



MEMORANDUM

TO: Trustee Puccio, Chairperson
Economic and Community Development Committee

FROM: Jennifer Ganser, Assistant Director of Community Development 

DATE: April 11, 2022

SUBJECT: Downtown Retail Business Grant; 390 E. St. Charles Road (Righteous Kitchen)

The Community Development Department has received an application for the Downtown Retail Business Grant for Righteous Kitchen located at 390 E. St. Charles Road. They are currently located at 837 S. Westmore Meyers Road and this new location offers them the opportunity to continue to grow their business. The property has not received a retail grant in the past.

The applicant is seeking to do interior renovations such as plumbing, electric, HVAC, and painting. All work consists of interior improvements.

The property is located in TIF 1 West. The project is grant eligible up to \$20,000 (up to 50% of the eligible project costs; not to exceed \$20,000.00, unless specifically approved by the Village Board).

Retail businesses who receive the Retail Business Grant dollars shall be subject to a lien on the property in an amount equal to their proportionate share of capital costs paid upfront by the Village for the following five (5) years. One-fifth (1/5) of the lien shall be forgiven for each full year that the business operates at the project location. If the space is legally occupied with a new tenant (retail or service), each remaining year(s) left on the lien shall be forgiven for each full year that the new business(es) remain open.

Righteous Kitchen leased the property at 390 E. St. Charles Road. A copy of the lease was provided to show they meet the three-year lease provision set forth by the guidelines. The applicant has included their business plan.

The Lombard Downtown Revitalization Project Guidebook focuses on aesthetic standards in Section 4. The design recommendations can be applied to numerous buildings in downtown Lombard.

GRANT REQUEST ELEMENTS

The applicant has submitted three bids for the proposed work and based on the lowest bid the applicant is eligible to receive up to **\$20,000**.

| <u>Contractor</u> | <u>Price Quote</u> |
|------------------------------------|--------------------|
| Beaver Den Builders Inc. | \$224,312 |
| NCH General Contractors | \$193,613.31 |
| Great Lakes Commercial Contracting | \$172,323.68 |

Staff is supportive of the request for the following reasons:

1. Consistent with the recommendations of the Lombard Downtown Revitalization Project Guidebook.
2. Consistent with past approval for other retail business grant requests.
3. The new interior would create a wanted business for the corridor and improve the building's interior.

Conditions of Approval

Staff proposes the following conditions be placed on the grant, if approved by the Village Board.

1. Permits shall be applied for and received. Any required inspections shall pass.
2. Work shall be complete one year from the date of approval by the ECDC.
3. Before the grant can be paid out, Righteous Kitchen shall submit a final receipt (showing the project is paid in full), waivers of lien from contractors, and an IRS W-9 form.
4. After the grant money is paid, Righteous Kitchen shall display the Village window sign acknowledging they received a grant.

COMMITTEE ACTION REQUESTED

This item is being placed on the April 11, 2022 ECDC agenda for consideration. Staff recommends that the ECDC recommend approval of the requested Downtown Retail Business Grant of **\$20,000** being sought for the property at 390 E. St. Charles Rd. Said recommendation is subject to the following conditions, by the ECDC:

1. Permits shall be applied for and received. Any required inspections shall pass.
2. Work shall be complete one year from the date of approval by the ECDC.
3. Before the grant can be paid out, Righteous Kitchen shall submit a final receipt (showing the project is paid in full), waivers of lien from contractors, and an IRS W-9 form.
4. After the grant money is paid, Righteous Kitchen shall display the Village window sign acknowledging they received a grant.

**DOWNTOWN RETAIL BUSINESS GRANT PROGRAM
APPLICATION**

1. A. Building Address: 390 E. St. Charles Rd. Lombard, IL 60148
B. Property Identification Number: _____

2. A. Business Owners Name: Righteous Kitchen Inc. / Matt + Mimi Tolkin
B. Business Owners Address: 837 Westmore - Meyers Rd. Lombard (business)
123 E. Morningside Ave. Lombard, IL (home/business)
C. Business Owners Phone (daytime): (630) 785 8445
D. Business Owners Email: info@righteouskitch.com

3. A. Property Owners Name: LSC PARTNERS LLC
B. Property Owners Address: P.O. Box 1461 Lombard, IL 60148
C. Property Owners Phone (daytime): (630) 832-5340

3. Lease Terms: _____

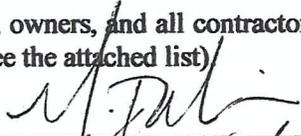
4. Description of Business (use additional paper if necessary):
see attached business
expansion plan

5. Proposed Improvements associated with the project (use additional paper if necessary):
see attached plans per
architect

6. Plans/Drawings prepared by:
 A. Name: BR Design & Architecture
 B. Address: 1 Trans Am Plaza
Suite #120 Oakbrook Terrace, IL 60181
 C. Phone (day time): 708-508-7281
 D. Estimated Cost of the project: \$ 150K - \$175K

7. Statement of Understanding.

- A. The applicant (undersigned) agrees to comply with the guidelines and procedures of the Downtown Retail Business Grant Program and the specific design recommendations of the Director of Community Development.
- B. The applicant must submit detailed cost documentation, copies of building permits, and all contractors waivers of lien upon completion of work.
- C. The applicant, owners, and all contractors must comply with all federal and local regulations (see the attached list)

Business Owner Signature  (Date) 3/22/22
 Property Owner Signature  (Date) 3/22/22

Return application to:
 Village of Lombard
 Community Development Department
 255 E. Wilson Ave., Lombard, IL 60148
 630-620-5746



DATE
3/18/2022

Estimate
ESTIMATE #
1045

11009 Louetta Lane
Orland Park, Illinois 60467

| BILL TO | SHIP TO |
|---|---|
| Matt & Mimi Tolkin 390E. St. Charles Rd. Lombard, Il. 60148 773-814-4198 | Righteous Kitchen 390 E. St. Charles Rd. Lombard, Il. 60148 773-814-4198 |

