



**AGENDA ITEM EXECUTIVE SUMMARY**

Agenda Item number: 4b

**Title:** Recommendation to Approve a Commercial Corridor and Downtown Business Economic Incentive Award for 1650 W. Main Street (Nick Smith - Alexander’s Café)

**Presenter:** Matthew O’Rourke

Meeting: Planning & Development Committee

Date: May 8, 2017

Proposed Cost: \$25,000

Budgeted Amount: Program budgeted at \$100,000 for FY 2017/18, there is \$75,000 remaining in FY 2017/18.

Not Budgeted:

Nick Smith, the owner of Alexander’s Café located at 1650 W. Main Street, has applied for a Tier 2 Commercial Corridor and Downtown Business Economic Incentive Program Award that exceeds the \$10,000 Tier 1 limit. The restaurant building needs to install upgrades to the existing HVAC system that provide the proper amount of outside air back into the building. The current system (installed by the previous building owner) draws too much air out of the restaurant through the required hoods and exhaust exchangers. The return “make up” air part of the system cannot keep up and causes a negative pressure balance in the restaurant. Therefore, the owner has applied for this grant to assist with the cost of balancing the system. The award will assist with the following modifications:

- Re-balance existing exhaust fans and existing rooftop units to create a positive air pressure balance between the dining and kitchen areas.
- Rework the supply ductwork in the kitchen, includes new 2" gas line from meter to new makeup air unit.
- Necessary equipment as detailed in the scope of work submitted by Tessendorf Mechanical Services, Inc. dated 1/24/2017

Staff reviewed the improvements and found that they are within the eligible scope of the program. The total cost of the improvements is \$54,388.00 and the City’s share will be the program maximum of \$25,000.

**Attachments (please list):**

DRAFT Commercial Corridor and Downtown Business Economic Incentive Award for 1650 W. Main Street (Nick Smith - Alexander’s Café)

**Recommendation/Suggested Action (briefly explain):**

Recommendation to Approve a Commercial Corridor and Downtown Business Economic Incentive Award for 1650 W. Main Street (Nick Smith – Alexander’s Café)

**City of St. Charles**

**Commercial Corridor and Downtown Business Economic Incentive Award Agreement**

1650 W. Main Street  
(Nick Smith - Alexander's Cafe)

**THIS AGREEMENT**, entered into this 15th day of May 2017, as authorized by Resolution No. \_\_\_\_\_ and approved by the City Council on May 15th, 2017, between the City of St. Charles, Illinois (hereinafter referred to as "CITY") and the following designated APPLICANT, to wit:

APPLICANT Name: **Nick Smith**

Address of Property to be Improved: **1650 W. Main Street**

PIN Number(s): **09-28-377-012**

Property Owner's Name: **Nick Smith**

**WITNESSETH:**

**WHEREAS**, the CITY has established a **Commercial Corridor and Downtown Business Economic Incentive Award Program** to provide matching grants for permanent Building Improvements within the Commercial Corridor and Downtown Business Economic Incentive Program Boundary Area of the CITY as described in Exhibit I; and

**WHEREAS**, Nick Smith APPLICANT(S), desires to install related Building Improvements to the above-described property that are eligible for reimbursement under the Commercial Corridor and Downtown Business Economic Incentive Award; and

**WHEREAS**, said Commercial Corridor and Downtown Business Economic Incentive Program is administered by the CITY and is funded from the general fund for the purposes of improving the commercial building stock along the major commercial corridor and downtown area of the CITY and preventing blight and deterioration; and

**WHEREAS**, the above-described property for which the APPLICANT seeks a grant is located within the area eligible for participation in the Commercial Corridor and Downtown Business Economic Incentive Award Program.

**NOW, THEREFORE,** in consideration of the mutual covenants and agreements obtained herein, the CITY and the APPLICANT do hereby agree as follows:

**SECTION 1:** The APPLICANT understands and agrees that only the cost of eligible Building Improvements located on the parcels with the following PIN(s) 09-28-377-012, shall be considered reimbursable as described in Exhibit II. The CITY will reimburse the APPLICANT up to 50% of the cost of labor, materials and equipment necessary to install Building Improvements in accordance with the approved plans, specifications and cost estimates attached hereto as Exhibit “II” (the “Eligible Building Improvements Cost Estimate”), but in no event more than the maximum amounts as defined below:

Building Improvements cost: \$54,388.00      City’s Share @ 50% up to a maximum of \$25,000.00

Labor by the APPLICANT (“sweat equity”) is not a reimbursable expense. All Building Improvements shall be installed in accordance with approved building permit plans, subject to minor revisions as may be approved by a representative of the CITY due to field conditions not known at the time of design, and similar circumstances beyond the APPLICANT’s control.

