

040521

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda

Resolution or Ordinance (Blue) _____ *Waiver of First Requested*
X Recommendations of Boards, Commissions & Committees (Green)
Other Business (Pink)

TO: PRESIDENT AND BOARD OF TRUSTEES
FROM: William T. Lichter, Village Manager
DATE: December 10, 2002 (COW)(B of T) December 19, 2002
TITLE: Recommendation on the DuPage Theater Pledge Report
SUBMITTED BY: Leonard J. Flood, Director of Finance

BACKGROUND/POLICY IMPLICATIONS:

At the September 29, 2004, Finance Committee meeting, the committee reviewed the DuPage Theater Pledge Report and various other financial information on the project, including the DuPage Theater Foundation Treasurer's Report as of August 31, 2004 and the DuPage Theater Donation Account Report as of August 31, 2004. Copies of the information provided to the committee are attached.

Representatives from the DuPage Theater Foundation attended and spoke at the meeting along with other individuals associated with the project. A copy of the draft minutes of the September 29, 2004, Finance Committee Meeting are attached for your review. The Finance Committee will be meeting on Tuesday, October 19, 2004 to approve these minutes and as such are subject to change. As indicated in the minutes of the meeting the discussion of the subject was extensive and broad in scope.

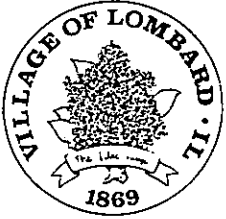
At that meeting the Finance Committee unanimously approved a motion recommending to the Village Board that the sale of the South lot be delayed until the provisions of Ordinance 5315 are met and contracts for Phase I and II are signed in accordance with the provisions of that ordinance. Further discussion followed.

The recommendation of the Finance Committee is submitted for Village Board consideration at this time. At an upcoming meeting, the Village Board will be requested to approve the grant agreement for the Save Our Treasures Grant that the Village and the Foundation have received for the project.

Review (as necessary):

Village Attorney X _____ Date _____
Finance Director X Leonard J. Flood Date 10/13/04
Village Manager X William T. Lichter Date 10/14/04

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 noon, Wednesday, prior to the Agenda Distribution.



To: Finance Committee

From: William T. Lichter, Village Manager *WTL*
Leonard J. Flood, Director of Finance *LJF*

Date: September 16, 2004

Subject: DuPage Theatre Foundation Pledge Report Dated August 31, 2004

The information in this memorandum relates to the DuPage Theatre Foundation Pledge Report dated August 31, 2004 (Attachment A). It should be noted that the Pledge Report is not a balance sheet on the financial condition of the DuPage Theatre Foundation. For that, one needs to rely on the financial statements submitted by the Treasurer of the Foundation. The August 31, 2004 Treasurer's Report is attached (Attachment B). It is a cumulative report that shows the Foundation's financial position from September 15, 2003 through August 31, 2004.

As indicated in the Treasurer's Report, during that period of time, the Foundation has received \$164,468.35 in revenue of which \$122,531.17 was from the Village of Lombard TIF Fund (\$100,000) and parking revenue from the DuPage Theatre lot (\$22,531.17). The Foundation reported a current available cash balance of \$108,598.06 on its financial statements as of August 31, 2004.

In addition to the aforementioned funds, the Village currently maintains the DuPage Theatre Restoration Account that includes the balance of funds remaining from the fundraising efforts of the former Ad Hoc DuPage Theatre Committee. A copy of the August 31, 2004 report on the financial status of that account is included as Attachment C. The balance remaining in that account for the period ending August 31, 2004 is \$14,809.43, of which \$296.49 is money that may be used for general purposes (soft money) and \$14,512.94 is money that is to be used for construction related purposes (hard money). The combined total of the monies held by the Foundation and the Village totals \$123,407.49.

What follows specifically addresses the August 31, 2004 DuPage Theatre Foundation Pledge Report. The Pledge Report reflects three columns of data for each funding source – Amount Pledged, Amount Received, and Amount Receivable. The report reflects only the revenue side of the balance sheet and does not reflect the expenditure of funds received.