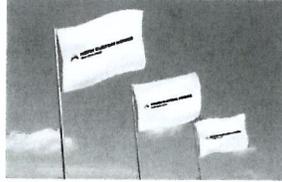
| ITEM | DESCRIPTION | AMOU... |
|-----------------------|---|-----------|
| Labor and Material | For remodel interior build out at 390 e .St. Charles Rd, Lombard. | 0.00 |
| Carpenter | supply all necessary material and labor to frame new walls as per plan. | 5,485.00 |
| Plumbing | Furnish labor and material for scope of work as per plan. | 64,644.00 |
| Electrical | Supply equiment,material and labor to complete scope of work as per plan. | 31,785.00 |
| Ventilation | Supply and install One Ten Foot Short-Cycle Stainless Steel hood .And all other specs as per plan . | 29,930.00 |
| Drywall | Supply,install and tape ready for paint,Allow | 7,600.00 |
| Roofing | Landlords roofer to cut in all roof penetrations and close .ALLOWANCE | 9,000.00 |
| Paint | As needed ,Nothing figured for floor covering. Allow | 6,200.00 |
| Concrete | to cut black-top and install ramp as per plan No railing o, No flower boxes included. | 5,600.00 |
| Drop Ceiling | Supply and install drop ceiling as per plan with Cleanroom Climaplus vinyl coated 2x4 tile or equal | 12,768.00 |
| Carpenter | supply and install FRP on new walls only and base as per plan. | 11,630.00 |
| MISC | Dumpsters, clean-up and supplies | 2,400.00 |
| NOT INCLUDED | ANY PERMITS,Bonds, Village fees, Extra work village might require,Fire Extinguishers ,Any new doors, etc. | 0.00 |
| NOTE: | Due to circumstance beyond our control because of material prices are only good for 60 days. | 0.00 |
| H.V.A.C. | Supply and install Daikin 6 ton 150,000 BTU roof top unit ,and all other scope of work. | 22,470.00 |
| General and supervise | Beaver Den Builders to general and supervise all subcontractors as needed . | 20,400.00 |
| Payout | Most subs are asking for 25% down to order and purchase equipment and material,50% when installed ,Balance upon completion of work. | 0.00 |

Call Gary with any questions 708-774-8922or gdeck26@yahoo.com thanks

| | |
|-------------|------------|
| Total | 229,912.00 |
| Balance Due | 229,912.00 |

NCH General Contractors Inc.

NCH General Contractors Inc.
2185 Hammel Ave , Aurora.
Illinois 60504
(630)244-4160



Estimate

Estimate No: 419
Date: 02/26/2022

For: Mimi & Matt Tolkin
info@rightouskitch.com
390 E Saint Charles Rd
Lombard, IL, 60148
1(630) 785-8495

| Description | Quantity | Rate | Amount |
|---------------------------------------|----------|--------|--------|
| RIGHTEOUS RESTAURANT BUILD OUT | 1 | \$0.00 | \$0.00 |
| DEMO | | | |
| Demo bathroom fixtures per print. | | | |
| FRAMING | | | |
| Frame all new walls per print. | | | |

| Description | Quantity | Rate | Amount |
|-------------|----------|------|--------|
|-------------|----------|------|--------|

PLUMBING

Demo the restroom fixtures and cap the lines
 Saw cut the concrete for underground
 Haul out spoils, bring in stone.
 Tie into existing sanitary and water lines as per plans dated 02/05/2022
 Provide and install (1) Tankless water heater.
 Provide and install (1) Mop sink
 Install 3-comp sink only (provided by owner)
 Install Hand sink only (provided by owner)
 Install (1) Hub drain and (1) Floor drain
 Supply and install (1) GB-75 (grease trap)
 Supply and install (1) floor sink
 Replace the water closet tank type fixture with new.
 Replace the Lavatory and Faucet manual with new
 Install new gas lines for Water heater,RTU's MUA, kitchen and future use
 Install Condensation drain line
 1/2" RPZ ON 3-comp sink and mop sink
 Locating the existing sanitary line and connecting.

NOT INCLUDED IN ESTIMATE

Water meter and RPZ on domestic water service
 Filtration system and installation
 Recirculating pump and hot water recirculating line
 Dishwasher,3-comp sink, prep sink hand sink and faucets
 Kitchen Equipment

ELECTRICAL

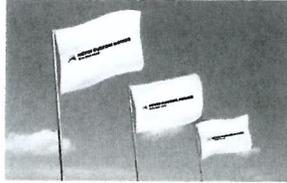
Furnish and install new exit remote lights outside in the front and back
 Furnish and install dedicated outlets per code.Total of 25
 Install 3/4" conduit for the low voltage opening in the front reception area.
 Install a new sub panel to accommodate the new circuits.
 Install a new breaker in the main panel for 100 amp sub panel.
 Provide power for the main hood control box with all the shut off with the gas valve and the shunt trio on everything under the hood.
 Install a new shunt trip breaker for the hood control box.
 Install outlet and power pole in the middle per print.Dedicated circuit.
 New 220 volt power for 2 pieces of equipment
 Install power to coolers.
 Furnish and install (16) 2x4 LED flat panel lights.

| Description | Quantity | Rate | Amount |
|--|----------|------------|--------|
| HVAC | | | |
| Provide and install duct for new kitchen layout. | | | |
| Provide and install new supply diffusers | | | |
| Provide and install new return diffusers | | | |
| Ventilation of bathroom exhaust fan | | | |
| Installation of kitchen hood with all necessary components. | | | |
| Installation of exhaust fan for kitchen hood | | | |
| Installation of makeup air unit. | | | |
| ALL KITCHEN EQUIPMENT SUPPLIED BY OWNER . | | | |
| DRYWALL | | | |
| Supply and install new drywall on new walls | | | |
| Tape and sand ready for paint. | | | |
| PAINT | | | |
| Paint all areas per print. | | | |
| FIRE | 0 | \$8,500.00 | \$0.00 |
| Fire alarm allowance | | | |
| TRIM/ EXTERIOR DOOR | | | |
| Trim out front reception area and areas per print. | | | |
| Replace exterior door and frame if needed | | | |
| CEILINGS | | | |
| GRID. Armstrong Prelude #7300, 2x4, 15/16" Wide, White. | | | |
| TILE. GoldBond # 2x4 Vinyl Faced Drywall, White. | | | |
| ANGLE. 15/16" Wide, L- Shaped | | | |
| KNOX BOX | | | |
| Supply and install new Knoxbox | | | |
| DUMPSTERS | | | |
| Supply dumpsters for debris from job site. | | | |
| STAINLESS STEEL | | | |
| Supply and install stainless steel on wall behind appliances . | | | |
| MATERIALS | | | |
| Framing materials, miscellaneous materials to complete job. | | | |
| Flooring materials to cover new concrete . | | | |

| Description | Quantity | Rate | Amount |
|---|----------|-----------------|---------------------|
| CONCRETE | | | |
| Supply and install concrete patches after plumbing underground. | | | |
| Supply and install concrete ramp at front door. | | | |
| AIR BALANCE REPORT | | | |
| Provide a Independent Air Balance Report for the village. | | | |
| TOTAL ESTIMATE | 1 | \$198,750.00 | \$198,750.00 |
| NOT INCLUDED IN ESTIMATE | 1 | \$0.00 | \$0.00 |
| Permits | | | |
| Moving Equipment | | | |
| Price increases in materials | | | |
| Back Door | | | |
| Can lights | | | |
| Front reception desk | | | |
| FRP | | | |
| Stand up Water heater | | | |
| Please make payment to: | | Subtotal | \$198,750.00 |
| Bank Account Number: 40630150284027399 | | Total | \$198,750.00 |
| Routing Number: 121000248 | | | |
| | | Total | \$198,750.00 |

NCH General Contractors Inc.