**SECTION 2:** The Director of Community & Economic Development, or designee, shall inspect the Building Improvements installed pursuant to this Agreement and shall include any required permit inspections by the CITY. All work that is not in conformance with the approved plans and specifications shall be remedied by the APPLICANT and deficient or improper work shall be replaced and made to comply with the approved plans and specifications and the terms of this Agreement.

**SECTION 3:** Upon completion of the Building Improvements and upon their final inspection and approval by the Director of Community & Economic Development, or designee, the APPLICANT shall submit to the CITY a properly executed and notarized contractor statement showing the full cost of the Building Improvements as well as each separate component amount due

to the contractor and each and every subcontractor involved in furnishing labor, materials or equipment in the work. In addition, the APPLICANT shall submit to the CITY proof of payment of the contract cost pursuant to the contractor's statement and final lien waivers from all contractors and subcontractors. The CITY shall, within thirty (30) days of receipt of the contractor's statement, proof of payment and lien waivers, and "before" and "after" pictures of the property, reimburse the APPLICANT for the 50% of the actual construction and materials cost or the maximum amount specified in this Agreement, whichever is less.

At its sole discretion, CITY may reimburse APPLICANT in two payments. The first reimbursement may be made only

1) Upon completion of Building Improvements representing 40% or more of the maximum reimbursement specified in Section 1 hereof and,

2) Upon receipt by CITY of the all invoices, contractor's statements, proof of payment and notarized final lien waivers for the completed Building Improvements and,

3) Upon a determination by the Director of Community & Economic Development, or designee, that the remainder of the Building Improvements are expected to be delayed for thirty days or more following completion of the initial work due to weather, availability of materials, or other circumstances beyond the control of the APPLICANT. The second, final reimbursement payment shall be made by CITY only upon submittal of all necessary documents as described herein.

**SECTION 4:** All Building Improvements must be completed within 270 days after the approval of this Agreement. Extensions may be approved by the Director of Community & Economic Development, prior to the expiration of the said 270 days. Projects which have not received an extension and have not been completed within 270 days will not receive funding.

**SECTION 5:** If the APPLICANT or his contractor fails to complete the Building Improvements provided for herein in conformity with the approved plans and specifications and the terms of this Agreement, then upon written notice being given by the Director of Community & Economic Development to the APPLICANT, by certified mail to the address listed above, this Agreement shall terminate and the financial obligation on the part of the CITY shall cease and become null and void.

**SECTION 6:** Upon completion of the Building Improvements pursuant to this Agreement and for a period of five (5) years thereafter, the APPLICANT shall be responsible for properly maintaining such Building Improvements in finished form and without change or alteration thereto, as provided in this Agreement, and for the said period of five (5) years following completion of the construction thereof, the APPLICANT shall not enter into any Agreement or contract or take any other steps to alter, change or remove such Building Improvements, or the approved design thereof, nor shall APPLICANT undertake any other changes, by contract or otherwise, to the Building Improvements provided for in this Agreement unless such changes are first approved by the Director of Community & Economic Development, Designee, or City Council, whichever the case may be. Such approval shall not be unreasonably withheld if the proposed changes do not substantially alter the original design concept of the Building Improvements as specified in the plans, design drawings and specifications approved pursuant to this Agreement.

In the event that any of the Building Improvements are removed during the term of this agreement the APPLICANT and/or the Owner shall repay the CITY all grant funds received pursuant to this Agreement and shall pay any costs and fees including reasonable attorney's fees incurred by the CITY to collect said grant funds. The amount of repayment required to be paid by the APPLICANT and the OWNER shall be reduced by 20% for every full year that this Agreement has been in effect at the time of the required repayment.

