lighting, surfacing, and landscaping
  - Street-facing elevation improvements
- This program is available for existing restaurants and for new restaurants within these two TIF Districts, but the specified space must meet the criteria mentioned above.
- A thorough background check is required including the review of financials.
- If the space is being leased, the property owner will need to contribute at least 10% of the overall project cost to have the applicant qualify for this program.
- Only 25% of the eligible labor costs will be reimbursed as part of this program.
- Reimbursement will not be provided until the business is opened, all permits have been closed out, and all contractors have been paid.

### **Program B – Food and Beverage, Retail, and Shopping Center Assistance Program**

- Food and beverage businesses that do not meet the sit-down restaurant definition found under Program A may then qualify up to a \$50,000 reimbursement grant.
- New and existing retailers that have at least 50% of their floor area dedicated to retail sales may qualify for this grant program.
- Shopping centers that have at least two commercial spaces and at least one tenant that is a retailer or a food and beverage operator may qualify for this grant program.
- Eligible improvements for buildings and spaces under this program include the same items listed under Program A, as well as permanent shelving and counters.

As identified above, the build-out for a sit-down restaurant is one of the most expensive types of commercial spaces to construct given the infrastructure needed for a kitchen. In the event that an applicant for a restaurant space under 4,000-square-foot in size requests more than the maximum \$50,000 associated with Program B, the Village Board would have the authority to award additional grant assistance if the applicant has provided a compelling reason. Economic Development staff would thoroughly review the request and make a recommendation to the Village Board for approval or denial of the additional funds.

#### **Grant Policies:**

Since these two programs have the potential to award a large amount of TIF dollars, Economic Development staff is proposing several policies to ensure that all milestones are completed prior to issuing the grant reimbursement. Some of these recommended policies are highlighted below.

### **Program A – Sit-down Restaurant Build-Out Assistance Program**

- The applicant must have operated a restaurant for at least five years.
- The applicant must meet with the grant administrator prior to submitting an application.
- A five-year lease for the subject space shall be provided at time of applying, or the applicant shall show proof of owning the subject space.
- A business plan and background check are required when applying for this grant.
- No grant will be approved for work already conducted.
- Prior to the Village providing the reimbursement funds, all permits must be closed out, all contractors must be paid, and the business must be open to the public.

### **Program B – Food and Beverage, Retail, and Shopping Center Assistance Program**

- The applicant must meet with the grant administrator prior to submitting an application.
- A five-year lease for the subject space shall be provided at time of applying, or the applicant shall show proof of owning the subject space.
- A minimum of \$10,000 worth of work shall be proposed to qualify for this grant.

- No grant will be approved for work already conducted.
- Prior to providing the reimbursement grant, all permits must be closed out, all contractors must be paid, and the business must be open to the public.

While there are several grant policies identified in the lists above and in the application, Economic Development staff wants to ensure that the requests for these public dollars will be responsibly handled. Additionally, Economic Development staff will individually meet with every potential applicant interested in this program and a thorough vetting process will take place with each submitted application prior to taking an application to the Village Board.

If the Village Board approves the grant policies and the attached application, then Economic Development staff will work to update the Village's website to advertise this enhanced program and convey information about the program to hundreds of brokers, investors, property owners, restaurateurs, and retailers to enhance Wheeling's existing and future tax generating businesses.

**Recommendation:**

Economic Development staff recommends that the Village Board to review and adopt a resolution approving the new Wheeling Retail and Restaurant Build-Out Assistance Program and Application.

[Res. Improvement Grant Program Retail Restaurant Build Out Assistance Program.pdf \(16 KB\)](#)

[UPDATED Wheeling Restaurant and Retail Build-Out Grant Application\\_DRAFT 10.2020.pdf \(4,923 KB\)](#)