

# **CITY OF BATAVIA**

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TO: Daniel Chanzit, Chairman, Government Services

FROM: Laura Newman, City Administrator

DATE: January 10, 2019

RE: RESOLUTION 20-008-R: Authorizing Execution of a Grant Agreement with  
Batavia Mainstreet for Development of the Boardwalk Shops

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At the December 3, 2019 Committee of the Whole Meeting, Batavia Mainstreet requested funding from the City of Batavia to build the Boardwalk Shops and associated boardwalk at the northern half of the Art Stop public parking lot located at the southeast corner of Wilson St. and S. River St.. The attached memo explains the project and identifies the source of funding that would be used. At that meeting, the COW approved providing a grant of \$110,000 to Batavia Mainstreet for this project.

RES 20-008-R authorizes execution of a Grant Agreement which sets forth each parties rights and responsibilities with respect to the grant. City Staff and Batavia Mainstreet have met and worked through several drafts of the agreement and we recommend that the Committee of the Whole approves recommending this resolution to be approved by the City Council at its next scheduled meeting on Tuesday, January 21, 2020.

# CITY OF BATAVIA

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TO: Daniel Chanzit, Chairman, Government Services

FROM: Laura Newman, City Administrator

DATE: December 4, 2019

RE: RESOLUTION 19-131-R: Awarding a Grant in the Amount of \$110,000 to Batavia MainStreet for the Construction of the Boardwalk Shops of Batavia

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On December 3, 2019, Batavia MainStreet made a presentation to City Council requesting funding to build small (9x9 to 9x12) shed-like structures and an attached boardwalk on the north side of the Art Stop parking lot. The sheds are part of a project called "The Boardwalk Shops" and are modeled on a similar program in Muskegon, Michigan called "The Western Market Pop-Up Chalets". The chalets were featured in a Strong Towns article last year:

<https://www.strongtowns.org/journal/2018/2/19/low-cost-pop-up-shops-create-big-value-in-muskegon-michigan>

In June 2019 a contingent of city staff, Marty Callahan, members of MainStreet's board and their Executive Director traveled to Muskegon to see the project firsthand and talk with Muskegon city staff who spearheaded the project. Following this visit a report was made to City Council who gave direction to staff to further pursue the project in cooperation with Batavia Mainstreet.

Batavia MainStreet has done an excellent job sourcing materials and services to build the shops as economically as possible. City staff has met with MainStreet at several junctures in the planning process to provide advice and information concerning feasibility of design and minimum requirements such as ADA accessibility.

MainStreet is proposing to control labor costs by partnering with the building trades department at Batavia High School to build the structures. This offers students hands on construction experience. It also offers drafting students the opportunity to work with a licensed architect on the design documentation. Batavia Public Schools is requesting that the City of Batavia execute a Partnership Agreement which promises that the City will provide the funding to build the structures.

At the conclusion of Mainstreet's presentation on December 3, 2019, Council voted unanimously to provide Mainstreet with a grant of \$110,000 to build the Boardwalk Shops of Batavia. The Grant Agreement was prepared by staff and reviewed by the City Attorney.

Funding for the project is available from the amount leftover from a now defunct state sponsored micro-loan program. The account has a total of \$296,000, \$150,000 of which City Council has already designated to fund the Gateway Improvement Grant Program earlier this year. Council has previously expressed the intent that this money be used to fund economic development activities. The Boardwalk Shops project certainly fits squarely within that purpose as it is meant to be a unique attraction for visitors and an opportunity for fledgling businesses to establish a presence in our downtown.

Staff recommends that the Committee of the Whole recommends to City Council approval of RES 19-131-R Awarding a Grant in the Amount of \$110,000 to Batavia Mainstreet for the Construction of the Boardwalk Shops of Batavia.

**CITY OF BATAVIA, ILLINOIS  
RESOLUTION 20-008-R**

**AUTHORIZING EXECUTION OF A GRANT AGREEMENT WITH BATAVIA  
MAINSTREET FOR DEVELOPMENT OF THE BOARDWALK SHOPS**

**WHEREAS**, Alderman Martin Callahan brought to City Council the proposal that the City of Batavia should consider creating a group of small shops similar to a project he had read about called the Pop-Up Chalets at the Western Market in Muskegon, Michigan; and,

**WHEREAS**, representatives of City Council, City Staff and Batavia Mainstreet travelled to Muskegon, Michigan to see the shops in person and unanimously were of the opinion that a similar program could be successful in the City of Batavia; and,

**WHEREAS**, Batavia Mainstreet presented their plan for the Boardwalk Shops of Batavia to the Committee of the Whole on December 3, 2019 and requested a grant of \$110,00, which was unanimously approved by all City Council members present; and,

**WHEREAS**, the City has funding available for economic development as a result of a now defunct state program which can be allocated toward the construction of the Boardwalk Shops of Batavia Project.

