



OFFICE OF THE CITY CLERK

1420 Miner Street
Des Plaines, IL 60016
P: 847.391.5311
F: 847.391.5439
desplaines.org

SPECIAL MEETING OF THE CITY COUNCIL

September 20, 2016

In accordance with Title 1, Chapter 6, Section 1-6-3B, of the City Code, I hereby request a Special Meeting of the City Council to be held on **Thursday, September 29, 2016 at 6:00 p.m.** in Room 102 of Des Plaines City Hall, 1420 Miner Street, Des Plaines, Illinois for the purpose set forth in the agenda below. Please give notice of this Special Meeting to each member of the City Council.

AGENDA

CALL TO ORDER

ROLL CALL

BUDGET HEARING – Alderman Don Smith

Introduction & Overview, Elected Office, City Manager, Finance, Community & Economic Development, Public Works & Engineering, Police, Emergency Management Agency, Fire, and Fire & Police Commission

UNFINISHED BUSINESS

1. Consideration of a Proposed Theatre and Restaurant District Business Assistance Program – RESOLUTION R-147-16 (*deferred from 9/19/2016 City Council Meeting*)

PUBLIC COMMENT

CLOSED SESSION – IF NECESSARY

ADJOURNMENT

A handwritten signature in black ink, appearing to read 'Matthew J. Bogusz', written over a horizontal line.

Matthew J. Bogusz
MAYOR

The City of Des Plaines, in compliance with the Americans With Disabilities Act, requests that persons with disabilities, who require certain accommodations to allow them to observe and/or participate in the meeting(s) or have questions about the accessibility of the meeting(s) or facilities, contact the ADA Coordinator at 391-5486 to allow the City to make reasonable accommodations for these persons.


**COMMUNITY AND ECONOMIC
DEVELOPMENT DEPARTMENT**

1420 Miner Street
Des Plaines, IL 60016
P: 847.391.5380
desplaines.org

MEMORANDUM

Date: September 8, 2016

To: Michael G. Bartholomew, MCP, LEED-AP, City Manager
Michael McMahon, Community and Economic Development Director

From: Lauren Pruss, Economic Development Coordinator 

Subject: Business Assistance Program Modification – New Theatre and Restaurant District Program
(1st and 2nd Wards)

Issue: The Business Assistance Program currently provides up to a \$50,000 reimbursement to new restaurants locating to the City. Staff is proposing a new Theatre and Restaurant District incentive that will focus on properties downtown located within Tax Increment Finance District 1 (TIF 1), and will fund up to a \$100,000 reimbursement of costs for interior and exterior improvements.

Analysis: The City's Business Assistance program has been very successful, awarding \$140,831 in reimbursements to 12 businesses during 2015. A number of downtown restaurants have taken advantage of the incentive during the life of the program including Forever Yogurt, Giordano's, and Wing Stop. Most notably, the Tap House Grill was awarded an \$80,000 reimbursement which has been paid back through new sales tax revenue within 19 months of occupancy.

In an effort to continue the revitalization of downtown, the City has a commitment from Rivers Casino to pursue the purchase and renovation of the downtown theater. In conjunction, a new Theatre and Restaurant District Business Assistance Incentive is envisioned as a catalyst to build upon the success of the existing program, and encourage additional restaurants to locate within a defined boundary which largely mirrors the existing boundaries of downtown's TIF 1. If approved, the program would provide a 50% reimbursement of the costs to renovate the building interior and exterior, up to \$100,000.

Recommendation: I recommend that the City Council adopt Resolution R-147-16 to approve the proposed Restaurant and Theatre Business Assistance Program.