PRIVATE SOURCES

Private Sources – Individuals and Groups

1. Individuals – Cash Donations: The amount shown as received (\$25,114.00) in the Pledge Report is \$2,500 higher than the amount shown in Treasurer's Report. According to the Foundation, the difference is West Suburban Bank's sponsorship of the Ides of March Concert that was deposited into a Friends of the DuPage special events account to provide a full accounting of funds received for the band. It is not double counted in the contributions shown as being received by the Foundation from the Friends of the DuPage.
2. Friends of the DuPage, Ltd. 06/04: The amount shown as received (\$19,000.00) in the Pledge Report agrees with the amount shown in the latest Treasurer's Report. No additional comment.
3. Lombard Restoration Fund (DuPage Theater Restoration Account): In March 2001, the Village of Lombard established this account for the purpose of accounting for monies collected by the Village for the renovation of the theater on behalf of the former Ad Hoc DuPage Theater Committee. The amount shown as received (\$94,250.58) reflects the total amount of pledges received by the Village since March 2001 on behalf of the Ad Hoc Committee including interest on those funds. Any funds remaining in this account after the work of the Ad Hoc Committee ended was made available to the DuPage Theater Foundation. As previously indicated the balance remaining in the account as of August 31, 2004 is \$14,809.43.

Private Sources – Corporate

1. Developer-South Lot, RSC Associates LLC: Our understanding is that this amount would be a contribution from RSC Associates LLC, should that firm be awarded a contract by the Village of Lombard to develop the lot located to the south of the DuPage Theatre. In February 2003, RSC & Associates, in conjunction with Daniel P. Coffey & Associates, was among several firms submitting a development proposal to the Village in response to a Request for Proposal regarding the DuPage Theatre & Shops south lot site. At this time, the Board of Trustees has made no decision on disposition of the south lot site.
2. Corporate chair sales: No additional comments.

3. Gifts in kind: No additional comments.
4. The Alter Group-Construction management fee: This reflects the value of construction management services to be donated by The Alter Group. This donation of services may reduce the overall cost of the project.

PUBLIC SOURCES

Public Sources – Federal

1. Save Our Treasures Grant: In November 2003, we were advised that the Village had been awarded the Save Our Treasures grant in the amount of \$296,303 by the National Park Service for architectural services and site work on the DuPage Theater project. The funds are yet to be received. The grant agreement was executed by the DuPage Theatre Foundation in February 2004 but still requires approval of the Board of Trustees. What follows are several provisions of the grant Agreement:
 - The term of the availability of the grant funds is October 1, 2003 through September 30, 2005.
 - There is a requirement that \$298,000 in matching funds be used during the grant period.
 - The approved summary of objectives and results to be performed with this grant is as follows: restoration of the ground floor shops, roof, marquee and egress of the DuPage Theater.
 - Competitive bidding and award of contract is required under the terms of the grant agreement.
 - The National Historic Preservation Act requires that the grantee (the Village) assume, after completion of the project, the total cost of continued maintenance, repair and administration of the grant-assisted property in a manner satisfactory to the Secretary of the Interior.
 - The Village must also grant a preservation easement to the Illinois Historic Preservation Agency. The term of the preservation easement is 50 years from the end date of the Grant Agreement (September 30, 2005). The easement must be recorded on the deed to the property. The easement would require that any changes to the building in the next 50 years be approved by the Illinois Historic Preservation agency.

Attachment D is a complete copy of the Grant Agreement.

2. The Pledge Report anticipates \$1,140,800 will become available for the project from Historic Preservation Tax Credits. In a conference call with Jerry Dempsey of Klein, Thorpe & Jenkins and Greg Dalgren, an attorney with the firm of Piper Rudnick, who has been answering questions for the DuPage Theater Foundation on the subject, we have been able to obtain the following information.
 - Tax credits are available only to entities that pay federal taxes. Since both the Village and the Foundation are tax-exempt entities, a Limited Liability Partnership (LLP) would have to be formed. The LLP would have ownership interests in the property.
 - The Village would grant a lease to the Foundation for a period of at least 50 years in order for the LLP to be eligible to receive the tax credits. However, language may be incorporated that would reduce the term of the lease agreement after all the tax credits have expired.
 - Either major corporations or banks purchase most tax credits.
 - Special provisions of the IRS Code allow these credits to be phased in over a period of 60 months based on when each phase of the renovation is completed and placed into service.
 - Since there is a high degree of risk to the investors, purchasers of the tax credits will look at the financial viability of the project similar to any lender, including the business plan.
 - The credits run for a period of 5 years. If during that five-year period the project is not completed or fails, the investors would have recapture rights to the funds they have invested.

Public Sources – State

1. Illinois First Grant: The Village was advised in August 2002 that a \$1,000,000 Illinois First grant had been secured for the DuPage Theatre project. To date, the grant funds have not been received.

