Date: May 1, 2018

To: Mayor Vandenberg and Village Board

Cc: David Niemeyer, Village Manager
    Paula Wallrich, Community Development Director

From: Patrick Hoban, Economic Development Manager

Subject: Oak Park Playbook Grants

Background/History
In June of 2017, Mayor Vandenberg met with Staff to discuss the creation of economic development strategies to assist downtown businesses and address vacancies along Oak Park Avenue. Since that time Staff has been working with the Economic and Commercial Commission and the Economic Development and Marketing Committee to develop specific programs that will meet the Mayor’s goals. Initially seventeen (17) different tactics were identified that were aimed at assisting downtown businesses. (Attachment A provides a complete list of all 17 concepts). After some discussion and further analysis, Staff focused their efforts on five (5) specific grant programs referred to as the Oak Park Playbook Grants. Based on discussions and feedback from residents and Commission/Committee members, modifications were made to the programs which are reflected in the final versions of the grant programs as attached.

The five (5) grant programs are described as follows:

1. Façade Grant: Provides funding to assist owners of existing buildings, or businesses within them to upgrade their building facades. The goal of the Façade Grant Program is to improve the appearance of existing buildings consistent with the Village’s Architectural Guidelines.

2. Code Compliance Grant: Provides funding to enhance the pedestrian experience and aesthetic quality of the downtown Legacy Districts. The goal is to provide an incentive for property owners to bring their buildings into conformance with Village Building and Fire Code by installing such things as fire protection systems and alarms to improve the quality of the building stock.

3. Retail Grant: Provides funding to assist owners of existing buildings with retail businesses to upgrading their building. The goal of the Retail Grant Program is to assist with the start-up of small independent retailers with expenses generally associated with a move into new commercial space.

4. Sign Grant: Provides funding to enhance the pedestrian experience and aesthetic quality of the downtown Legacy Districts. The goal is to introduce creative and attractive signs that will complement the downtown (consistent with the Village’s Sign Design Guidelines) and remove non-conforming signs.
5. **Landscape Grant**: Provides funding to assist owners of existing buildings, or businesses within them by upgrading their landscaping. The goal of the Landscape Grant Program is to help property owners improve the aesthetics of downtown Tinley Park.

One of the major revisions made to the initial program proposals is the delineation of the qualifying boundary; this has been reduced from the entire Legacy District area to just the Downtown Core and Downtown Flex Legacy Districts. This was due to the limitation of commercial uses outside of these two zones if the property is not identified as a Heritage Site. (Heritage sites are defined as those properties where the cost of improvements exceed 50% of the market value of the property). In addition, there is a ‘claw back’ on the Retail Grant which will require a business to pay back a portion of the grant if they close their business within three (3) years of receiving the grant money. The status of all grants will be included in the monthly Community Development Report so as to keep the community and elected officials apprised of the status of each grant program recipient. Lastly, there will be the creation of both Design and Sign Guidelines to assist grant applicants when presenting projects to staff to ensure they are compatible with the downtown vision as outlined in the Legacy Plan.

**Discussion**

Attached are the final drafts of each of the five (5) Oak Park Playbook Grant Programs that have incorporated input gathered over the last year. Funding for the programs has been approved with the new fiscal budget and will be available beginning May 1, 2018. The New Bremen TIF District has been identified as the long term funding source for these programs with the potential to also use General Funds to kick start programs. Below please find highlights of the program’s goals, funding levels, process for submitting and accepting applications and reporting protocols on the status of projects funded under the programs.

**GOALS:**

Key goals for these grant programs are:
- Strengthen the pedestrian friendly business district;
- Create a stronger synergy of specialty dining and retail;
- Maintain safe buildings with distinctive architecture and signage;
- Improve economic viability and competitiveness of existing buildings;
- Encourage start-up, attraction, and expansion of sales tax producing businesses;
- Build public spaces with an orientation to music and entertainment; and
- Enhance the aesthetics of the entire corridor, including landscaping on commercial properties.
FUNDING:

The approved budget provided a total funding level of $350,000 for the Oak Park Playbook grants distributed in the following categories:

$55,000 for matching Signage Grants up to $5,000 each.
$70,000 for matching Façade Improvement Grants up to $35,000 each.
$140,000 for matching Code Compliance Grants up to $35,000 each.
$70,000 for matching Retail Grants up to $35,000 each.
$15,000 for matching Landscape Grants up to $5,000 each.

CAP:

A maximum of $70,000 in matching grants per year will be approved per property; a property is not eligible for grants if subject to an incentive over the past 10 years.

PROCESS:

The Applicant must submit a completed application to the Community Development Department. The following steps will occur after Staff has verified the application is complete:

- Pre-Application Meeting
- Submittal of Complete Application
- Staff Review
- Economic and Commercial Commission review
- Economic and Marketing Committee review
- Village Board review/approval
- Reimbursement

PRIORITY:

If applications exceed the Village’s funding budget, the following factors shall be taken into consideration to rank businesses for grant awards:

- Presence of extraordinary development/redevelopment costs such as remodeling/demolition, environmental remediation, infrastructure expansion costs;
- Proposed increase in employment; and
- Quality of development and overall aesthetics which are in excess of current code requirements.

APPLICATION CRITERIA:

A grant may be awarded to any business, individual or property which meets the following:

- The property is a tax paying entity;
- The property is in compliance with Village codes or ordinances;
- The property owner is not overdue in any payments to the Village;
- The Applicant provides a “but for” narrative with financial data in support of their request; and
- If the subject business is a “start-up” business it must have a business plan from a local SBA Center or SCORE Counselor.
REPORTING:

Status reports on grant applications and funding levels will be included in the Community Development's monthly Active Projects Report and presented at Economic and Commercial Commission meetings.

RECOMMENDATION

Staff is seeking approval of the proposed five (5) Oak Park Playbook Grant Programs. This was recommended for approval from the Economic Development and Marketing Committee on April 24th.