Attachments:

Attachment 1: Resolution R-147-16

Exhibits:

Exhibit A: Draft Program Guidelines and Boundary Map

CITY OF DES PLAINES

RESOLUTION R - 147 - 16

**A RESOLUTION ADOPTING THE CITY OF DES PLAINES
THEATRE AND RESTAURANT DISTRICT PROGRAM.**

WHEREAS, the City desires to create the Theatre and Restaurant District Program ("**Program**") to reimburse businesses up to 50% of the eligible costs incurred to locate a new restaurant within the City of Des Plaines Theatre and Restaurant District; and

WHEREAS, the City desires to establish certain guidelines and procedures regarding eligibility for, and the administration of, Program grants (collectively, "**Guidelines**"); and

WHEREAS, the City Council has determined that it is in the best interest of the City to adopt the Program and approve the Guidelines;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF DES PLAINES, COOK COUNTY, ILLINOIS, in the exercise of its home rule powers, as follows:

SECTION 1: RECITALS. The foregoing recitals are incorporated into, and made a part of, this Resolution as findings of the City Council.

SECTION 2: ADOPTION OF PROGRAM. The City Council hereby adopts the Program.

SECTION 3: APPROVAL OF GUIDELINES. The City Council hereby approves the Guidelines attached to this Resolution as **Exhibit A**.

SECTION 4: IMPLEMENTATION OF PROGRAM. The City Council hereby authorizes and directs the City Manager to take all necessary and appropriate action to implement the Program.

SECTION 5: EFFECTIVE DATE. This Resolution shall be in full force and effect from and after its passage and approval according to law.

[SIGNATURE PAGE FOLLOWS]

PASSED this ____ day of _____, 2016.

APPROVED this ____ day of _____, 2016.

VOTE: AYES ____ NAYS ____ ABSENT ____

MAYOR

ATTEST:

Approved as to form:

CITY CLERK

Peter M. Friedman, General Counsel

DP-Resolution Adopting the Theatre and Restaurant District Program

THEATRE AND RESTAURANT DISTRICT PROGRAM GUIDELINES

Overview

The City's Theatre and Restaurant District Program allows businesses to be reimbursed for up to 50% of costs incurred to locate a NEW restaurant within the City of Des Plaines Theatre and Restaurant District. The maximum Program award amount is \$100,000 per business. Project awards over \$20,000 must be approved by the City Council. The Community and Economic Development Department (CED) shall review and may approve project awards of \$20,000 or less. CED is responsible for developing procedures and general administration of this program.

Qualifications

Applicants must be a **NEW** restaurant locating within the Theatre and Restaurant District. Applicants must demonstrate that they are in the process of applying for a new Business Registration Certificate. Only properties within the eligible Theater and Restaurant District depicted within the attached Exhibit A. In addition, the following Limits to Participation apply:

Limits to Participation

- ✓ Applicants must install at least \$10,000 in eligible improvements.
- ✓ Restaurants may apply for one grant award per business over the life of the program. (If there is a compelling need for more than one grant City Council approval is required)
- ✓ Restaurants have twelve (12) months after the "Letter of Approval" to complete the project.
- ✓ Restaurants must generate food and beverage tax. If any Restaurant chooses to accept the grant award they must agree not to remove improvements for any reason without limitation for a period of (5) five years after receiving the grant money.
- ✓ If any Restaurant removes the improvements, sells or vacates the benefitted property for any reason in this (5) five year period they must repay the grant award on a pro rata basis within (30) thirty days of removal. Grants do not fully vest unless the grant recipient owns, or remains a tenant of the benefitted property for a period of five (5) years after the date of the grant award, or until such time as agreed by the City and the grant recipient. If a grant recipient removed the improvements, sells or vacates the benefitted property before the vesting period ends, the grant recipient must refund to the City the pro rata amount of the grant that has not yet vested. Grant recipients must sign an agreement with the City promising to refund any unvested amount and granting the City a lien against the benefitted property, or other form of security, for any portion of the unvested amount that the grant recipient fails to refund to the City.

Eligible Improvements

Improvements include but are not limited to;

- Hard cost for tenant build out (all fixtures must be permanent).
- Permanent physical improvements to the interior of a building.