NCH General Contractors Inc.
2185 Hammel Ave , Aurora.
Illinois 60504
(630)244-4160



Estimate

Estimate No: 422
Date: 03/23/2022

For: Mimi Tolkin
info@righteouskitch.com
390 E Saint Charles Rd
Lombard, IL, 60148

| Description | Quantity | Rate | Amount |
|--|-----------------|------------|-------------------|
| Install new concrete ADA ramp at front door per blue print. Flower boxes per tenant . | 1 | \$4,500.00 | \$4,500.00 |
| Please make payment to: | Subtotal | | \$4,500.00 |
| Bank Account Number: 40630150284027399 | Total | | \$4,500.00 |
| Routing Number: 121000248 | Total | | \$4,500.00 |



GREAT LAKES

COMMERCIAL CONTRACTING LLC

Commercial Contractor

Office: 262-394-3005

FAX: 262-510-2936

Serving the Greater Lakes and more

March 21th, 2022

Righteous Kitchen
390 E St. Charles Rd
Lombard, IL

Re: Revised Bid
Righteous Kitchen
Lombard, IL

Dear Matt and Mimi,

Great Lakes Commercial Contracting is pleased to provide a proposal for the referenced work in accordance with the plans from B&R Design and Architecture Dated 2-5-22 14 pages

All the above work for the sum of \$183,623.68 (One hundred eighty-three Thousand six hundred twenty-three and 68/100 dollars).

The following qualifications are part of this proposal:

1. Included is an \$8,800 Fire Alarm allowance
2. Install a panic bar on existing door in the rear of the building
3. Painting of newly constructed walls
4. Included are 6 keyless type light fixtures to match existing at front of store in lieu of the 12 cans.

The following are not part of the proposal

1. Full equipment list
2. Exterior wall work of existing structure
3. Flooring except for patch work
4. Storefront work
5. Planters
6. Permits and fees
7. Unforeseen existing conditions
8. Price escalations
9. Moving and relocation of Equipment
10. HVAC system for heating and cooling.
11. Walls at the check-out area.

Alternates addition to the proposal

1. To Move and relocate kitchen equipment from one location to another will be done on a T&M bases
2. We have one quote for kitchen equipment per the conversation with Matt and Norm on 2/24/2022 Total \$28,576.42
3. If we are to include the HVAC system as shown, please add \$28,433.00

If you have any questions, please call.

Sincerely

Great Lakes Commercial Contracting LLC

9918 160TH AVE BRISTOL WI 53104 262-394-3005

| | | | |
|--|--------------|-----------------|-------------|
| Great Lakes Commercial Contracting | | | |
| Project / Owner: Righteous Kitchen | | | |
| Location: Lombard | | | |
| Architect / Engineer: Bane R Architects | | | |
| Drawing Nos. & Dates: | | | |
| | | | Alternates |
| 1. General Conditions: | | | |
| a. Permits & Fees | | | |
| b. Superintendents | \$11,250.00 | | |
| c. Office Administration | | | |
| d. Performance Bond | | | |
| e. Temporary Light & Power | | | |
| f. Testing | | | |
| g. Field Office, Toilet | \$300.00 | | |
| h. Photos, Sign | | | |
| i. Plans and Stamps | | | |
| j. Surveyor / Surveys | | | |
| k. Telephone | | | |
| l. Barricade | | | |
| m. Watchman, Clean up & dumpsters | \$1,500.00 | | |
| 1.5 Demo | | | |
| 2. Landbalance, Excavation & Fill | | | |
| 3. Sewer & Watermain | | | |
| 4. Landscaping, irrigation | | | |
| 5. Asphalt Patch | | | |
| 6. Concrete | \$11,300.00 | | |
| 7. Exterior Column Covers | | | |
| 8. Masonry | | | |
| 9. Carpentry/Insulation | \$1,920.00 | | |
| 10. FRP 1944sq/ft | \$3,790.80 | | |
| 11. Signage | | | |
| 12. Impact doors, bollards | | | |
| 13. Insulation | | | |
| 14. Hollow Metal & Finish Hardware | \$510.00 | | |
| 15. Drywall, Metal Studs & Taping | \$21,106.00 | | |
| 16. Acoustic Ceiling | \$8,670.00 | | |
| 17. Equipment relocation allowance | \$0.00 | \$9,000.00 | |
| 18. Cabinetry & Millwork Commerical grade | | | |
| 19. Siding/soffit | | | |
| 20. Bumpers and cart corral | | | |
| 21. Roofing & Sheet Metal | \$1,200.00 | | |
| 22. Novar System | | | |
| 23. Storefront | | | |
| 24. Hood | | | |
| 25. Special Doors Automatics | | | |
| 26. Epoxy floor patch | \$2,250.00 | | |
| 27. Hard Tile | | | |
| 28. Special Equipment Kitchen Equipment | \$0.00 | \$28,576.24 | |
| 29. Resinous floor seal | | | |
| 30. Dock Equipment | | | |
| 31. Toilet Partitions / Accessories | | | |
| 32. Painting | \$705.00 | | |
| 33. Fence / Guard Rail | | | |
| 34. Elevator | | | |
| 35. Electric | \$24,300.00 | | |
| 36. Plumbing | \$26,920.00 | | |
| 37. H.V.A.C. | \$39,590.00 | | \$26,300.00 |
| 38. Sprinklers | \$0.00 | | |
| 39. Fire Alarm Systems Allowance | \$8,800.00 | | |
| 40. Gas piping | \$5,800.00 | | |
| 41. Fire Extinguishers | | | |
| 42. Awning | | alt manufacture | |
| General Contract Cost | \$169,911.80 | \$37,576.24 | \$26,300.00 |
| Overhead / Profit 7% | \$11,893.83 | \$2,630.34 | \$1,841.00 |
| Subtotal | \$181,805.63 | \$40,206.58 | \$28,141.00 |
| Insurance 1% | \$1,818.06 | \$402.07 | \$281.41 |
| Total Price | \$183,623.68 | \$40,608.64 | \$28,422.41 |
| Contingency | | | |

Righteous Kitchen/Jack's Catering Expansion Plan

September 20, 2021



Righteous Kitchen, Inc.
& Righteous Kitchen dba Jack's Catering
123 E. Morningside Ave.
Lombard, IL 60148
630-785-8495
www.righteouskitch.com
www.jackslunchbox.com
info@righteouskitch.com

Confidentiality Agreement

The undersigned reader acknowledges that any information provided by _____ in this business plan, other than information that is in the public domain, is confidential in nature, and that any disclosure or use of same by the reader may cause serious harm or damage to _____. Therefore, the undersigned agrees not to disclose it without express written permission from _____.

Upon request, the undersigned reader will immediately return this document to _____.

Signature

Name (typed or printed)

Date

This is a business plan. It does not imply an offering of securities.