If within the 5-year maintenance period improvement is damaged by automobiles, wildlife, acts of nature, or stolen or any other cause, the APPLICANT shall install and pay for replacements.

In the event of inadequate maintenance, the CITY shall give the owner reasonable notice of conditions to be corrected. In the event that substandard maintenance still exists after thirty (30) days, OWNER shall repay the CITY all grant funds received pursuant to this Agreement and pay all costs and fees, including attorney fees, of any legal action taken to enforce the maintenance of the Building Improvements.

**SECTION 7:** The APPLICANT covenants and agrees to indemnify and hold harmless the CITY and its officials, officers, employees and agents from and against, any and all losses, claims, damages, liabilities or expenses, of every conceivable kind, character and nature whatsoever arising

out of, resulting from or in any way connected with directly or indirectly with the Commercial Corridor and Downtown Business Economic Incentive Award(s) which are the subject of this Agreement. The APPLICANT further covenants and agrees to pay for or reimburse the CITY and its officials, officers, employees and agents for any and all costs, reasonable attorneys' fees, liabilities or expenses incurred in connection with investigating, defending against or otherwise in connection with any such losses, claims, damages, liabilities, or causes of action. The CITY shall have the right to select legal counsel and to approve any settlement in connection with such losses, claims, damages, liabilities, or causes of action. The provisions of this section shall survive the completion of said building improvement(s).

**SECTION 8:** Nothing herein is intended to limit, restrict or prohibit the APPLICANT from undertaking any other work in or about the subject premises, which is unrelated to the Building Improvements provided for in this Agreement.

**SECTION 9:** This Agreement shall be binding upon the CITY and upon the APPLICANT and its successors and assigns with respect to the property on which the Building Improvements are installed, for a period of five (5) years from and after the date of completion and approval of the building improvement provided for herein. It shall be the responsibility of the APPLICANT to inform subsequent owners and lessees of the provisions of this Agreement.

IN WITNESS THEREOF, the parties hereto have executed this Agreement on the date first appearing above.

**APPLICANT**

**PROPERTY OWNER**  
(if different from APPLICANT)

\_\_\_\_\_

\_\_\_\_\_

**CITY OF ST. CHARLES:** \_\_\_\_\_

**Mayor or Director of Community & Economic Development**

**ATTEST:** \_\_\_\_\_

**City Clerk**

Applicant contact information:

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Property Owner's information, if different than applicant:

