

TO: Mayor and City Council

FROM: Beth Beatty, City Manager

SUBJECT:

Repeal of Ordinance No. 18569; Resolution to Establish a Business Continuity Grant Program through the City Center Partnership; Amendment to the City Center Partnership's Business Continuity Grant Program Guidelines

BACKGROUND:

On November 7, 2023, the City Council approved Ordinance No. 18569, which established a Business Interruption Assistance (BIA) Program to be administered by the City Center Partnership. This program was created in response to increasing concerns of small businesses in the downtown area due to the disruption caused by a series of construction projects.

The BIA Program was designed to help cover rent for businesses that experience revenue loss caused by disruption from construction projects in the downtown area (within the Special Service Area boundaries). The original program approved \$50,000 from the Special Service Area fund and \$50,000 from downtown area TIFs (City Center, Downtown, and Cass). However, TIF funds cannot be utilized to cover rent, therefore, an additional \$50,000 from the Special Service Area fund is requested by the City Center Partnership.

Altogether the program is allocated \$100,000 and will provide up to three (3) months of rent or up to \$5,000 to offset the cost of future rents. The details of the program are found in Exhibit A.

In addition, CCP received feedback from its constituents and now seeks to make amendments to the original guidelines of the BIA Program, including:

- Change the name to Business Continuity Program.
- Allow property owners who also own a business within the property to be eligible for the program.
- Allow funds to be used for rent or property taxes.
- Allow applicants to qualify for up to \$5,000 to be capped at the amount of revenue lost quarter over quarter during construction.
- Remove landlord match.
- Remove currency exchanges and pawn shops from unpermitted uses.
- Business must have been in operation no later than January 1, 2024.

CONCLUSION:

Rent is not an eligible expense under the Illinois TIF Act, therefore the additional \$50,000 needed to cover the BIA program will need to be covered by the Special Service Area levy.

Additional amendments described above are recommended to make the grant more accessible to applicants.

RECOMMENDATION:

Staff recommends the Economic Development & Land Use Committee recommend approval of the repeal of Ordinance No. 18569 and approval of a Resolution to Establish a Business Interruption Assistance Program in Collaboration with the City Center Partnership to allocate an additional \$50,000 from the Special Service Area.