- Permanent physical improvements to the exterior façade of a building, including signage.

All eligible improvements are subject to approval by the (CED) Department.

Property Owner's Consent

Those Restaurants that are tenants of commercial buildings are eligible if the property owner's consent is provided in writing.

Proof of Ownership/Leasing Requirement

All applicants must show proof of a signed, written lease agreement for a period of no less than five years at the time of application or provide proof of ownership for the subject property.

Approval for the program does not constitute a right to begin work. The City will take efforts to coordinate the issuance of building permits and grant approval; however, it is fully the applicant's responsibility to obtain the necessary permits prior to the start of work. It is strongly advised that the applicant apply for the grant program prior to, or concurrently with the application for building permits.

****Disclaimer***

All grant awards are subject to funding by City Council during the budget process in each fiscal year. City Council reserves the right to discontinue this program at any time for any reason without notice.

THEATRE AND RESTAURANT DISTRICT PROGRAM GUIDELINES ADMINISTRATIVE PROCEDURE

Step (1) Submittal of Application

Applications should be completed and submitted to the Community and Economic Development (CED) Department on the 3rd floor of City Hall for review and approval by staff. The following items are required at the time of application:

- Application Forms
- Letter of Property Owner Consent (if applicable);
- Proof of at least a five year lease at the subject property or proof of ownership;
- Contractor's work proposal (including a detailed cost estimate and diagram of improvements).
- Business plan including financial projections.
- Consent for background check and credit report.

Pre-Application Conference

Prospective applicants who are considering improvements are encouraged to request a pre-application conference with (CED) Department staff.

Prioritizing Submittals

If more applications are received than current funding levels can accommodate, the CED Department will prioritize them on the basis of the date of receipt of the completed

application process.

Approvals needed

If the total award amount is estimated to be \$20,000 or less then CED will approve or deny the application.

If the total award amount is estimated to be over \$20,000 then the applicant must receive approval from the City Council.

Step (2) Begin Work

If CED approves the grant request, a “Letter of Approval” will be sent to the applicant by the CED Department, including an estimate of the total grant amount the applicant is eligible to receive.

Required Permits

At this time the applicant should secure the services of the appropriate contractors needed to complete the work. All contractors must be properly registered, licensed, and bonded as required by law. It is the applicant’s responsibility to ensure that the selected contractors secure all required sign, building and/or construction related permits from the City. The selected contractors will be expected to complete the project in accordance with the approved plans, all applicable codes and ordinances, and standard building practices. Assuming the City has issued all necessary permits, work may begin. Sign and/or building permit applications can be submitted to the Building Division located on the 3rd floor of City Hall.

Completion within Twelve (12) Months

All work must be started within six (6) months, and completed within twelve (12) months from receiving “Letter of Approval”. If the applicant cannot complete the work detailed on the application within twelve (12) months of receiving “Letter of Approval”, the applicant has the ability to request a single, (6) six month extension from the CED Department. Prior to, or during construction, any on-the-job changes to the design must be reviewed and approved by the CED Department.