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

## **Exhibit I**

Map of the Downtown Economic Incentive Program Eligible Properties Boundary

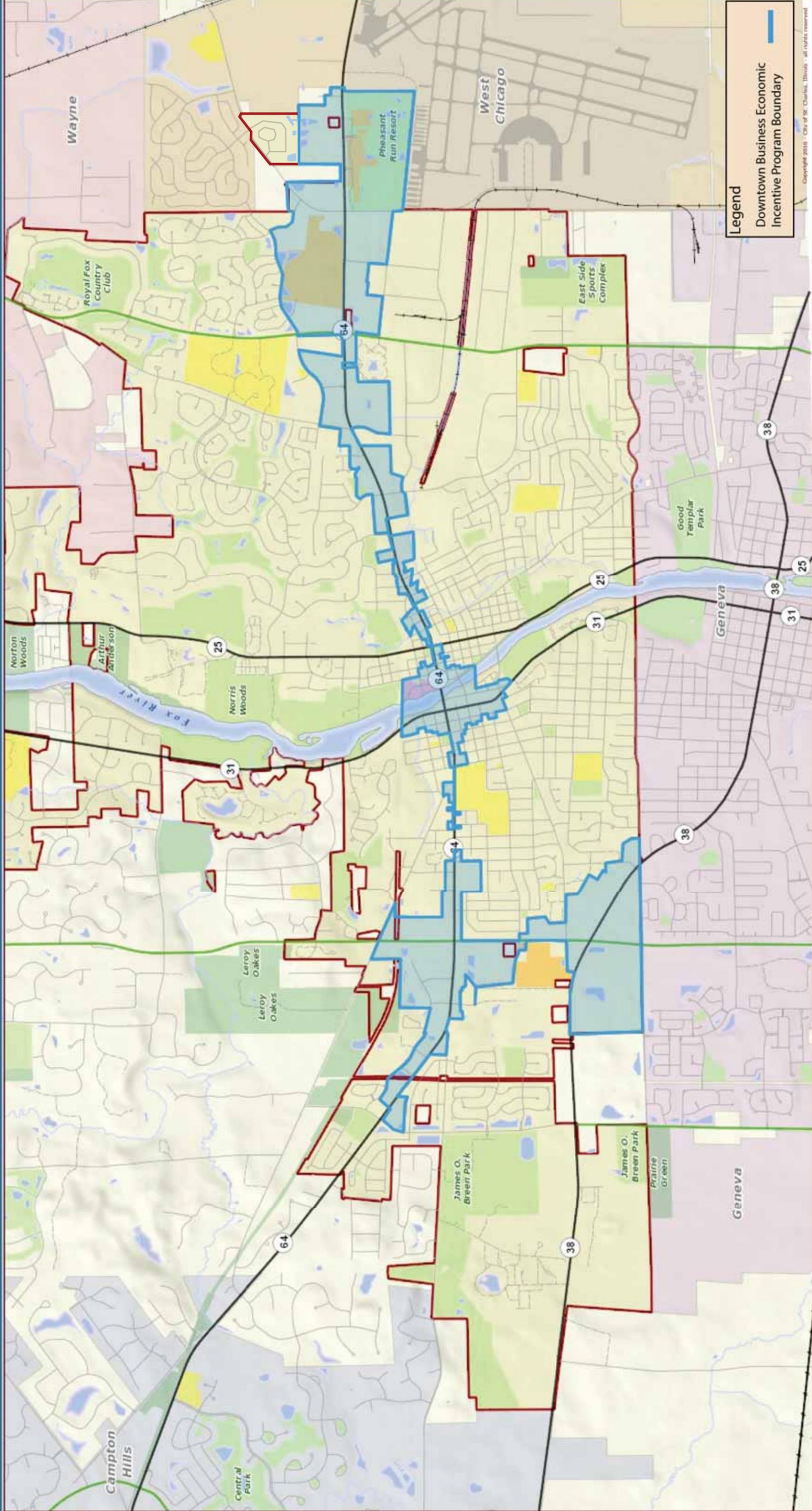


City of St. Charles, Illinois

Two East Main Street St. Charles, IL 60174-1984  
Phone: 630-377-4400 Fax: 630-377-4440 www.stcharlesil.gov

# Precision GIS

RAYMOND ROGINA Mayor  
MARK KOENEN City Administrator



**Legend**  
 Downtown Business Economic Incentive Program Boundary

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Data Source:  
 City of St. Charles, Illinois  
 Kane County, Illinois  
 DuPage County, Illinois  
 Coordinate System: Illinois State Plane - South  
 Projection: Transverse Mercator  
 North American Datum 1983  
 Printed On: May 2, 2018 02:17



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Approved by Resolution 028

## **Exhibit II**

Eligible Interior Building Improvements Cost Estimate



- HEATING
- AIR CONDITIONING
- PROCESS PIPING
- SHEET METAL
- PLUMBING
- REFRIGERATION

45 CENTER DRIVE  
GILBERTS, ILLINOIS 60136  
(847) 426-7524  
FAX: (847) 426-6234

January 24, 2017

Bob Karas

Alexander's Restaurant

1650 W. Main St

St. Charles, IL 60174

Re: Make Up Air

Dear Bob,

Tessendorf Mechanical is pleased to provide you with the following estimate to replace your existing make up air unit with a new CaptiveAire 10,000 cfm direct fired heated make up air unit. This unit includes the following.

### **Scope of Work**

Tessendorf Mechanical is pleased to provide you with these recommendations based on our study of your facility. We will reduce hood exhaust to code required per hood. Replace existing non-heated make up air unit with a new direct fired, full modulating, make up air unit sized at 10,000 cfm. Revise kitchen make up air by removing supply air that is currently going into each hood and distribute the air throughout the kitchen. If necessary to use existing supply air into hoods we will supply 25% of existing supply air for hood exhaust.

Our new supply air requirement would allow for proper exhaust of all kitchen hoods and dishwasher. Exhaust listed below are new air requirements.