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I. Executive Summary

Righteous Kitchen Inc. of IL, since 2018, also operating school catering contracts under the name Jack's Catering, is now at a pivotal point in the growth of the business where an expansion and move into a new market opportunity is necessary. The meal convenience and ready-made meal industry is booming. This trend will stick as more people are using handheld technology and social media to do all their shopping and the conscientious trend towards small, local business and craft/artisan products is growing. The Righteous Kitchen customer is a young, urban professional who lacks time and/or skill in the kitchen, busy families, commuters, and retirees and who enjoys supporting a local family-owned business.

25% of Lombard's population is under 18 years old making it one of the most family friendly cities in the Chicago suburbs. With so many families living in Lombard it's surprising that the area of Lombard north of the train tracks is a veritable food desert; nowhere local to grab a ready-made meal for home, a lunch to take on the train, or a dinner to pick up after work. In January 2022 Righteous Kitchen will expand to change that landscape and fill the void with a move to a new location at 390 E. St. Charles Rd. in Lombard, offering close access to the commuter train station, better visibility, closer access to neighborhoods and busy downtown Lombard traffic. We will provide ultra-convenient, delicious, ready-made meals for busy families and commuters through retail grab & go and pre-order service.

- Fresh, delicious, interesting, meals prepared for individual tastes.
- Chef created meals.
- All our meals made from scratch with fresh, all-natural ingredients and multiple sizes to feed everyone!
- Breakfast. Lunch. Dinner. Catering. Holiday.
- Large volume drop-off catering for holidays, parties, events, offices, schools, and more.
- Righteous Kitchen is currently serving an average of 30-40 meals/per day with catering orders weekly.
- Great food that's a cinch to order, pick-up, and pop in your oven *and* that delivers an experience like no other.

Jack's Catering, Righteous Kitchen's school lunch arm operates from the same kitchen daily:

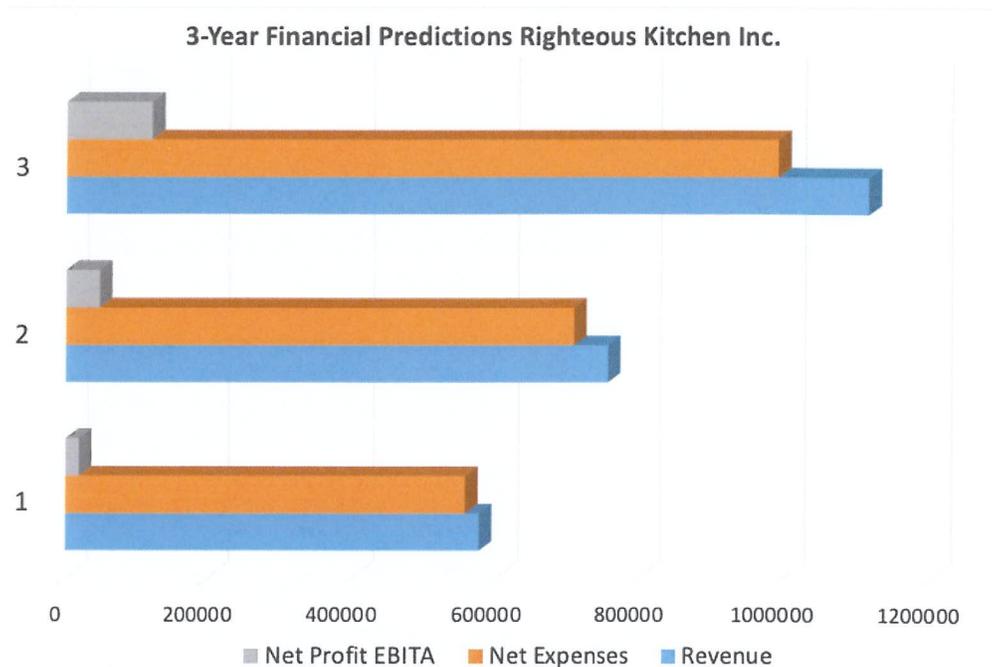
- Preparing all-natural, healthy, scratch-made meals delivered to contracted schools each day hot and ready to serve!
- Most schools contracted 12 months/year
- Jack's is currently serving an average of 150,000 school meals/year
- Jack's holds a captive market with approximately 1,000 existing customers

Unlike our competition, Righteous Kitchen menus are not limited to one type of food or diet that may go out of fashion. We are not limited to one type of customer or event: we cater to adults *and* kids, we deliver, we offer grab & go, we have a wide menu of seasonal and familiar favorites with a gourmet edge.

A very conservative revenue projection anticipates that by January 2022 Righteous Kitchen will sell a minimum average of 50 meals sold per day with an average ticket price of \$10/meal. Catering revenue is expected to be around \$4000/month. Jack's will continue to average 600 meals/day at an average ticket price of \$3.60/meal.

Righteous Kitchen intends to *double* its retail, pre-order, and catering growth *every year* for the next 3 years while maintaining the steady Jack's Catering school lunch business. Righteous Kitchen retail grab

& go service will significantly add to the growth of Righteous Kitchen and our conservative prediction is that the Righteous Kitchen profit margin will increase by 5-8-12% respectively over the next three years. After 3 years profit margin projection >15%.



The expansion of Righteous Kitchen is expected to cost \$178,000 for architectural fees, construction, permits, additional equipment, etc. and we are asking for a minimum SBA loan of \$130,000. The location at 390 E. St. Charles St. falls within the Village of Lombard’s Revitalization District and is therefore eligible for up to \$20,000 in retail grant money as well as façade grant funds.

Our longer-term vision is to open additional grab & go locations throughout Chicagoland for meal pick-up – with production operating out of a centralized kitchen.

II. Company Description

This section explains the basic elements of your business. Include each of the below:

1. Company mission statement

WE shop, chop, create, cook, and cool. *YOU* order, heat, and eat! Kitchens don’t get more righteous than that!

2. Company service/product offering

Righteous Kitchen is a local, family-owned catering company that specializes in fresh, all-natural meal prep and delivery to your home for your family. Fresh, delicious, interesting, meals prepared just for you - all our meals are made from scratch with fresh, all-natural ingredients and multiple sizes to feed everyone! We use only fresh ingredients and lots of artistic imagination to create amped-up versions of classic favorites and new tastes to get your whole crew asking for an encore! Great food that's a cinch to order, pick-up, and pop in your oven *and* that delivers an experience like no other.

Righteous Kitchen also specializes in large volume drop-off catering for holidays, parties, events, offices, schools, and more. Righteous Kitchen's school lunch brand, Jack's Catering, currently provides between 500-600 fresh made meals to area schools each day.

3. Company philosophy and vision for expansion

- a. Our philosophy is simple: honest and excellent food, service, and experience. Every time. We love what we do and take each item we make and sell personally. If our stamp is on it, it better be right! After all, just like our customers, we live, work, and eat right here in this community too.
- b. Our vision for the expansion of Righteous Kitchen is to be the go-to for ready-made meals for busy families and commuters through retail grab & go and pre-order service. We also plan to be the go-to for people looking for drop-off catering for their parties, events, meetings, office lunches, etc. We want to expand our presence in the local community by becoming a staple partner for community events through school catering, fund-raisers, hiring local employees, etc. and become a part of other communities by opening multiple locations. Our long-term vision is to eventually sell the business and brand.