**NOW, THEREFORE, BE IT RESOLVED, by the Mayor and City Council of the City of Batavia, Kane and DuPage Counties, Illinois, as follows:**

**SECTION 1.** That the Mayor is authorized and directed to sign the Grant Agreement, attached as Exhibit #1 hereto, awarding Mainstreet a grant in the amount of \$110,000 for the construction of the Boardwalk Shops

CITY OF BATAVIA, ILLINOIS RESOLUTION 20-008-R

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**PRESENTED** by me as Mayor of said City of Batavia, Illinois, this 21<sup>st</sup> day of January 2020.

**APPROVED** by me as Mayor of said City of Batavia, Illinois, this 21st day of January, 2020.

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Jeffery D. Schielke, Mayor

Ward	Aldermen	Ayes	Nays	Absent	Abstain	Aldermen	Ayes	Nays	Absent	Abstain
1	O'Brien					Baerren				
2	Callahan					Wolff				
3	Meitzler					Chanzit				
4	Malay					Knopp				
5	Uher					Beck				
6	Cerone					Russotto				
7	McFadden					Miller				
Mayor Schielke										
<b>VOTE:</b>		Ayes	Nays	Absent	Abstention(s)					
Total holding office: Mayor and 14 aldermen										

ATTEST:

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Ellen Posledni, City Clerk

**GRANT AGREEMENT BETWEEN THE CITY OF BATAVIA AND BATAVIA MAINSTREET FOR CONSTRUCTION  
OF THE BOARDWALK SHOPS PROJECT**

In order to promote economic development in downtown Batavia, the City of Batavia (the “City”) has awarded a grant to Batavia Mainstreet (the “Mainstreet”) in the total amount of \$110,000 for the period from December 16, 2019 to December 15, 2021. This Grant Agreement Between the City of Batavia and Batavia Mainstreet for the Construction of the Boardwalk Shops (the “Agreement”) sets forth the terms and conditions of the grant award.

**Payment Terms, Use of Funds:** The grant will be paid in a single, up-front installment, provided that the City may hold back \$10,000 for the electric work to be provided by the City.

Mainstreet must accept the terms of this Agreement prior to disbursement of grant funds.

Within thirty (30) days of receiving the countersigned original of this Agreement, the City will disburse the grant funds to Mainstreet per mutually agreeable arrangements. Grant funds shall be used exclusively for the construction of eight (8) to twelve (12) moveable “boardwalk shops” designed as temporary space for retail and other commercial activity in the downtown area of the City of Batavia as set forth in the proposal, a copy of which attached to and incorporated into this Agreement by reference as Exhibit “A” subject to the terms this Agreement (the “Boardwalk Shops Project” .

**Budget:** Grant funds shall be used exclusively for the labor and materials (the “construction costs”) for the construction of the Boardwalk Shops, including the provision of electricity, which work shall be performed by the City of Batavia. If the City does not hold back \$10,000 for the electrical work, MainStreet shall reimburse the cost of the electrical work to the City Electric Utility from the grant funds provided in this Agreement. If the City holds back \$10,000 for the electrical work, the City shall disperse to MainStreet the balance of those funds that are not used for the electrical work or bill MainStreet for reimbursement of any cost of electrical work that exceeds the amount. MainStreet shall not use the funds for anything other than the construction costs without the prior, written consent of the City.

**No Pledge:** This Agreement shall not be interpreted to create any pledge or any commitment by the City to make any other or further grants or contributions to Mainstreet or any other person or entity for this or any other project.

**Reporting:** Mainstreet agrees to deliver to the City a quarterly report by the end of the month following each calendar quarter consisting of a narrative section and a financial section. The narrative section must include a short statement describing the progress made on the project over the previous quarter. The financial section must include financial statements detailing how all grant funds were expended in the quarter.

Reports may be submitted by hand delivery, e-mail, or postal mail as follows:

Laura Newman  
City Administrator  
100 N. Island Ave.

