

**Minutes
December 10th, 2018
Village of Bartlett
Economic Development Commission**

1) Call to Order

G. Kubaszko called the meeting to order at 7:00 pm.

2) Roll Call

Present: S. Gandsey, C. Green, A. Lewensky, N. Gudenkauf, R. Perri, G. Kubaszko

Absent: D. Gunsteen, T. Smodilla, J. LaPorte

**Also Present: T. Fradin, Economic Development Coordinator;
S. Skrycki, Assistant Village Administrator
J. Dienberg, Administrative Intern
John Castilla, Petitioner**

3) Approval of Minutes

A motion was made to approve the minutes from the November 12th meeting.

Motioned by: R. Perri

Seconded by: C. Green

Motion Carried

4) Bartlett Tap BEDA Application

T. Fradin shared with the commissioners the details of the project occurring at the Bartlett Tap. The building located at 113 Railroad Avenue has long been utilized as a bar and grill, from the long-standing Bartlett Tavern & Grill, often referred to as "The Tap" or "The Bartlett Tap" to Papa Pacino's and, most recently, Platform 18.

As indicated on the attached application, the building was originally utilized as a bar since circa 1884.

The last business closed in March 2017 and the building fell into foreclosure, bank receivership and disrepair. Many of the building's systems and fixtures had not been updated for years or, in some cases, decades.

Itasca Bank put the property on the market approximately a year ago, resulting in Chicago real estate investor Junior Anderson's purchase of it in late February.

Mr. Anderson showed the building to numerous potential operators, with Village staff having met with approximately eight. Multiple operators were pursuing the space when Mr. Anderson entered into a lease agreement with John Castilla this past July.

Staff has met with and worked closely with Mr. Castilla these past months in an effort to encourage and assist him with the successful re-opening of the Bartlett Tap including discussing the building's history, Mr. Castilla's concept, code upgrades and the Village's development process.

We alerted all potential operators, as well as Mr. Anderson, about the newly created BEDA program in an effort to assist a new operator in making significant improvements to this property to help make it more successful.

In his BEDA application, John Castilla provides a detailed report on his background, his extensive education and his background working in his parents' restaurant and bar in South Bend while growing up.

As his introductory letter states, he has been very diligent and upbeat while working hard to restore this building to the state that it once was and that area residents want it to be once more.

Acknowledging the historic nature of the building, Mr. Castilla has been working with Museum Director Pam Rohleder in terms of obtaining historical photos and striving to reestablish the business with a nod to the Village's history.

Staff has toured the building while it was in receivership, with the investor Junior Anderson upon his purchase of it, and with several would-be operators prior to John Castilla, who were either unwilling or unable to take on an extensive restoration project.

As he writes in his letter, Staff can attest to the fact that there were many repairs required including broken fixtures, mold to be removed, outdated wiring, plumbing and appliances. The walk-in cooler was not functional and most of the cooking-related items required extensive cleaning, repairs or replacement.

The fire suppression system was also outdated and had to be replaced.

All told, Mr. Castilla has detailed \$132,507 in expenditures to bring this building up to current Code and in working order so that it may once again contribute to the Village's drinking and dining options as well as contributing to the strong sense of community that will help make downtown Bartlett stronger with another great venue.

Note that Mr. Castilla's expenditure increased since he submitted the original application by \$8,000 in electrical upgrades required for the electrical box.

Many aspects of the Village's Strategic Plan and the EDC's 2016-2020 Marketing Plan reference attracting business and investment into the Downtown and throughout the Village. Three of the items in the Strategic Plan include:

- Develop a business recruitment strategy to attract developers to invest in the downtown area and provide options for businesses to locate to Bartlett.
- Work to improve retail business profile in the Village.
- Revisit, refine and execute the Village's overall economic development incentives.

One of the key items in the Village's overall Strategic Plan is to develop strategies for the development of Railroad Avenue vacancies, which at the time also included the adjacent former Lucky Jack's property to the west.

The BEDA program was enacted to provide financial incentives to attract tenants to challenging vacant spaces while enhancing the Village's sales tax receipts and increasing employment opportunities. It allows the Village to facilitate development and redevelopment deemed in its best interest by leveraging private investment by providing partial financing for economic development projects.

This property, vacant and in need of significant repair, was the type of project we anticipated the BEDA program to assist.