Public Sources – Municipal

1. TIF-Theatre: The Village has pledged \$1,000,000 in TIF funds for the DuPage Theatre project of which \$100,000 has already been paid. Pursuant to Ordinance 5315 (Attachment E), the remaining \$900,000 is to be provided by the Village upon the DuPage Theatre Foundation's execution of the contracts for Phase I and Phase II work. In accordance with the Redevelopment Agreement, the Foundation is to enter into those contracts no later than December 1, 2004 with the completion date for construction being December 31, 2005. Pursuant to the Redevelopment Agreement,

the Village will pay the contractors directly, subject to receipt of the required documentation as work progresses. The Foundation is required to follow the Village's purchasing policies and procedures for issuing the construction contract(s). In addition, The Foundation must not enter into contracts that would result in mechanic's liens to be filed in relation to the project.

2. Sale of South Lot: As indicated in the Pledge Report, sale of this property is subject to approval by the Village Board.
3. TIF-South Lot: This item refers to the receipt of TIF revenue generated by any new development on the south lot site. As indicated in the Pledge Report, this revenue source is subject to approval by the Village Board. If approved by the Village Board, TIF revenue bonds may need to be sold in anticipation of receiving future TIF revenue if the money is needed for construction of the project before its completion.

INCOME

1. Parking Revenue: Pursuant to Ordinance 5315, the Village has pledged commuter parking revenues generated by the adjacent parking lot subject to retention by the Village of sufficient funds to reimburse the Village for its costs in maintaining the lot. The amount listed in the Treasurer's report is \$22,444.27, which is \$2,444.27 higher than the amount listed in the Pledge Report (\$20,086.90). This is because receipts that the Foundation will receive in September for August parking are included as accrued revenue for purposes of the Treasurer's Report.
2. Restaurant/Retail lease (one year): The Pledge Report bases this income on leasing 6,000 square feet of commercial space at \$17 per square foot.

Of total of \$258,451.48 shown in the Pledge Report as being received by the Foundation, \$135,043.99 has been spent to date. The difference reduces the amount of revenue currently available to fund the project down to \$123,407.49, the cash levels reflected in the Foundation Treasurer's Report and the DuPage Theater Restoration Account Report.

We will be in attendance at the Finance Committee meeting of September 29 to address any questions or comments.

- c. Village President
Board of Trustees
Department Heads
Tim Sexton, Assistant Director of Finance

**DuPage Theatre Foundation, Inc.
Pledge Report
August 31, 2004**

	Amount Pledged	Amount Received	Amount Receivable
PRIVATE SOURCES			
<u>Private Sources - Individuals and Groups</u>			
Individuals- Cash donations	93,000.00	25,114.00	67,886.00
Friends of the DuPage, Ltd. 6/04	20,000.00	19,000.00	1,000.00
Friends of the DuPage, Ltd. 7/04-6/05	25,000.00	-	25,000.00
Lombard Restoration Fund	94,250.58	94,250.58	-
<u>Private Sources - Corporate</u>			
Developer -South Lot-RSC Associates, LLC (1)	400,000.00	-	400,000.00
Corporate chair sales	3,000.00	-	3,000.00
Gifts in kind	5,240.61	-	5,240.61
The Alter Group-Construction mgmt fee	62,500.00	-	62,500.00
PRIVATE SOURCES TOTAL	702,991.19	138,364.58	564,626.61
PUBLIC SOURCES			
<u>Public Sources: Federal</u>			
Save Our Treasures Grant	296,303.00	-	296,303.00
Historic Tax Credits (2)	1,140,800.00	-	1,140,800.00
<u>Public Sources: State</u>			
Illinois First Grant (3)	1,000,000.00	-	1,000,000.00
<u>Pubic Sources: Municipal</u>			
TIF-Theatre	1,000,000.00	100,000.00	900,000.00
Sale of South Lot (4)	600,000.00	-	600,000.00
TIF-South Lot (4)	700,000.00	-	700,000.00
PUBLIC SOURCES TOTAL	4,737,103.00	100,000.00	4,637,103.00
INCOME			
Parking revenue, net (5)	42,086.90	20,086.90	22,000.00
Restaurant/retail lease (one year) (6)	102,000.00		102,000.00
INCOME TOTAL	144,086.90	20,086.90	124,000.00
Grand Total	5,584,181.09	258,451.48	5,325,729.61

(1) Subject to sale of south property

(2) \$6,200,000 expenditures * 20% tax credit * .92 funds per dollar . Pending legislation in Congress would increase the tax credit percentage to 25%, providing additional funds of \$285,200.

(3) Subject to release of funds by the Governor

(4) Subject to approval by the Village Board

(5) Estimate \$2,000 per mo. 8/04-6/05.