Batavia, IL 60510

[lnewman@cityofbatavia.net](mailto:lnewman@cityofbatavia.net)

**Unused Funds:** At the conclusion of the grant period, Mainstreet agrees to return any unexpended or unaccounted for funds to The City, or to submit a written request for an extension of the grant period. Mainstreet agrees to return all disbursed funds if (1) grant funds have not been used for their intended purpose, or (2) have been used inconsistent with the terms of this Agreement, or (3) if the activities or outputs funded by the grant are materially incomplete by the end of the grant period, as determined by the City in its sole discretion.

**Utilities:** Each month the City shall provide Mainstreet with a utility bill for the electricity used by the Boardwalk Shops and Mainstreet will pay owed amounts on or before the due date.

**Records:** Original receipts and invoices must be maintained by Mainstreet and shall be made available to The City upon request. Mainstreet agrees to maintain adequate financial records consistent with generally accepted accounting practices, and to retain such records for at least five years after the conclusion of the grant period. The City may monitor and conduct an evaluation of Mainstreet's operation to ensure compliance with this Agreement.

**No Assignment:** Mainstreet may not assign this Agreement or delegate performance of the terms of this Agreement or of the project to any other person or entity, without CC's prior written consent; except that MainStreet is authorized to work with the Building Trades Department at the Batavia High School to complete the Project, provided that MainStreet shall remain the party that is responsible and accountable to the City for Completion of the Project in keeping with the terms of this Agreement.

**No Agency:** The Mainstreet is solely responsible for all activities supported by the Grant. Nothing in this Agreement creates a partnership, agency, joint venture, employment, or any other type of relationship. The Mainstreet shall not represent itself as an agent of the City for any purpose and has no authority to bind the City in any manner whatsoever.

**Ownership, Location, Maintenance, Removal:** MainStreet will own the Boardwalk Shops and will determine how they will be used and by who for the purpose of adding commercial activity and spurring on commercial activity in the downtown area. The Boardwalk Shops will be installed initially at the Art Stop in Batavia and remain there, subject to any State, County and City ordinances rules and regulations that are applicable and any additional, reasonable terms and conditions the City might establish for the property and the Boardwalk Shops in not inconsistent with the terms of this Agreement. MainStreet shall be solely responsible for the maintenance of the Boardwalk Shops in good condition, provided that the City shall be responsible for electric repairs, roof repairs and structure repairs. MainStreet shall be solely responsible for operating the Boardwalk Shops and renting or otherwise allowing occupancy of them. If MainStreet fails to maintain the Boardwalk Shops or in keeping them rented or occupied, the City may provide the maintenance or operational oversight and charge MainStreet for the cost of that maintenance or operational oversight at the City's discretion.

## EXHIBIT 1

**Prevailing Wage:** The Mainstreet is solely responsible for and assumes all risk with regard to compliance with all laws including but not limited to prevailing wage laws.

**Indemnity:** Mainstreet agrees, to the fullest extent permitted by law, to defend, indemnify, and hold harmless the City, its officers, directors, affiliates, employees, and agents, from and against any and all claims, liabilities, losses and expenses (including reasonable attorney's fees) directly, indirectly, wholly or partially arising from or in connection with any act or omission of Mainstreet, its employees or agents, in applying for or accepting the grant, in expending or applying Grant funds, or in carrying out the project as set forth in the proposal.

**Termination:** This Agreement may be terminated by either party provided that the terminating party provides a minimum of ninety (90) days' written notice of its intention to terminate the Agreement, or as mutually agreed. The City may terminate the Agreement with a minimum of thirty (30) days' written notice if 1) Mainstreet is in breach of this Agreement or in violation of the ordinances or reasonable rules established by the City and Mainstreet has failed to remedy the breach or violation within thirty (30) days after receiving written notice of the particular breach or violation; 2) the Boardwalk Shops are more than fifty percent (50%) vacant, and the fifty percent (50%) continues for sixty (60) days or more; 3) MainStreet ceases to maintain or supervise the operations of the Boardwalk Shops; or 4) for other cause the City identifies specifically in the written notice. MainStreet shall remove the Boardwalk Shops within fourteen (14) days of the effective termination date. In the event of termination the City shall have the option to take ownership of any structures comprising the Project, including but not limited to the shops.

**Governing Law, Forum:** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, without reference to its conflict of laws provisions.

**Entire Agreement:** Mainstreet acknowledges and agrees that this Agreement represents the entire agreement between Mainstreet and The City with respect to the subject matter addressed herein. The terms of this Agreement may be modified only by a writing signed by duly authorized representatives of both parties.

