



VILLAGE OF WINNEBAGO

MEMORANDUM

Prepared By:	Joseph Dienberg, Village Administrator
Meeting Name:	Community Development Committee
Meeting Date:	May 30, 2024
Item Name:	Business Assistance Grant Opportunity

Background:

In an effort to create a formal economic development incentive program to better compete for investment with neighboring communities and to achieve the primary economic development goals of attracting private investment, creating jobs and bringing underutilized or unutilized properties into productive economic use. If this program is found to be favorable by the Village Board, Staff is requesting \$50,000 in funding from the Village Board for a new line item in the community development fund titled "Economic Incentives." Staff has created the proposed Business Assistance Grant Opportunity (BAGO) Program with the intention of fulfilling those goals. Although there remains a concentration of vacant and underutilized properties primarily in the downtown area, this program will be made available Village-wide. ***The Community Development fund receives its revenues from video gaming, permit and inspection fees, liquor license fees, UTV registration fees, franchise fees, and other fee-based programs, meaning that no property tax dollars would fund this program.***

The model for this program is a unique program created by the Village of Bartlett, a village of 40,000 residents in Cook, Kane and DuPage Counties, the Bartlett Economic Development Assistance (BEDA) Program. As of December 2023, 18 grants totaling more than \$535,000 have been awarded, sparking more than \$8 million in private investments. Since the program's inception, BEDA projects have included a dozen restaurants, a bakery, a microbrewery with rooftop seating, and the massive redevelopment of the former Bartlett Plaza into the Streets of Bartlett shopping center at Main Street and Devon Avenue, which ultimately helped attract an Aldi Grocery Store to the Streets of Bartlett Out-lot.

The program as presented will not limit recipients to sales tax-generating uses only but stipulates a preference for those types of businesses. As a pilot project, these funds will be released upon the approval of the 2025 budget, starting January 1 and will be made available on a competitive, first-come, first-served basis. Staff will make it known through the Village's communication channels including social media channels, email, the Chamber of Commerce and any other relevant avenues that these funds are being made available.

It is the Village's hope that these funds highly leverage private investment in vacant or underutilized properties including, but not limited to revitalizing buildings and properties in the downtown or even new construction projects on the Route 20 corridor. Winnebago's economic development team is excited about the concept of the creation of this

new program and will thoroughly review any and all requests as well as bring them before the Community Development Committee for review and recommendations to the Village Board.

Below is a sample of what the advertisement for the program could look like, outlining all the proposed policies of the program, eligible expenditures, and the way businesses will be evaluated for grants.

Business Assistance Grant Opportunity Program

The Village of Winnebago is announcing business assistance grants ranging up to \$10,000 depending on the scope of the business project. The purpose of the program is to encourage businesses to invest in their building and promote revitalization of the Village's commercial development.

This pilot program is being offered on a competitive basis and is first-come, first-served until funds are depleted or the program is terminated. Priority will be given to business projects that enhance the Village's overall business climate per specific criteria.

Assistance: The business assistance grant program will provide a matching grant (50% of total project cost will be reimbursed by the Village of Winnebago) up to \$10,000 for sales tax producing uses including retail establishments and restaurants. Grants will be distributed on a reimbursement basis once projects are completed.

Building owners or lessees (who produce written consent from the building owner for all proposed improvements) are eligible to apply. The program applies Village-wide, with the exception of any business that fall within any special economic development districts, including.

The amounts of incentives granted will vary based upon the improvements made and each application will be reviewed on a case-by-case basis. All improvements must conform to the Village's regulations including, but not limited to, the Unified Development Ordinance, Zoning Ordinance and Building Codes.

Individual properties will be eligible for grants regardless of who the current tenant may be once every three Calendar Years.

Targeted Businesses: Priority will be given to those **generating sales tax** for the Village as defined by those offering merchandise or services to the public, the sale or providing of which is subject to sales tax ("Retail sales"), and from which the revenue derived constitutes the majority of the revenue of the business. Examples of eligible businesses include, but not limited to, retail stores, restaurants, grocery or specialty food stores.

Priority will additionally be given to projects that will create new job opportunities as a result of the project.

Only businesses located in commercially-zoned areas are eligible to participate in this program. Existing businesses wishing to expand and/or upgrade are also eligible to participate.

Eligible Project Costs Include:

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| <ul style="list-style-type: none">• Facade Renovations• Interior Buildouts and/or Rehabilitation• Windows and Doors• Signs or Awnings• Outdoor Dining Areas | <ul style="list-style-type: none">• Landscaping Improvements• ADA Compliance• Improvements in Energy Efficiency• Lighting• Code-Compliance Related Items |
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Non-Eligible Project Costs Include:

- Interior painting for an existing renovation
- Point-of-sale systems, warranties, fire and burglary monitoring plans, taxes, TV mounts, cable, or TVs. No tables, chairs, tableware, cookware, or any items that can be removed or sold to satisfy a lien.
- Decorations
- Routine maintenance of buildings or business interiors
- Parking lot maintenance
- Disposal or clean-up costs
- Architectural fees, permit fees, financing costs, shipping fees.
- Moveable outdoor dining fixtures including tables, chairs, and umbrellas.
- Other non-eligible costs include other items that can be removed from the premises, i.e., "carried out the door."

Approval Process for Successful Grant Applications:

- Schedule a pre-application meeting with Winnebago Economic Development Team. Contact Joey Dienberg at (815) 904-5085 or jdienberg@villageofwinnebago.com
- Submit a completed application.
- Staff review of application.
- The Community Development Committee will review the application and make a recommendation to the Village Board.
- Village Board approval or denial.
- All applicable permits and licenses must be obtained per the Village Code. All work must begin within six months of awarding of grant.
- Grant recipients shall provide a request for reimbursement and required documentation for work completed.
- Once work is completed in accordance with submitted plans, the Village will reimburse the approved funds at their next board meeting.
- If the work is not completed following one calendar year after approval from the Village Board, the applicant must request a formal extension within 3 months, or funds will no longer be available.

Criteria that Will Be Considered on Applications:

- The amount of private investment in the project and the ratio of private investment to the rebate.
- Jobs that are anticipated to be created or retained as a result of the new business or expansion.
- The type of use, with priority given to sales tax generating businesses.
- The project demonstrates a significant improvement over the existing situation including the reoccupation of vacant buildings or spaces within commercial buildings.
- The extent to which the project will improve the aesthetics of the property.
- That the project will enhance Winnebago's appeal to new businesses and visitors and add value to the Village.
- The Village of Winnebago supports local businesses and contractors and encourages applicants to purchase materials and services locally. Consideration will be given to the extent to which materials are purchased and local contractors are engaged in the project or provided an opportunity to compete for participation in the project.
- If the project will fulfill any goals of the Village's Balanced Growth Comprehensive Plan, Strategic Plan, or any other adopted long range plans.
- The number of similar business uses within the Village.

Recommendation: Staff is seeking feedback from the Community Development Committee on the structure of the BAGO program as presented. If the Committee is in favor of the program as presented, or with any amendments, staff would recommend forwarding the program to the Village Committee of the Whole, where the program would be further reviewed. Following that, if they are in favor, the Committee of the Whole would forward the program to the Village Board of Trustees for final approval.