

MEMORANDUM

TO: David A. Hulseberg, Village Manager

FROM: William J. Heniff, AICP Director of Community Development

DATE: May 21, 2009

SUBJECT: Downtown Retail Business Grant; 112 W. St. Charles Road – Sky Centers

BACKGROUND

The Community Development Department received an application for the Downtown Retail Business Grant Program for Sky Centers, located at 112 W. St. Charles Road. Sky Centers recently moved into the tenant space at 112 W. St. Charles Road (formerly occupied by Yeager FotoGrafix) and is currently renovating the interior.

The Economic and Community Development Committee (ECDC) reviewed this request at its May 6, 2009 meeting. The applicant's principal business is martial arts instruction. However, the studio will also have a retail component offering martial arts equipment, apparel, nutritional supplements, tea products, and educational materials. The applicant indicated that the proposed retail display area will occupy approximately 12 percent of the total floor area and two-thirds of the wall area, and the submitted cash flow/profit and loss forecast estimates that retail sales will account for 45 percent of total income.

In the initial review, staff did not support the request based upon the grant program's current requirements. The initial information submitted by the applicant stated that retail sales would amount to 12 percent of total income. This information was later revised to 45 percent of total income. The current Downtown Retail Business Grant Program Policy does not allow service businesses to be considered eligible. However, the proposed amendments to the Program Policy would allow a service business to be potentially eligible for a grant if it has at least 25 percent of its gross income or gross floor area dedicated to retail sales activity. The ECDC supported the request based on the revised information presented by the applicant. The ECDC also stated that service businesses of this nature, with a retail component, are consistent with the intent of the proposed changes to the program. This item should proceed after the Village Board takes action on the Downtown Retail Business Grant revision.

The submitted costs estimates include \$20,600 in potentially eligible build-out expenditures and, the applicant is eligible to receive up to \$10,300 from the Downtown Retail Business Grant program. Because the request is over \$10,000, it requires approval from the Board of Trustees. If the application is approved, Sky Centers will need to submit a copy of a three-year (or longer) lease and provide all necessary paid invoices, receipts, and waivers of lien from all contractors prior to any reimbursement.

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The ECDC added a condition of approval requiring the applicants to complete an Illinois sales tax release form (consistent with recent DRBG approvals for A&E Popcorn Shoppe and Clancy's Corner Butcher Shoppe).

ACTION REQUESTED

The Economic and Community Development Committee recommends that the Village Board approve a resolution authorizing signatures of the Village Manager and Village Clerk on an Agreement authorizing the disbursement of funds from the Downtown Retail Business Grant Program in an amount not to exceed \$10,300 for the property located at 112 W. St. Charles Road.

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