(6) \$17 per SF, net * 6,000 SF subject to lease by tenant

Exhibit B

**DuPage Theatre Foundation, Inc.
Treasurer's Report
August 31, 2004**

Revenue	<u>2003</u>	<u>2004</u>
Contributions- Friends of the DuPage	15,000.00	4,000.00
Contributions- TIF Funds	100,000.00	-
Contributions- Individuals	-	22,614.00
Contributions- Public Grants	-	-
Contributions- Private Foundations	-	-
Interest income	121.82	201.36
Parking revenue (net)	<u>3,945.62</u>	<u>18,585.55</u>
Total revenue	<u>119,067.44</u>	<u>45,400.91</u>
Expenses		
Fundraising expenses:		
Susan Peters Associates	16,975.00	3,025.00
Scanlon PR	-	2,000.00
Administrative assistant	<u>2,000.00</u>	<u>9,000.00</u>
Total fundraising exps.	<u>18,975.00</u>	<u>14,025.00</u>
Restoration expenditures:		
Construction escrow	-	-
Architect & engineering	-	3,000.00
Historic tax credits	-	<u>2,140.00</u>
	<u>-</u>	<u>5,140.00</u>
Operating expenses:		
D & O insurance	1,316.00	-
Worker's comp. insurance	354.24	-
Liability insurance	<u>5,824.00</u>	<u>5,346.00</u>
Total operating exps.	<u>7,494.24</u>	<u>5,346.00</u>
Administrative expenses:		
Illinois & 501(C)3 filing fees	515.00	20.00
Postage	104.26	107.44
Office expense	28.54	868.41
Telephone	-	261.68
Donors Forum, NPO, Exec Svc. Corp.	-	2,920.00
Bank charges	18.22	8.50
P.O. box	<u>38.00</u>	<u>-</u>
Total administrative exps.	<u>704.02</u>	<u>4,186.03</u>
Total expenses	<u>27,173.26</u>	<u>28,697.03</u>
Excess revenue over expenses		
	<u>2004</u>	16,703.88
	<u>2003</u>	<u>91,894.18</u>
Cumulative		<u>108,598.06</u>
Balance per bank		
8/31/2004 Savings		85,335.18
8/31/2004 Checking		<u>23,932.61</u>
		109,267.79
Less O/S checks:		
	148	1,000.00
	151	875.00
	152	580.41
	153	15.00
	154	1,000.00
	163	<u>3,000.00</u>
		(6,470.41)
Add Deposit in Transit:		
	9/1	1,800.68
	9/1	<u>4,000.00</u>
		5,800.68
Balance per books		<u>108,598.06</u>

DUPAGE THEATER RESTORATION ACCOUNT

August-04

PREVIOUS BALANCE:

Hard Donations - life to date	35,435.56	
Soft Donations - life to date	58,838.18	
Grant Revenue - life to date	125,000.00	
Grant Expenditures - life to date	(125,000.00)	
Expenditures - life to date (Soft)	(58,420.20)	
Expenditures - life to date (Hard)	(20,949.00)	
		14,904.54

REVENUES:**HARD DONATIONS**

Current Month's Receipts	0.00	
Current Month's Interest Allocation	26.38	
		26.38

SOFT DONATIONS

Current Month's Receipts	0.00	
Miscellaneous Items Sold	0.00	
		0.00

GRANT REVENUE

0.00

TOTAL REVENUES

26.38

EXPENDITURES:

DuPage Theater Lights-storage	(53.00)	
DuPage Theater telephone exp	(68.49)	
		(121.49)

GRANT EXPENDITURES

0.00

TOTAL EXPENDITURES

(121.49)

BALANCE

14,809.43

Soft Money Balance

296.49

Hard Money Balance

14,512.94



United States Department of the Interior

NATIONAL PARK SERVICE
1849 C Street, N.W.
Washington, D.C. 20240

IN REPLY REFER TO:

Grant Agreement No. 17-04-ML-0019

The Conference Committee Reports for Public Law 108-108 and Public Law 108-199 imposed across-the-board reductions in all Fiscal Year 2004 appropriated amounts. Accordingly, NPS has reduced the Federal share of this grant from \$300,000 to \$296,303 (for a reduction of 1.23219%). Upon signature of both parties below, the National Park Service (NPS) will have obligated with this Grant Agreement the amount of **\$296,303**. The term of this grant agreement is:

Beginning Date: October 1, 2003

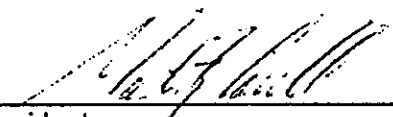
Ending Date: September 30, 2005

In accepting this grant, evidenced by signature below, the DuPage Theatre Foundation agrees to comply with Department of the Interior regulations and requirements governing Federal grants stipulated in Office of Management and Budget (OMB) Circular A-110 (Administrative Requirements for Grants and Cooperative Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations, see 43 CFR 12, Subpart F); Circular A-122 (Cost Principles for Non-Profit Institutions); and Circular A-133 (Audits of Institutions of Higher Education and other Non-Profits). These requirements are hereby incorporated by reference into this grant agreement. In accordance with 18 U.S.C. 1913, none of these funds may be used for lobbying purposes as defined in the special conditions contained on the following pages. These special conditions are also hereby incorporated into this grant award. The terms and conditions of this grant award shall be extended to subrecipients and subcontractors.