Step (3) Completion of the Job

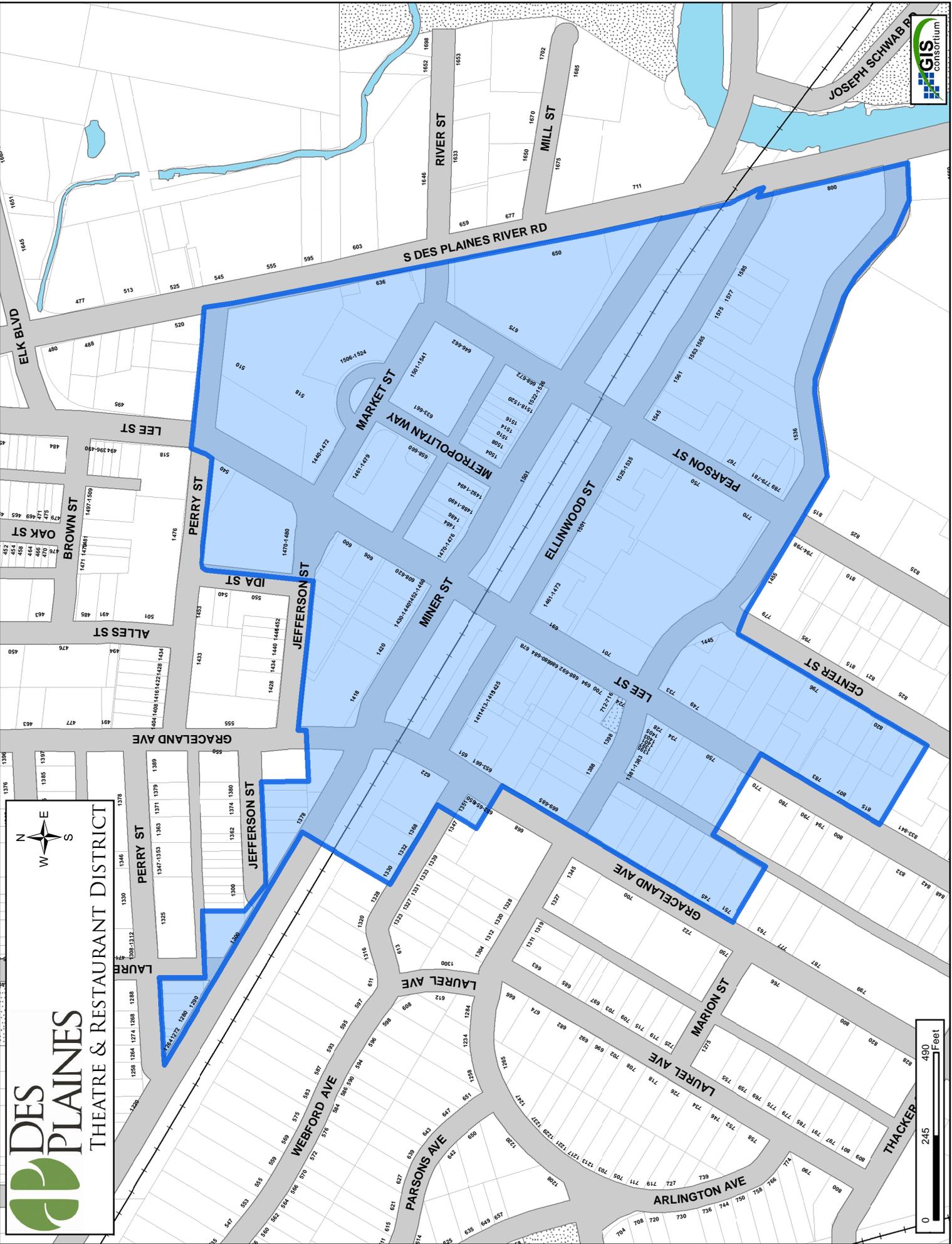
Upon completion of the project, the work is to be approved by an inspector in the Building Division of the CED Department for compliance with the original design drawing and design notes, including initialed changes, City building codes, zoning ordinances, and sign ordinances. Only that work for which the permit was issued will be inspected.

Step (4) Payment of the Grant

Applicant must submit;

- Notarized Paid-in-Full receipt (copy or original).
- Notarized Final Waiver of Lien (completed by contractor).
- Completed IRS W-9 form

Forms can be notarized in the City Clerk's office on the 6th floor of City Hall. Checks will be authorized for reimbursement by the CED Department after the work has been inspected and certified as to its completion and compliance, after the applicant has completed an IRS W-9 form, and after City Council approval via the warrant register at a City Council meeting.



DES PLAINES
THEATRE & RESTAURANT DISTRICT