Mr. Castilla has requested the maximum BEDA grant amount of \$50,000 for his project. This is the fourth application this fiscal year, which was funded with \$150,000. Mr. Rafidia's application for Bartlett Plaza (\$50,000), Mr. Tantuwaya's application for Indian Express (\$25,000) and Mr. and Mrs. Nookala's application for Siri Indian Grocery (\$15,000) have committed \$90,000 so far, leaving \$60,000 to allocate through the end of the current fiscal year.

Thus, staff is recommending a BEDA grant amount of \$35,000 to John Castilla, subject to documentation of completing the numerous upgrades as detailed in his application and once the new Bartlett Tap meets all current Building and Fire Code requirements and passes final inspection.

A \$35,000 grant amounts to 26% of the project cost for upgrading 113 W. Railroad Avenue and would leave \$25,000 to allocate within the next four months in the hope of attracting another sales tax producing business to the Village or assisting a current business with its expansion.

Mr. Fradin also walked the commissioners through the items submitted by the petitioner that were included in the meeting packet. He then gave the floor to Mr. Castilla to answer any questions.

A. Lewensky asked Mr. Fradin if there was a cap for projects outside of the \$50,000 in terms of a total percentage that the grant would apply to an individual project.

T. Fradin stated that the maximum amount of a project that would be funded is 50%.

C. Green asked if there are more potential BEDA applicants, as well as what will happen to the money if it is not all used by the end of the fiscal year. She expressed that often in a business budget if you do not spend the funds, you will not receive those funds the next year.

T. Fradin stated that there are more prospective applicants that staff has been trying to attract to the community. Mr. Fradin added that it has not been determined what will be done with

any potential leftover funds, but stated that they typically would not roll them over. He added that if this one is passed at the recommended amount, there would be \$25,000 left in the BEDA program. He expressed that staff is foreseeing even larger applicants looming in the next fiscal year, hoping that will encourage the expansion of the program, and is optimistic that the budget will not be trimmed even if they do not use the funds.

S. Skrycki stated that if the budget is ever cut for the BEDA program that it will be done as a cost saving measure, not because it fell under-budget in the previous year.

J. Castilla introduced himself to the commissioners as well as his associates as well as the roles they play with the Bartlett Tap. He expressed enthusiasm about the future of his business. He shared that in addition to his associates he has received a groundswell of support from the Bartlett community, the Village staff, and friends and family. He stated that he receives 10-50 emails a week inquiring about an opening date, job applications events and more. He also expressed the joy that he has had learning the history of the site from residents, potential job applicants, and the Village's Museum Director. Around every turn of renovation, they find pieces of the building's history. He stated that he has remained extremely busy throughout this renovation process that he has had difficulty to even put his BEDA application together. He stated that the building was purchased as a foreclosure as is, adding that his BEDA does not include work done to the foundation, roof, etc. but that he knew he had more than enough included to qualify for the program. Mr. Castilla spoke positively and optimistically about the work that he had done so far, and asked the commissioners if they had any questions about himself, his vision, or the estimates he had in front of them. He also added that he currently has a preliminary menu that he is still tweaking, adding that he wants a menu to be proud of, having not just bar food with a real chef. He cited that 25-45% of a town's residents goes 5 miles outside their own dwelling to eat. Mr. Castilla posed the question of "Why?" and went on to say that he wanted to be a place that not only keeps residents in town, but draws outsiders into town because of the high quality menu.

Mr. Castilla stated that he does not live in Bartlett, but after the work he has put in and gotten to know the community, that he also has plans to relocate his family into the Village.

A. Lewensky congratulated Mr. Castilla on the work he has already done, and is happy to see the building opening back up. He stated that he was not wild about the façade that was chosen for the front of the building, and is concerned because the building is in a way the "face" of the downtown. He asked that with the gaming license, where they were going to put the gaming when open.

J. Castilla stated that they are, by compliance by the Illinois Gaming Association, visible from the bar; however they are not visible from the front window. He added that they are also building a half wall to further separate them. Mr. Castilla also added that he doesn't want any neon signs in his window, as he loves the "B" logo. He added that he found the logo from a photo from 1928.

A. Lewensky stated that he is glad that Mr. Castilla is mindful of the optics of the gaming, and was hoping that there were no signs outside advertising slots to be the first thing people see when getting off the train.

