

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: July 27, 2021

To: Jim Marino, Village Manager

From: Angela Mesaros, Director of Economic Development

Topic: Financial Incentive Request - Joan Sullivan of Urban Leegacy, LLC/Culture Food and Entertainment Group, Inc., 18031 Dixie Highway

PURPOSE:

Joan Sullivan, representing Urban Leegacy, LLC, is the owner of the property at 18031 Dixie Highway. Ms. Sullivan has requested financial assistance from the Village to upgrade the existing business Culture Food and Entertainment. Upgrades would include installation of a grease trap, renovation, and site improvements for a new commercial kitchen required to open a restaurant. The cost of the proposed renovations and site improvements with the lowest bid total \$237,168.00.

PROCESS:

The owner plans to invest approximately \$800,000 in the building at 18031 Dixie Highway. This investment will include \$237,168.00 for renovations, site improvements, and installation of a commercial kitchen. Staff reviewed the application under the Business Incentive Program. This program was established to provide incentives to properties outside of a TIF district through three programs. This application qualifies for all three programs: Façade and Property Improvements, Retail Enhancements, and Go Green Reward. These programs allow for reimbursement of up to 50% of the eligible costs with a maximum total of \$40,000.

OUTCOME:

The Village's participation in the incentive programs would include:

1. Reimbursement of 100% of the cost to install a grease trap on the property, not to exceed \$25,000; and
2. Reimbursement of 6% of the cost of renovations (excluding the grease trap), not to exceed \$15,000.

When developing this recommendation, staff considered the following:

- The total recommended financial incentive is \$40,000, approximately 17% of the total build-out costs (including the grease trap), which is less than the 50% maximum available under the Business Incentive Program.
- Many new businesses that express interest in locating in Homewood face costs associated with modernizing spaces and bringing them into compliance with fire and building codes. The recommended funding will be used to open a restaurant, which is a

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targeted business as well as to make improvements to the building that will increase the long-term viability of the space.

- Projected annual sales is \$1.13 million. Revenue to the Village of Homewood is \$34,000 annually = 1% sales tax (\$11,300) + 2% places of eating (\$22,600).

FINANCIAL IMPACT:

Funding Source: General Fund

Budgeted Amount: The current available fund balance of the Homewood Business Improvement Program fund is \$125,000.

Cost: \$40,000

LEGAL REVIEW: Completed

RECOMMENDED BOARD ACTION:

Authorize the Village President to enter into an agreement with Joan Sullivan, Urban Leegacy, LLC. The agreement is to reimburse eligible expenses for improvements to the business located at 18031 Dixie Highway up to a maximum of \$25,000 for the grease trap and up to \$15,000 of costs of renovations and site improvements for a new commercial kitchen under the Homewood Business Incentive Program.