**Authority:** The person(s) signing this Agreement on behalf of Mainstreet represents and warrants to the City that he or she has the requisite legal authority and power to execute this Agreement, and to bind Mainstreet to the obligations contained herein.

Please return the original of this letter to the City, keeping a copy for your records.

THE CITY OF BATAVIA

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Jeffery D. Schielke, Mayor

Date: \_\_\_\_\_

**EXHIBIT 1**

Agreed to and accepted on behalf of Batavia Mainstreet:

\_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Witnessed By:

\_\_\_\_\_

Ellen Posledni, City Clerk

Date: \_\_\_\_\_



**EXHIBIT A**

**Boardwalk Shops of Batavia - Project Description**

Batavia Mainstreet is proposing to build the Boardwalk Shops project. The Boardwalk Shops will consist of 8-12 approximately 10 ft by 10 ft. structures resembling miniature houses to be located together on a boardwalk system. The initial location of the Boardwalk Shops will be the northern half of the Art Stop parking lot located at the southeast corner of Wilson St. and S. River Street, but they will be built in a manner that allows them to be moved to a new location if necessary and desired. 8 shops are expected to be built in 2020 and additional shops will be built in 2021 if the program is successful in maintaining occupancy of the initial 8 units.

The purpose of the Boardwalk Shops is consistent with the City's economic development goals in that it:

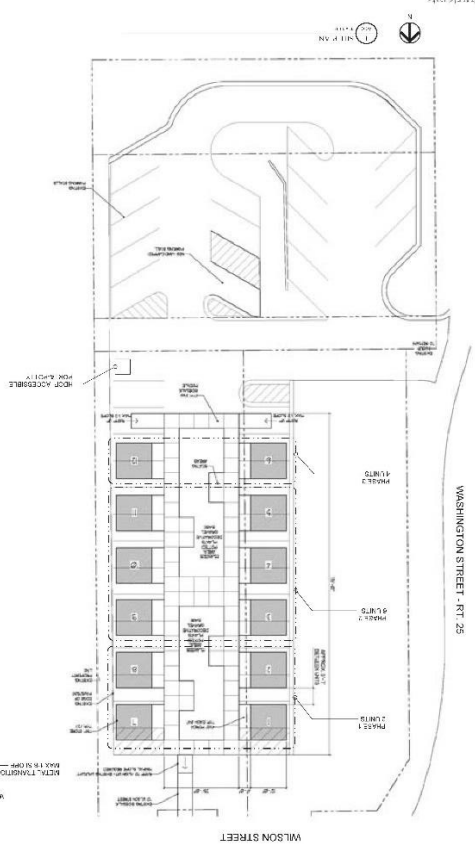
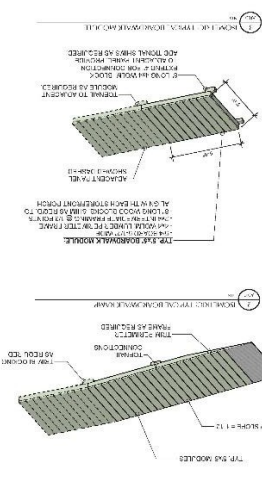
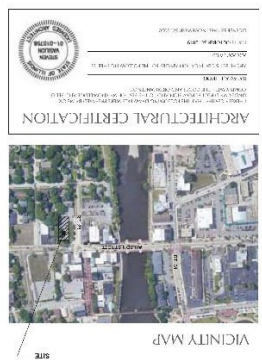
- Provides a unique City amenity attracting local and regional shoppers
- Acts as a compliment to our popular downtown farmers market
- Provides a low-cost opportunity for a small business to enter the market in the hopes that they will grow their business and occupy a commercial space in our downtown
- Will assist other downtown businesses by being an attraction to help draw consumers to an area that will be the site of a major construction project that will begin in early 2020 and continue for three years

Another positive impact of the project is that it is a collaboration mainly between Batavia Mainstreet, who is coordinating and administrating the project, the City of Batavia, who is providing funding for the project and Batavia Public Schools, whose building trades department students will build the shops. In addition, numerous local businesses, professionals and volunteers have committed to providing building materials, professional services and labor for free or at substantially reduced costs. Like the Batavia Riverwalk, the Boardwalk Shops will be a shining example of how the people of the City of Batavia can come together and accomplish amazing things.

