

MEMORANDUM

To: City Council
From: Gregory E. Buckley
City Manager



Date: August 1, 2024

Subject: Proposed Business Development Grants from TID No. 8

As we have discussed previously, there is \$30,000 in the 2024 Budget for Tax incremental District No. 8 (TID 8), the Washington High School redevelopment TID, for grants to assist businesses with façade work or other improvements. Per the Project Plan for TID 8, such grants can assist business development projects located within that TID and within 0.5 mile of its boundaries.

Earlier this year, the Council approved a \$10,000 façade grant from this budget for Meridian Wellness on Lincoln Avenue; that project has since been completed, and the grant disbursed to the business.

The August 5 Council agenda includes two additional proposed grants from TID 8, which would make use of the remaining \$20,000 budgeted for such business assistance:

1. A \$10,000 façade grant to The Wave TR, LLC to assist with exterior (façade) work at 1522 Monroe Street, a garage/warehouse building that was once the Krajnik Chevrolet body shop. Joe Baeten, who owns other business properties in the city, has presented a request for assistance with work items that include tuckpointing/masonry repair, exterior painting, new exterior windows and doors, and removal or upgrading of exterior canopies.

Consistent with the Council-approved guidelines for the 2024 façade grant program, design plans will require approval by the Two Rivers Main Street Design Committee the grant will be paid as a reimbursement, following completion of the identified improvements, and grant funds must be matched on at least a 1:1 basis. Estimated cost for the façade work is \$28,550; the proposed agreement requires that at least \$20,000 total be expended on the façade.

- 2, A grant to Pop-Start Restaurant Group, LLC, to assist to offset \$10,000 in costs (out of an estimated total project budget of \$420,000) to equip and re-open the former Luigi's

restaurant location at 1033 22nd Street as a wood-fired pizzeria. While not a façade grant, this falls within the broader category of “business development grants” as permitted in the TID 8 Project Plan. I highly recommend the award of this grant, to bring new business activity to a property that has been idled for more than four years.

Action on both of these grants must be taken at Monday’s meeting, as August 5, 2024 is the 20-year anniversary of the Council action creating TID No. 8, and is the very last day on which eligible expenditures can be incurred. This TID will remain active for another five years, to collect revenues and expend funds for paying off obligations incurred during the expenditure period (including debt service payments on neighborhood.