4. Company goals

Our immediate goal is to maintain the school lunch contracts we hold as Jack's Catering* (see contracts in Appendices) to expand our ready-made meal pre-order business by opening it up to 5 days/week and adding same-day pre-order service, and to continue marketing drop-off catering events.

By January 2022 we plan to expand Righteous Kitchen into a new building with close access to the commuter train station, better visibility, closer access to neighborhoods and busy downtown Lombard traffic and at this location we will open our Righteous Kitchen service to include a retail grab & go business, therefore expanding our convenience, products, and market. We will continue to offer all catering (including Jack's school lunches) and our staff will expand to several teams and shifts, affording us the ability to step back and work *on* the business more than *in*.

Our longer-term goal, according to our company vision for expansion, is to open additional grab & go locations in Chicagoland for meal pick-up – with production operating out of a centralized kitchen. Eventually, when we go to sell the business, Righteous Kitchen will be a multi-site operation.

5. Target market

Lombard's population is growing, and people are making roots here. The newest condo and retail construction at 101 N. Main, the new Helen Plum Library construction on Main St., expansion to the school buildings and District 44 Connect building, the Metra tunnel renovations, and the new housing construction throughout the village show that Lombard is attracting and accommodating new families. Nearly 75% of Lombardians own their homes and 85% are in the same house they were in a year ago – which represents a market that wants to stay but will need amenities to entice them to do so – amenities like the convenience of a centrally located ready-made meal location.

With 25% of Lombard's population under the age of 18 and nearly 17% is over 65, Lombard is full of permanent busy families and retirees. This is exactly the demographic Righteous Kitchen caters to:

Families / Retirees
Busy people

Commuters
People who don't like to cook
People who don't have time to cook

For ready-made meal consumers:

- Age: all
- Busy families, commuters, retirees, young professionals, etc.
- Gender: all
- Location: within a 5-10 miles radius for individual meal delivery and probable pick-up/grab & go. Large catering
- Income: \$60,000+ (Lombard's average income is over \$82,000 annually)
- Occupation: all
- Education level: all

For business catering:

- Industry: education, healthcare, communal office space
- Location: Chicagoland
- Size: 100+ meals prepared minimum is ideal
- Stage in business: any

For Jack's school lunch catering:

- Any school where *at least half* of the meals are considered "in-tuition" meaning the school is required to purchase a set number of meals per/day per/child.
- Existing school contracts (see appendix)

6. Market Opportunity

The ready-made meal industry is booming! According to Supermarket News August 5, 2021:

Similar to the recovery seen in restaurants, deli-prepared and deli-entertaining are showing strong numbers this year in the wake of vaccinations and relaxed restrictions. The return of prepared foods propels deli sales. In the first half of 2021, total deli sales neared \$20 billion, up almost 10% from a year ago

The market is ripe for a Righteous Kitchen expansion, one that includes not only delivery and pick-up of pre-ordered meals but also an ultra-convenient grab & go. The area of Lombard north of the train tracks is a veritable food desert – there is nowhere local to grab a ready-made meal for home, a lunch to take on the train, or a dinner to pick up after work. They can even grab tomorrow's breakfast and stick it in the fridge! Proximity to the residential neighborhoods, commuter train station with easy in/out parking and foot traffic all within walking distance to the new construction of condos and housing geared toward city-commuters, make the Righteous Kitchen move to St. Charles Rd in downtown Lombard a smart move. The proposed new location greatly increases visibility versus an online only presence.

Righteous Kitchen fills a void for every member of the modern American, over-scheduled household; our menu literally has something for everyone in one-stop. Our customers used to go out, until they had kids. They have the money, but not the time or patience for taking kids out to eat. They want a fresh, exciting meal but without shopping and preparing. They want their kids to eat happy but don't want to order the same things as their kids. Our existing customer base is solid and full of dependable and loyal customers. We consistently receive great reviews and

feedback on products and service both personally and online. Imagine the exponential growth with a visible, convenient, accessible store front!

According to the most recent census information, Lombard's woman-owned businesses only stands at 1,442 whereas men owned 2,246. As a woman owned business, Righteous Kitchen will be helping to diversify the business landscape of Lombard.

7. Industry Competitors*

Meal Village (Lisle, IL)

Dinner Ready (Lisle, IL)

Low Carb Kitchen (Downer's Grove, IL)

Local Grocery Stores/Deli

Hello Fresh and other meal-by-mail companies)

Indirect Competitors – any dine-in restaurant or food establishment using UberEats, Door Dash, etc.

*complete overview of industry competitors available for reference if needed

8. Legal structure

- a. Righteous Kitchen Inc. is an S Corporation filed with the state of Illinois on July 23, 2018.
- b. Shareholders include:
 - Mary B. Tolkin at 51% ownership
 - and Matthew T. Tolkin at 49% ownership.
- c. Jack's Catering is a branch of Righteous Kitchen, though not separately incorporated. Righteous Kitchen periodically accepts sales/orders made to Righteous Kitchen dba Jack's Catering.

III. Products & Services

1. **Products and services:** Righteous Kitchen sells ready-made meals to customers for home delivery, pick up, or catering. Orders are taken online or will be purchased from our grab & go coolers at the retail location(s). Meals are prepared at our commissary kitchen - currently in Lombard - by our team of chefs, cooks, and delivery drivers. Relationships with Restaurant Depot, GFS and independent produce vendors. Jack's Catering accepts online pre-orders with contracted partner schools only.
2. **The problem the product or service solves:** Working and busy parents today face the problem of feeding their families a healthy, fresh meal while satisfying varying tastes. They are busy, don't have all day to prepare and don't necessarily have the know-how, even if they had the time. There is not a local one-stop shop that fills that need. Fast food is an option that is falling out of favor due to the health factors and processed foods. Eating out becomes expensive and difficult to manage with kids. Meal prep kits are unreliable. Eating in with Righteous Kitchen solves those issues and more. Breakfast, lunch, and dinner meals are made with everyone in the house in mid: kids and adults alike. The same is true for retirees who no longer need to cook for big families, or don't have the inclination, and busy commuters dashing off to work or catching the train – or coming home too late to shop and cook. Grab

something on your way to work for lunch and pick up dinner and tomorrow's breakfast on your way home! Problem solved with Righteous Kitchen!

Likewise, companies and organizations need fresh, local and delicious lunch alternatives for their meetings, parties and events. Companies want their employees staying "in" for lunch and want to give them options. Local meal-prep companies aren't able to offer larger scale catering and ready-made meal service. With Righteous Kitchen, problem solved!

3. **Our competitive advantage:** Our service is different because the meals are already made – they aren't kits. No prep time required. Our meals are fresh, healthy, all-natural and convenient. You can feel like you've been cooking but all the hard work has been done for you by Righteous Kitchen.

