

MEMORANDUM

TO: Richard Soderstrom, Chairperson
Economic and Community Development Committee

FROM: David A. Hulseberg, AICP, Director of Community Development

DATE: June 6, 2006

SUBJECT: Downtown Retail Business Grant; 130-132 W. St. Charles Road

The Community Development Department has received a two applications for the Downtown Retail Business Grant Program for 130-132 W. St. Charles Road (previously occupied by That's 'N Ice). The requests are for two businesses with the same ownership and sharing the same tenant space: A La Mode Ice Cream Shop and Ga Ga Gourmet. These requests will be discussed separately below.

Grant Request #1: A La Mode Ice Cream Shop

The Community Development Department has received an application for the Downtown Retail Business Grant Program for A La Mode Ice Cream Shop, to be located at 130-132 W. St. Charles Road (previously occupied by That's 'N Ice). The submitted plans are for interior renovation of the tenant space with a total estimated cost of \$40,000.

The applicant is eligible to receive up to \$20,000 from the Downtown Retail Business Grant program. Because the request is over \$10,000, it will require approval from the Board of Trustees.

Staff is supportive of this request as the re-establishment of an ice cream shop at this location will generate significant foot traffic and will complement the existing restaurants and other uses within the downtown.

Grant Request #2: Ga Ga Gourmet

The Community Development Department has received an application for the Downtown Retail Business Grant Program for Ga Ga Gourmet, which is proposed to share tenant space with the ice cream shop at 130-132 W. St. Charles Road. The submitted plans are for interior renovation of the tenant space with a total estimated cost of \$50,000.

The applicant is eligible to receive up to \$20,000 from the Downtown Retail Business Grant program. Because the request is over \$10,000, it will require approval from the Board of Trustees.

Staff does not believe that the proposed baby food manufacturing business meets the primary requirement of the Downtown Retail Business Grant Program of being a retail-oriented business.

The proposed business plan described a business wherein food will be manufactured at the downtown location and orders will be taken via phone or the company's website. Orders will be shipped directly to customers. Although customers will have the option of picking up their orders directly, the overall use clearly does not meet the definition of a retail establishment.

Of greater concern is that the proposed use (food manufacturing) is not a permitted use within the B5 Central Business District. Food manufacturing is only allowed in the I Limited Industrial District as a conditional use. However, staff does have a policy for allowing ancillary uses that are subordinate to a permitted, primary use on the property. In order for the proposed ancillary use to be allowed, it must meet all of the following criteria:

1. The frequency of time allowed to servicing or providing the ancillary use shall not exceed 25% of the anticipated annual total hours of all employees who work at the location;
2. Not more than 25% of the gross floor area shall be used by the ancillary use or not more than 25% of the annual income shall be derived from the ancillary use; and
3. There must exist a strong logical correlation, as determined the Community Development Director, between the primary use of the business and the ancillary use being provided.

If the applicant can demonstrate that these three criteria are met, Ga Ga Gourmet would be allowed to share space with A La Mode. However, Ga Ga Gourmet would not be eligible to receive any grant monies due to its primary nature as a manufacturing and distribution business.

ACTIONS REQUESTED

1. Staff requests that the Economic and Community Development Committee approve the application request approving the grant disbursement for A La Mode Ice Cream Shop in the amount of \$20,000, subject to the condition that a detailed breakdown of the eligible expenses be submitted to the Department of Community Development prior to consideration by the Board of Trustees. If the detailed estimate is not submitted prior to June 14, 2006, the grant request will be continued to the following Board of Trustees agenda.
2. Staff requests that the Economic and Community Development Committee deny the application request for a Downtown Retail Business Grant for Ga Ga Gourmet.