Estimate Costs of building:

- Estimated material \$8,000 per unit
  - does not include AC/Heat/Fans
- \$7,000 material cost for boardwalk area
- Art Stop site prep-estimated \$10-20,000
- City Electric Department \$12,500
- Professional Services \$2,500

**BATAVIA TINY SHOPS**  
 1251 SOUTH WASHINGTON STREET, WASHINGTON, MD 20787  
 ARCHITECTS: **VASILION architects, inc.**



**ABBREVIATIONS**

**SHEET INDEX**

**BUILDING CODES**



1 AERIAL PERSPECTIVE FROM SOUTH WEST



2 PERSPECTIVE OF TYPICAL FACADE AND BOARDWALK

**VASILION**  
architects, inc.

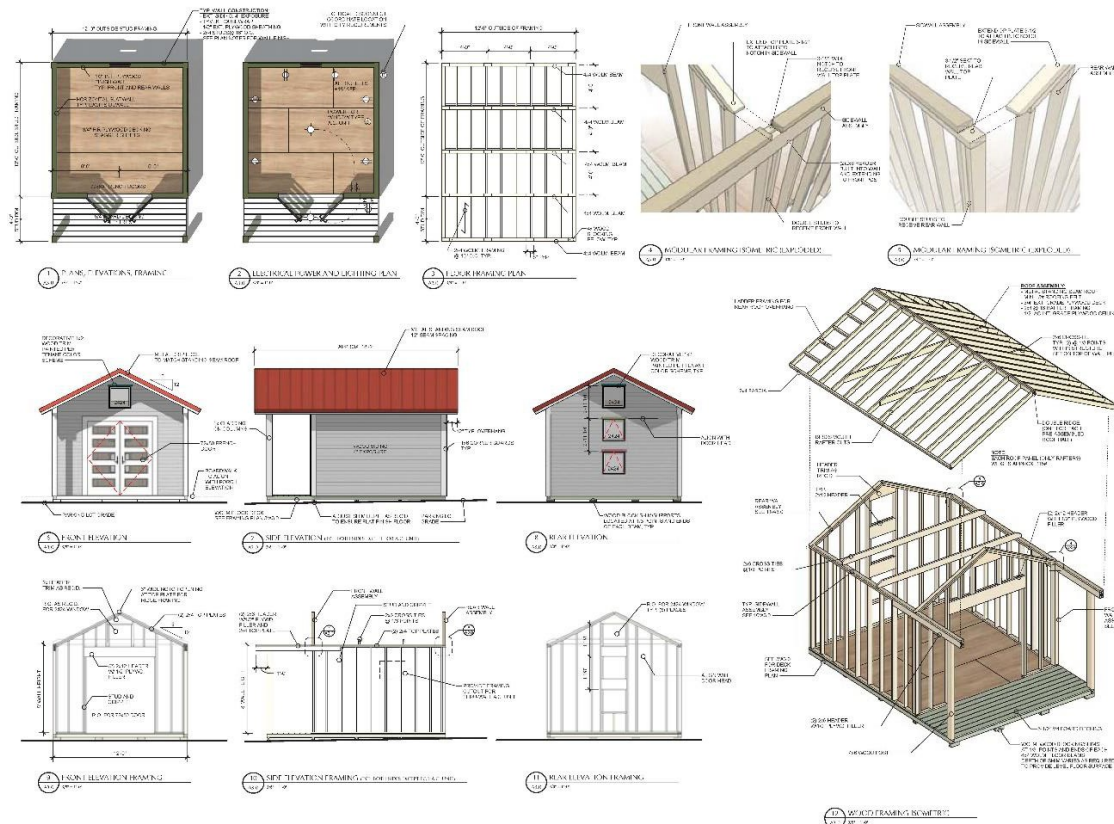
**BATAVIA TINY SHOPS**  
HARTSTON, ILLINOIS CORNER OF WASHINGTON AND ST. G  
BATAVIA, ILLINOIS

Project Number: 1708  
Document Date: 03/20/19  
Document Title: Consideration Plans  
File Size: 10MB

EXTERIOR PERSPECTIVES

A0.1

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**VASILION**  
architects, inc.

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**BATAVIA TINY SHOPS**  
PROJECT NO. 2024-001  
DATE: 08/20/24

Sheet Number: 13  
Location: Lake County, Colorado  
Drawn by: J. Vasilion  
Checked by: J. Vasilion

PLANS, ELEVATIONS, FRAMING

A3.0