Righteous Kitchen provides an edge so customers feel they are going out to eat without feeling "home sweet homey" but will feel confident about feeding their family.

Our meals are familiar yet with "a twist" (think Meatloaf made with Guinness Stout or BBQ Pork sliders served on a pretzel roll) – they provide the customer with the comforting feeling of a homemade and familiar meal but with enough of a difference to feel as though they've gone to a restaurant. They will feel interesting and unique ordering our food – but comfortable. The logo and design of the store projects an aura of "cool" without sacrificing fresh and healthy and homemade.

4. **Cost structure:** Our pricing is competitive but affordable: mid-high range. We are a premium service that uses premium ingredients but marketed to be without the premium price. We want customers to feel they are getting something exclusive or special but be able to afford it on a regular basis rather than a "special occasion" Portion sizes are generous (who doesn't love leftovers?) and prices will vary depending on menu item. Food costs plus packaging and labor costs put the average meal between \$8-\$15 per meal. Multiple meals will ideally be sold per transaction per customer.

Jack's Catering pricing will vary based on our tiered pricing schedule* (see Appendix) for in-tuition contracts. (In-tuition contracts meals the price per meal is included in the price of tuition so the school therefore buys the meal for each child each day. Jack's is currently only awarding lunch contracts to schools where at least 50% of the students pay for lunch in-tuition).

IV. Marketing Plan

This section provides details on your industry, the competitive landscape, your target market and how you will market your business to those customers.

1. **Market research: Strengths**

Righteous Kitchen enters into this expansion with a strong online presence and solid, loyal customer base – with over 1,000 personalized emails reaching people weekly and thousands on social media. A visible physical presence, combined with an online presence via social media pages and bi-weekly marketing emails will keep us at the forefront of customer's minds.

Righteous Kitchen has already built a reputation as a community-focused business with ties to local schools, the historical society, and other fundraising organizations. In 2020 Righteous Kitchen single handedly raised enough funds to deliver nearly 6,000 free individually packaged meals to health care workers and care-givers throughout Chicagoland during the COVID shutdown. This kept our employees working, kept weary health-care workers fed, and cemented Righteous Kitchen's place in the community as a company that gives back to the community and has the capabilities and wherewithal to adapt and serve.

Most of our equipment, menus, and trained staff already in place and our customer base has been steadily growing. Staff cross trained and able to train newcomers in all aspects.

2. Barriers/Threats

One barrier is that Righteous Kitchen is not a sit-down restaurant - most items need to be heated at home. Not all products are available for immediate consumption (exceptions being sandwiches, salads, smoothies, baked goods, etc.) so someone looking for a lunch or dinner "out" wouldn't be our customer. Likewise, our meals are meant to be heated at home so Door Dash, Uber Eats, or any other ready-to-consume delivery options wouldn't translate well to Righteous Kitchen.

Social media is a fickle and constant necessity. We must be posting menus, reviews, stories, community involvement, videos, quips, etc. daily. Our intention is to be a part of the community, so we need to continue showing "we are your neighbors" content to remain visible online. This will eventually need its own dedicated team member to write and post quality and relevant content each day across all social media channels. Marketing costs are high for direct mailing and media, social media is relatively inexpensive, but a savvy social media expert is a cost. As in any food business, burn out risk is high. Cross training helps avoid burnout.

Fixed costs are a barrier and as in any food service operation burn-out is high. Cross training helps avoid burnout, but employee turnover is a cost barrier. Food and packaging costs go down due to economy of scale so it's key to raise revenue and mainstream and cross-use product and menu as much as possible.

3. Product/service features and benefits

Righteous Kitchen is fresh, all natural, and easy. Our ready-made meals feed an individual, couple, or the whole family. Perhaps mostly importantly is simply that our food tastes great! It's hard to find a ready-made meal that's been tested as much as we test each recipe for flavor, presentation, freshness, and a guarantee that it holds up to the standard of excellence we expect upon reheating at home. Our meals are familiar, yet different. We offer a fun and gourmet twist to standard comfort classics.

The Righteous Kitchen customer enjoys convenience, and ease without sacrificing taste and quality. They get personal service and get back time they would've otherwise spent planning, shopping, cooking, cleaning up. They get the feeling of cooking and eating in, it feels homemade, yet they're at home so it's like having the premium service of a personal chef.

Products & Service Offerings:

- Product delivery to customer: grab & go, pre-order delivery or pre-order pick up. Catering available.
- Warranty/guarantee: (we welcome feedback and want to make it right for customers to get their repeat business. Experience has taught us that correcting

their perceived or genuine problem right away wins their long-lasting business and loyalty.

- Service contracts available for: long-term catering (Jack’s for schools or regular consistent office building contracts for Righteous Kitchen catering.)
- Ongoing support: online support, quick email social media response time, and superior customer service

- Training: cross train staff in in daily Righteous Kitchen and Jack’s operations so customer always has an interaction with a knowledgeable staff member.
- Refund policy: reasonable. A \$10 refund is worth a satisfied and returning customer. See “Warranty/Guarantee”

4. Marketing Strategies/Platforms

The Righteous Kitchen customer has the opportunity to choose meals and days for pick-up/delivery online and has the option to choose a last-minute grab & go meal from our retail coolers and store. The customer will have every ordering convenience.

Marketing platforms include:

Website

Weekly/Biweekly e-mail marketing

Online via aggressive social media across all channels

Flyers

Word of mouth

Existing customers

Connect with local establishments Noon Whistle Brewing, Prairie Co-op, etc.

Foot traffic

Advertising includes:

- Optimal search engine presence (SEO)
- Strong social media presence - daily
- Print - monthly
- Radio – as needed
- Business website
- Social media marketing
- Email marketing
- Mobile marketing
- Search engine optimization
- Content marketing
- Print marketing materials (brochures, flyers, business cards)
- Public relations
- Trade shows
- Networking
- Word-of-mouth
- Referrals

We want this brand to project an image of cutting edge hip-ness, fresh and exciting taste and flavors, while also feeling comforting and homemade. Our logo, packaging, and signage will help convey this. The logo provides an edge, so customers feel an aura of “cool” as if they’re going out but they’re really eating fresh and healthy and homemade at home: it’s homemade without feeling “home sweet

homey. At the same time, customers will feel confident about feeding their family Righteous Kitchen meals.

5. Expansion Costs (see spreadsheet in appendix)

6. Pricing

Our pricing is competitive but affordable: mid-high range. We are a premium service that uses premium ingredients but marketed to be without the premium price. We want customers to feel they are getting something exclusive or special but be able to afford it on a regular basis rather than a “special occasion” Portion sizes are generous (who doesn’t love leftovers?) and prices will vary depending on menu item. Food costs plus packaging and labor costs put the average meal between \$8-\$15 per meal. Multiple meals will ideally be sold per transaction per customer.

Jack’s Catering pricing will vary based on our tiered pricing schedule* (see Appendix) for in-tuition contracts. (In-tuition contracts meals the price per meal is included in the price of tuition so the school therefore buys the meal for each child each day. Jack’s is currently only awarding lunch contracts to schools where at least 50% of the students pay for lunch in-tuition).