2 kitchen hoods  $400 \text{ cfm/lf} \times 9' = 3,600 \text{ cfm}$  for a total of 7,200 cfm

1 kitchen hood  $300 \text{ cfm/lf} \times 6' = 1,800 \text{ cfm}$

1 dishwasher exhaust 600cfm

Total exhaust is 9,600 cfm

Re balance existing exhaust fans to new required cfm's. Set each existing Rooftop unit for minimum outside air of 10 to 20 percent. This will provide air to bathroom exhaust fans and maintain positive air pressure in dining area vs kitchen.

This includes reworking the supply ductwork in the kitchen. Also includes new 2" gas line from meter to new makeup air unit.

### **Equipment Proposed**

Direct Gas Fired Heated Make Up Air Unit with 20" Blower and 24" Burner Supply Fan handles 10000 CFM @ 0.500" wc ESP, Fan runs at 614 RPM.

Heater supplies 864,000 BTUs. 80°F Temperature Rise. [Fuel: Natural Gas] Supply Motor: 10.000 HP, 3 Phase, 230 V, 60Hz, 24.4 FLA, ODP, Premium (E-Plus3) Eff. Down Discharge - Air Flow Right

- Sloped Filtered Intake for Size #5 Modular Heater. 55.81" Wide X 70.05" Long X 51.00" High. Includes 2" MV EZ Kleen Metal Mesh Filter.

- RTC Solutions • 40-90°F Discharge Temp Control • Remote Panel

- Gas Manifold for DF5 GM - BTU 0 - 1100000 - 7 in. w.c. - 14 in. w.c., No Insurance Requirement (ANSI), BV250-1212

- Cooling Interlock Relay. 24VAC Coil. 120V Contacts. Locks out burner circuit when AC is energized. x1

- Motorized Back Draft Damper 43" X 43" for Size 5 Standard & Modular Direct Fired Heaters w/Extended Shaft, Standard Galvanized Construction, 3/4" Rear Flange, AF120S Actuator Included

- Low Fire Start. Allows the burner circuit to energize when the modulation control is in a low fire position.

- Gas Pressure Gauge, 0-35", 2.5" Diameter, 1/4" Thread Size x1

- Gas Pressure Gauge, -5 to +15 Inches Wc., 2.5" Diameter, 1/4" Thread Size x1

- VAV (Variable-Air-Volume) Wiring Package for Commercial Fans. Building Static Pressure Variable Frequency Drive Control Included

- ESV752N02TXB - Variable Frequency Drive - 5 HP Max., 200/240 V, Three Phase, 29.0 A Max., NEMA 1 Enclosure, (Default Shipped Loose for Field Installation) PART NEEDS PROGRAMMING

- VFD factory mounted and wired on unit control panel. x1

- Curb CRB42 x 20INS Insulated On Fan # 1 Flat Curb x1

- Rail RAIL-42" x 6" x 20"H On Fan # 1 x

**Estimated Cost \$54,388.00**

Prices include parts, ductwork, shipping, taxes, crane, roof patching and labor. Also includes 2" gas line on outside of building from meter to make up air.

Does not include any gas pressure upgrades that might be need to handle the extra btu's. Sizing to be determined by NiCor.

Permits and fees not included

We are working with Nicor to see if there will be any available rebates for this job.

Please let me know if you have any questions or would like us to schedule the install

