Agenda Item Details

Meeting	Aug 01, 2022 - Village Board Regular Meeting Agenda
Category	13. New Business - All Listed Items for Discussion and Possible Action
Subject	B. Resolution Awarding a Wheeling Restaurant and Retail Build-Out Assistance Grant Program B for Grace F&B LLC d/b/a Mochinut at 322 N. Milwaukee Avenue
Type	Action
Fiscal Impact	Yes
Dollar Amount	45,606.03
Budgeted	Yes
Budget Source	North Milwaukee Avenue TIF District
Recommended Action	Motion to Approve

From: Patrick Ainsworth, Director of Economic Development
Subject: Wheeling Retail and Restaurant Build-Out Assistance Grant for 322 N. Milwaukee Avenue – Grace F&B LLC d/b/a Mochinut

EXECUTIVE SUMMARY

Economic Development staff recommends approval of a Wheeling Retail & Restaurant Build-Out Assistance Grant (Program B) in the amount of $45,606.03 submitted by Ms. Grace Ryu of Grace F&B LLC d/b/a Mochinut at 322 N. Milwaukee Avenue for interior and select exterior enhancements to the existing commercial property.

MEMO

The vacant 3,200-square-foot commercial space at 322 N. Milwaukee Avenue, located in the North Milwaukee Avenue TIF District, was previously occupied by Siding-1 Window-1 Exteriors; the business vacated the space in 2019 and the building has been unused ever since. Ms. Grace Ryu has purchased the building and plans to open Mochinut, a growing fast-casual concept chain based out of California featuring Korean corndogs, specialty donuts called mochinuts, boba teas, and specialty coffees. As a business generating sales tax and food and beverage tax, they are eligible to apply for the Wheeling Restaurant and Retail Build-Out Grant.

Ms. Ryu has submitted a Wheeling Retail & Restaurant Build-Out Assistance Grant Application (Program B) to the Economic Development Department requesting $45,606.03 to assist with proposed extensive interior renovations. This property previously received a grant in 2016 under the former Façade Improvement Grant Program for certain exterior improvements, including new windows, siding, soffits, parking lot improvements, and some landscaping. Nearly all of the improvements for the current grant application are different from the 2016 grant application, which was submitted by a separate party; the only overlap is the installation of new landscaping, as some of the plantings on the property have not been properly maintained. The current grant application is primarily for the interior build-out, including the construction of a new kitchen. If awarded, this would not be the first property to receive grant funds under both the former Façade Improvement Grant Program and the newer Restaurant and Retail Build-Out Grant Program; Old Munich Tavern at 582 N. Milwaukee Avenue has been extensively renovated with the assistance of two grants, one awarded in 2018 and the other in 2021.

Under the current application, the business will invest nearly $180,000 into first-floor interior and certain exterior improvements. Specifically, the applicant will be conducting the following eligible work associated with this grant application:

- Installing new interior walls and doors
- Constructing a new kitchen
- Installing a new kitchen hood and grease trap

- Replacing flooring throughout the entire first floor
- Upgrading the plumbing and electrical
- Enhancing certain interior lighting
- Adding a fire alarm
- Upgrading the signage
- Enhancing the exterior landscaping

Please note that the eligible items covered under this grant are only for the first floor of the building, which will encompass the Mochinut business; no grant dollars will cover any improvements on the second floor. The applicant is aware that the proposed scope of work requires a permit, which needs to be obtained through the Community Development Department. The total grant-eligible project value is estimated at $123,900.80; nearly $50,000 of other improvements which either have already been conducted or were also proposed are not grant-eligible.

Under the Restaurant and Retail Build-Out Grant parameters, 50% of materials and 25% of labor for eligible items are covered under the reimbursement grant. Based on this formula, $29,261.65 can be reimbursed for the permanent equipment and fixtures, and $16,344.38 can be reimbursed for the labor associated with installing the eligible improvements, resulting in a grant total of $45,606.03. A list of the eligible costs covered under the grant is attached as Exhibit B to the draft resolution. This list contains the project cost estimates from the respective contractor and provider.

As mentioned above, this property falls within the North Milwaukee TIF District. Staff finds that the applicant's request is eligible for the funding under Program B, as Grace F&B LLC d/b/a Mochinut will be a food-and-beverage-tax-producing business.

Recommendation:
Economic Development staff has reviewed the application, as summarized above, and recommends approval of the grant application request in the amount of $45,606.03.

Attachments:
Resolution
Grant Application (Exhibit A)
Eligible Grant Items (Exhibit B)

Strategic Plan Theme:
Economic Development

Exhibit A - Grant Application.pdf (4,648 KB)

Exhibit B - Mochinut Eligible Grant Items for Materials and Labor.pdf (79 KB)

Resolution - Build Out Assistance Grant - Mochinut (2022).pdf (19 KB)