Food and packaging costs vary, and prices will adjust if necessary.

Our pricing positions us well and when combined with the service and convenience we plan to become a household go-to. Price is a deciding factor for some more than others. Quality and value are more important. We are slightly higher priced than a local fast food meal price, but the quality is significantly higher. Without having to pay franchise fees a fast-food place does we can absorb costs better and reap the benefits of repeat customers. We are slightly lower priced than a sit-down restaurant because our fixed costs are different.

7. Location or proposed location

The new location at 390 E. St. Charles Rd. and Grace St. intersection in downtown Lombard is ideal. It will provide maximum visibility and is close enough to neighboring towns for easy and regular delivery or pick-up. Loyal and frequent customers will drive business and word of mouth. We will be in easy walking distance from train stations, the new condos being built at 101 S. Main St. in Lombard, existing condos, apartments, and houses. Downtown Lombard is on the verge of a major expansion and Righteous Kitchen aims to be a long-term part of it, anchoring our business at the corner of Grace and St. Charles Streets.

Additionally, this location falls within the Village of Lombard Revitalization District and is therefore eligible for up to \$20,000 in retail grant money.

V. Operational Plan

1. Production

Production will take place in a commissary kitchen. The finished product will be delivered by company vehicles using our own drivers or available for grab & go/pick-up in store. We use company recipes and use raw ingredients purchased from our suppliers. We currently own all of our equipment for production and our costs are determined by market, labor, and fixed costs provided in our budget.

2. Quality control

We have well trained personnel who follow food safety rules and established recipes. We follow guidelines set by the state and local health departments, utilize established and reputable food vendors, and HACCP procedures.

3. Location

The proposed new home for Righteous Kitchen is in downtown Lombard at 309 E. St. Charles at Grace Street. It will be a 2500-foot commissary kitchen with full kitchen production, dry storage, loading/unloading, and front-end space for grab & go retail. Parking is available for both employees and customers. We'll utilize existing gas, water, electric hook-up and costs are provided with budget.

4. Legal environment

All permits and licenses are/will be obtained: county health inspections, village health inspection, food safety certification, food safety management certification, fire, etc. Liability, property, vehicle, workman's comp insurance provided by Schatz Insurance.

5. Personnel

Righteous Kitchen will employ between 7-10 employees to start with significant growth anticipated. There will not be outside contractors and the pay structure is both hourly and salary (management level). Employees are found through references, Indeed, social media, and work of mouth. We provide supervised on the job training for a minimum of 1 week.

6. Inventory

Righteous Kitchen keeps an ongoing inventory of food ingredients, packaging, and office supplies valued at \$3000-\$4000 with a turnover weekly. Inventory consistent year-round with a 1-2-day lead time to restock.

7. Suppliers

Network of vendors already established. Bi-weekly deliveries from Gordon's Food Service, Restaurant Depot, Costco, Pete's Fresh Market, Amazon, and Office Depot. All vendors are reliable with a trusted reputation. Food costs have risen with the pandemic. We haven't raised prices yet and are controlling our costs with efficient training and consistent portion control. Payment terms are 7 days.

8. Credit policies

All online and catering orders require payment up front. Retail will be POS.

VI. Management & Organization (biographies in appendix)

1. Management & Experience plus Gaps

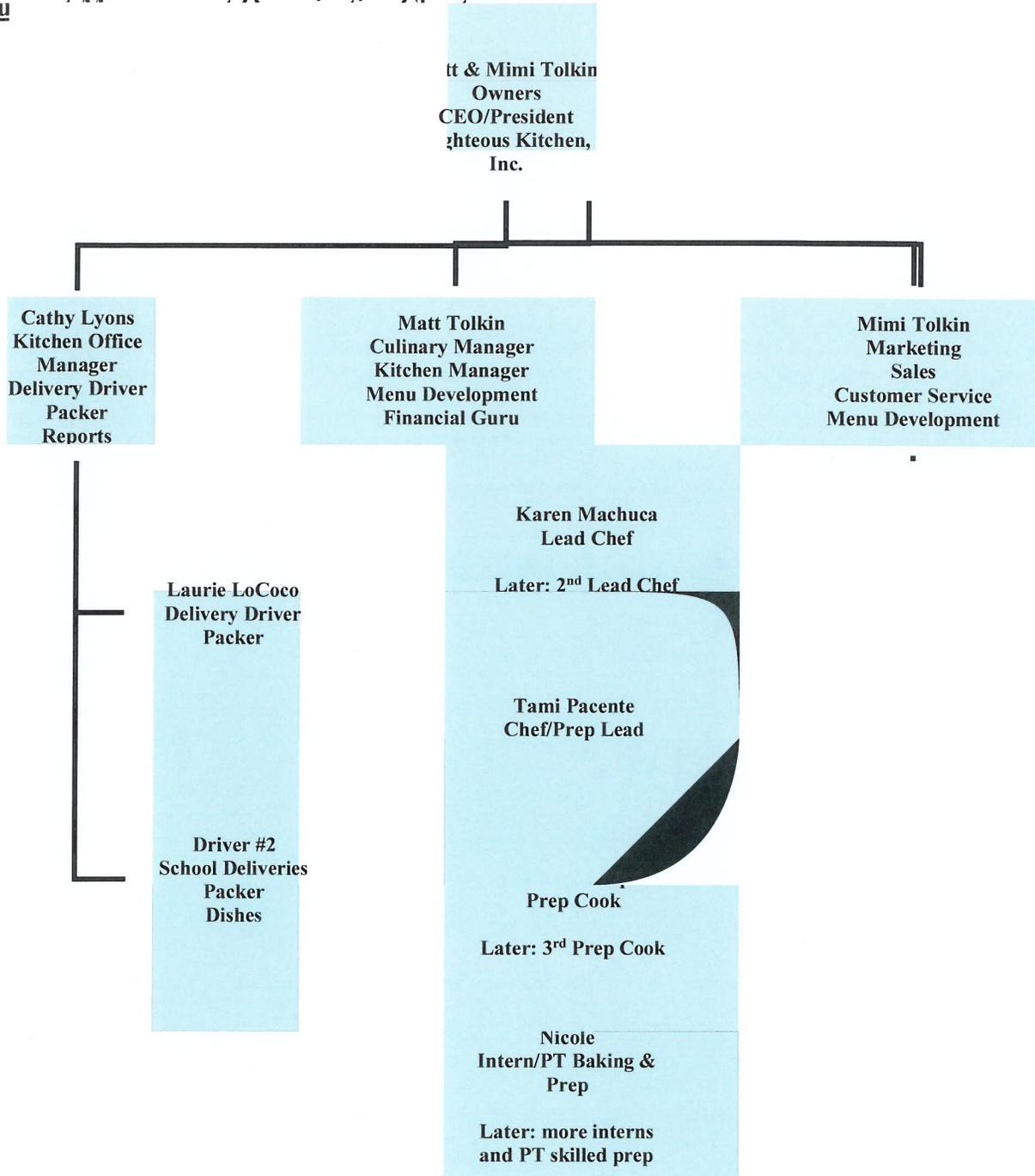
We have a team of trained, talented, and dedicated culinary and management professionals who work hard each day to prepare and deliver nearly 600 chef-made, fresh, delicious meals throughout Chicagoland daily. Our team is comprised of a kitchen manager, chefs, prep cooks, drivers, and packers – though everyone is trained to do everything and pitches in wherever needed.