Respectfully,

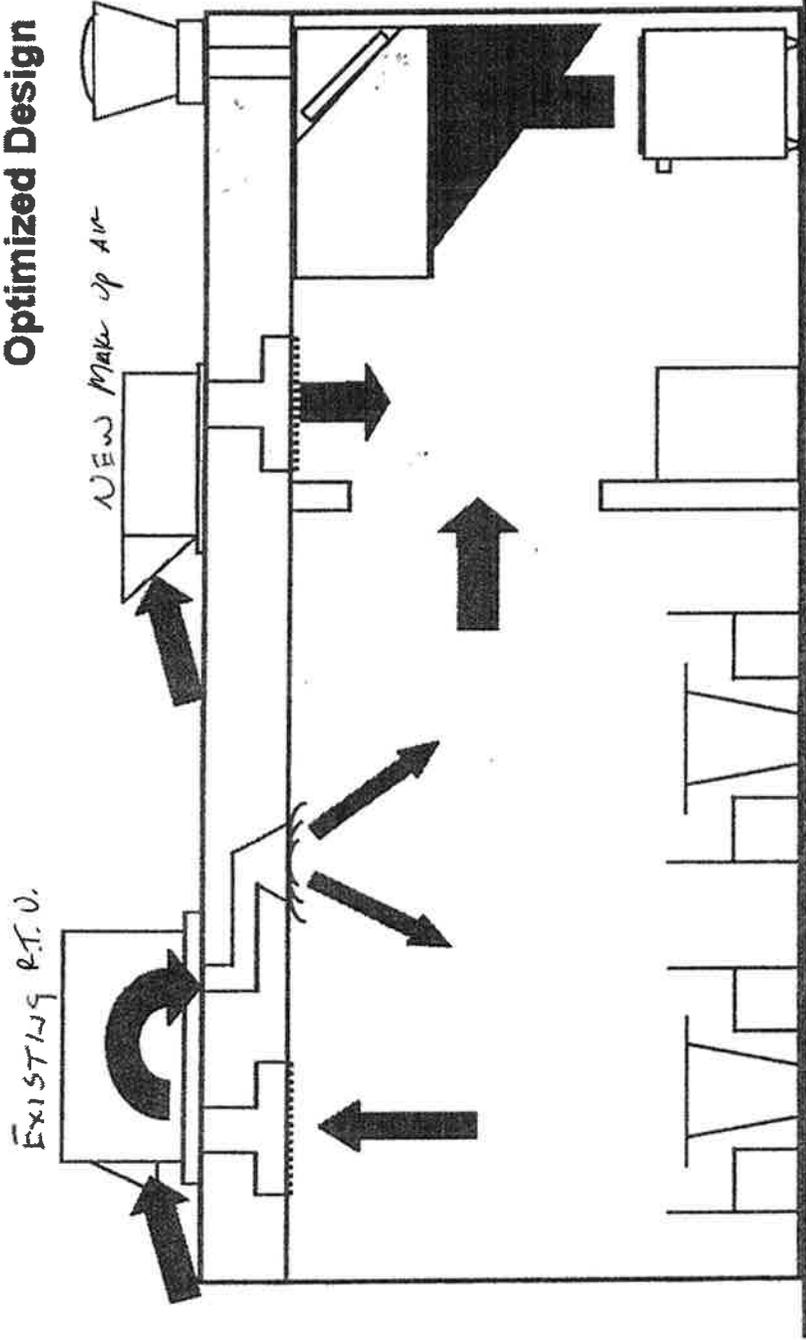
*Steve Kramer*

Operations Manager

[stevek@tessendorfmechanical.com](mailto:stevek@tessendorfmechanical.com)

ALEXANDER'S CAFE - ST CHARLES

Optimized Design



**Exhibit III**

Checklist for Eligible Improvements & Reimbursements

1650 W. Main Street Nick Smith (Alexander's Cafe)

Improvement Item	Estimated Cost	Work Completed (Yes/No)	Money Spent per Final submittal	Amount Reimbursed
Re balance existing exhaust fans to new required cfm's. Set each existing Rooftop unit for minimum outside air of 10 to 20 percent. This includes reworking the supply ductwork in the kitchen. Also includes new 2" gas line from meter to new makeup air unit.	-			
Direct Gas Fired Heated Make Up Air Unit with 20" Blower and 24" Burner Supply Fan	-			
Premium (E-Plus3) Eff. Down Discharge	-			
Sloped Filtered Intake for Size #5 Modular Heater.	-			
RTC Solutions 40-90°F Discharge Temp Control Remote Panel	-			
Gas Manifold for DF5 GM	-			
Cooling Interlock Relay. Motorized Back Draft Damper 43" X 43" for Size 5 Standard & Modular Direct Fired Heaters w/Extended Shaft	-			
Low Fire Start. Allows the burner circuit to energize when the modulation control is in a low fire position	-			
VAV (Variable-Air-Volume) Wiring Package for Commercial Fans. Building Static Pressure Variable Frequency Drive Control Included	-			
ESV752N02TXB - Variable Frequency Drive	-			
VFD factory mounted and wired on unit control panel	-			
<b>Total HVAC Improvement Cost</b>	<b>\$ 54,388.00</b>			