N. Gudenkauf stated that she was extremely excited to see the sign be put up early. She added that it was very smart to create a buzz in the community before they are even open. She added that his passion was evident.

A. Lewensky asked when he planned to open.

J. Castilla responded that he is shooting for around the Super Bowl, but is happy if he is open by St. Patrick's Day. The only constraints to the date he stated were dollars and time. Many of his expenses at this point were unforeseen, and added that he wanted to make sure everything was done the right way.

S. Skrycki added that many other business owners often cut corners, and added that Mr. Castilla always does it the right way and spends the money to do it under compliance. He also added that staff has appreciated that attitude.

A. Lewensky asked how many people he would employ.

J. Castilla stated that it would be no less than 10, and no more than 20.

C. Green complimented Mr. Castilla for respecting the history of the building. She asked if he was keeping the original bar and what about it, if anything, was being changed.

J. Castilla stated that the original back bar was the first thing he worked on. He stated that the pillars on it were sanded down and discovered that it was made with tiger grain, which is extremely expensive, durable and beautiful. Both the pillars and the back bar remained with that material. He kept the original mirrors also. The front bar had been previously replaced by a granite countertop, and was not salvageable. Other than the front bar, everything else is original.

S. Gandsey complimented Mr. Castilla on having a marketing team put together a marketing team, calling it "refreshing". She added that that was a previous issue with previous owners. She also asked if he owns any other bars currently

J. Castilla stated that he has found a lot of success in their marketing. He invited the commissioners to visit the site at bartlett-tap.com. He added that there are not a lot of pictures now because he wants customers to have the "wow effect" when they come in for the first time. He stated that he doesn't own any other bars now, but adds that he has grown up in the business.

C. Green asked if he was doing any work to the upstairs.

J. Castilla stated that his lease was only for the downstairs. He added that he would like to one day potentially have an office in the front part of the upstairs, but not at this time.

R. Perri applauded Mr. Castilla's excitement. He asked how he planned to avoid repeating the failures that the site has had in the past, as well as his end plan with the site.

J. Castilla stated that failure is not an option to him. He also stated that he has no exit plan. At this point, this is a venture that he is in for the long haul. He added that he believes part of previous failures was marketing and the name change.

One of Mr. Castilla's associates spoke to the buzz that they have been seeing not only in Bartlett, but in surrounding communities. His team was focused on proper marketing and being sure to get the word out and communicate with the community.

S. Gandsey asked who the target demographic was that they were trying to attract.

J. Castilla stated that he is trying to target and appeal to those 30-above. He is looking for a clientele that appreciates the menu, the ambience, and the décor. He added that he is looking for the scotch and martini drinkers.

A. Lewensky wished Mr. Castilla luck and said that if he does everything well and the right way, there is a real need in the community for it in the downtown.

S. Gandsey asked if the grant was per address or per petitioner.

T. Fradin stated that is by the property's PIN number.

S. Skrycki added that the EDC will have an opportunity to tweak the program in the future heading into the next fiscal year.

C. Green made a motion to recommend awarding a \$35,000 BEDA grant to Bartlett Tap and that the application is forwarded to the Village Board. Second by N. Gudenkauf.

R. Perri wished Mr. Castilla the best of luck on this venture.

C. Green asked Mr. Castilla if he had hired a Chef yet.

J. Castilla stated that he has a preliminary chef he is bringing in from Indianapolis, but it is not yet final. He still has four remaining candidates.

S. Gandsey asked if he has TV's.

J. Castilla stated that he has 7. He wants to find a balance between not having to turn your head to see a screen, but not taking away from the décor.

5) New Business/Public Comment

T. Fradin informed the commissioners that the first BEDA applicant, Siri Indian Express, and Derrick Dermatology have opened, both in Westgate Commons.

R. Perri asked about the BEDA grant for Bartlett Plaza

T. Fradin stated that Mr. Rafidia has had some requests of the Village. His BEDA grant was approved by the Village Board, and he will be also asking the board for further incentives as well

as for specific land uses for the next Village Board Meeting. He stated that nothing is yet a done deal and that it is still in progress.

C. Green asked when the board packet is posted.

S. Skrycki stated that it is posted on Wednesdays.

6) Adjournment

A motion was made to adjourn the meeting.

Motioned by: R. Perri

Seconded by: N. Gudenkauf

Motion Carried. The Meeting Adjourned at 8:07 PM