Upon moving we will need to keep our office manager to keep all reports, labels, and orders organized and add an additional chef/kitchen manager to keep all kitchen production managed and timely. We'll also need a part-time social media manager. Social media is constant, and we need person who can keep up with technology trends and updates and who can continuously create and post relevant and engaging material.

2. Advisors

- Amy Toepper, Esp. – legal
- James Anducci – accounting
- Jodi Birnbaum – freelance catering consultant (longtime catering business owner turned consultant)
- Addie Ritter – website design and media
<https://adelaideritter.com/righteous-kitchen>
- West Suburban Bank – business banking
- West Bend Insurance /Schatz Insurance – all business insurance coverage
- Jack Bunker – marketing consultant
- Mary Bunker – marketing consultant
- Ute Westphal – program manager at the Illinois Small Business Development Center

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VII. Financial Plan

1. 12, 24, 36 -month profit & loss projection/sales forecasts

*see attached spreadsheets

The P & L assumptions are based on revenue sales and growth Righteous Kitchen and Jack's Catering have experienced in the past four years* (excluding pandemic shut-down hardships). Revenue projections are very conservative and our estimate for costs are generous. Our projected Righteous Kitchen sales are based on a conservative average of 50 meals/day starting in January 2022 at \$10/meal and between \$4000-\$7500 in catering per month. At a minimum we intend to double Righteous Kitchen gross sales each year for the first three years. Increased marketing, staffing, vehicles and equipment purchases are generously accounted for each year. Jack's Catering will continue to steadily grow via word-of-mouth and referrals, as it has done in the past several years. But the main focus of business growth will be on Righteous Kitchen sales and grab & go retail.

*detailed Righteous Kitchen and Jack's Catering P&Ls for 2018-2021 available upon request.

IX. Appendices:

1. Agreements with Partner Schools - attached

- Kids Kampus, Naperville, IL
- Wheatland Salem Christian Academy, Naperville, IL
- DuPage Montessori Schools, Naperville and Wheaton, IL
- Happy Times Preschool, Naperville, IL
- Casa Dei Bambini, Naperville, IL
- Immanuel Lutheran School, Elmhurst, IL
- Oak Park Friends School, Oak Park, IL
- Oak Park Montessori School, Oak Park and Forest Park, IL
- Lectura Montessori, Berwyn, IL
- The Lily Garden at Easter Seals, Lombard, IL
- TLC Montessori, Lombard, IL
- Peace Lutheran School, Lombard, IL

2. Advertising/marketing materials - hard copy of order inserts, mailers, flyers available upon request.

3. Jack's Tiered Pricing Schedule for 2021- attached

4. Blueprints/plans – pending architect's plan

5. List of equipment and assets that can be used as collateral – attached

6. Biographies:

Co-Owners Matt and Mimi Tolkin

Matt and Mimi Tolkin have spent several years building Righteous Kitchen from the ground up. After purchasing a school lunch franchise in 2014 they switched gears in 2018 and took the business to new levels on their own as Righteous Kitchen. It has always been important to them that Righteous Kitchen fill a food prep void and also play an integral role in the community. With those in mind they hire all local employees and have built a reputation in their community through fundraisers, community events, word of mouth, and have created a welcoming neighborhood atmosphere. As part of their franchise, they were awarded the Founder's Award for Operational Excellence and in 2017 they received the Net Promoter Award for Outstanding Customer Service.

Matt graduated from Boston College with honors and a BA in Economics. Before becoming a business owner in 2014 he spent nearly 25 years as a food service director/manager in a wide range of diverse capacities: for McCormick and Schmick's at The Portland Fine Arts Center in Portland, OR, for Levy Restaurants at the Rose Garden Arena in Portland, OR (and at Levy's request, Matt helped open the dining and concessions at The Oakland Coliseum in Oakland, CA.) After moving to Chicago Matt stayed with Levy in luxury suite concessions at US Cellular Field, Wrigley Field, then Panera Bread Company, Aramark, and The Compass Group.

Throughout his career Matt's focus has been on putting forth a quality product with superior service and he has required the same of each of his staff members and employees. Matt's professionalism and positive attitude give him the unique ability to hire and retain high quality employees in an industry with high turnover.

Prior to co-owning a business, jumping into food service management and assuming control of the marketing, menu-development, growth and customer service of Righteous Kitchen, Mimi was a teacher for 21 years, first spending several years teaching English as a Second Language (ESL) to students from around the globe who ranged in ages from 5 to 55. She continued doing that while earning her graduate degree from the University of Portland and then, after gaining her master's degree in Teaching in 1998, Mimi became a classroom teacher. She has taught 3rd, 4th, 5th and 6th grades in schools that range from rural Oregon to Chicago's Westside, and everything in between. Until recently Mimi worked as a private tutor and college test prep instructor.

Throughout her career Mimi has approached everything with the imagination and creativity – whether it's business growth or education - taking calculated risks and paying close attention to trends, reviews, and needs. This attention to individual needs makes Mimi particularly suited to the high-quality customer service Righteous Kitchen requires.

Mimi also spent several years as a freelance proofreader and copywriter with such clients as ConAgra Foods, Smucker's, McDonald's and The Chicago Marathon.

7. Public relations/publicity:

Television: <https://wgntv.com/news/chicago-news/caterer-on-a-mission-to-cook-spirit-lifting-meals-for-busy-healthcare-workers/>

COVID Fundraising: <https://www.gofundme.com/f/righteous-kitchen-feed-the-frontline>

Radio: <https://wgnradio.com/patti-vasquez/righteous-kitchen-prepares-for-wicker-park-pop-up/>

Print: <https://www.shawlocal.com/2020/03/24/righteous-kitchen-in-lombard-collects-donations-to-provide-meals-to-healthcare-workers/ad8v7em/>

<https://dupageliving.net/2020/03/25/the-best-of-dupage-local-kitchen-takes-donations-provides-meals-to-feed-the-frontline/>

<https://www.mysuburbanlife.com/2019/09/24/taste-of-the-town-in-lombard-righteous-kitchen-crafts-prepared-meals/dkpbqre/?page=1>

Other: *5/3 BANK SMALL BUSINESS FINALIST*

In May 2019, Righteous Kitchen was voted one of 5/3 Bank's top 3 small business in it's WHAT DRIVES YOU contest sponsored by 5/3, Quaker State and NASCAR.