In witness thereof, the parties have executed this grant agreement as of the date entered below:

DUPAGE THEATRE FOUNDATION

NATIONAL PARK SERVICE



President



Chief, Grants Administration

February 18, 2004

Date signed

MAR 4 2004

Date signed

Attachments:

- Budget Changes/Special Grant Conditions
- 36 CFR 800 Protection of Historic Properties

Secretary of the Interior S. TAMM ARZUS

APPLICATION AND BUDGET CHANGES/SPECIAL CONDITIONS

GRANT NUMBER:	BEGINNING DATE:	ENDING DATE:
17-04-ML-0019	October 1, 2003	September 30, 2005

The terms of the grant award include the following special conditions necessary to obtain the objectives of the grant, facilitate administration of the grant, and to protect the interests of the Federal Government. Grantee noncompliance with these terms and conditions and the requirements of Office of Management and Budget (OMB) Circulars A-110 and A-122 will cause disallowance of costs incurred under the grant. In addition to other lawful remedies, in the event of noncompliance with any grant conditions, the grant may be suspended, terminated or annulled pursuant to OMB Circular A-110 (see 43 CFR 12.961 - 12.962).

The grantee shall not assign or otherwise transfer final responsibility for this Grant Agreement, the grant, or the project to any third party. The execution of subcontracts shall not alter or modify the obligations of the grantee. However, the grantee may subcontract for performance of project-related work summarized in this Grant Agreement. The grantee must administer this grant award free from conflict of interest, bribery, "kickbacks," cost-plus-a-percentage-of-costs contracts, and other procurement practices prohibited by 43 CFR 12.944.

Special Condition #1, Limitations on Grant Expenditures. The term of availability of these grant funds is from October 1, 2003, through September 30, 2005. All costs incurred must be billed to NPS by December 31, 2005. Expenses charged to this grant may not be incurred prior to the beginning date specified above, or subsequent to the grant end date specified above (unless the Grant Agreement's end date is formally extended in writing by NPS). Such expenditures may not exceed the maximum limits shown on this grant award, or amendments subsequently approved in writing by NPS. The grantee assumes fiscal liability, without recourse to NPS, for commitments that exceed the funds provided in the Grant Agreement.

Special Condition #2, Allowable Costs. All costs charged to the grant must be directly related to and necessary for the achievement of the approved objectives and budget of this grant, as specified in Grant Condition #15, below, unless an amendment is approved in writing by NPS. Expenses charged must be incurred only for eligible costs in accordance with OMB Circular A-110 and OMB Circular A-122; and supported by approved contracts, purchase orders, requisitions, bills, or other evidence of liability consistent with generally established purchasing procedures and generally accepted accounting principles.

Special Condition #3, Nonfederal Matching Share. At least \$298,000 in eligible nonfederal matching contributions that are allowable and properly documented in accordance with 43 CFR 12.923 must be used during the grant period to share the costs for this grant. (However, if less than \$300,000 in eligible non-Federal matching share is expended on the project, then an amendment request to revise the approved grant budget and scope of work must be submitted to NPS). Failure to use the required non-Federal matching share will result in the disallowance of costs reimbursed, and/or the deobligation of remaining unexpended funds. Failure to use the required nonfederal matching share will result in the disallowance of costs reimbursed, and/or the deobligation of remaining unexpended funds.

APPLICATION AND BUDGET CHANGES/SPECIAL CONDITIONS

GRANT NUMBER:	BEGINNING DATE:	ENDING DATE:
17-04-ML-0019	October 1, 2003	September 30, 2005

Special Condition #4, Fundraising Costs: In accordance with OMB Circular A-122, Attachment B, Item 19, costs of fundraising are not eligible costs chargeable to the grant for reimbursement or as eligible nonfederal matching share contributions.

Special Condition #5, Performance Reports. An acceptable Interim Progress Report must be submitted to NPS every six months during the grant period, with the initial Progress Report due not later than July 31, 2004, and the next report due not later than January 31, 2005. An acceptable Final Progress Report must be submitted by December 31, 2005. Failure to submit acceptable progress reports by the dates specified, and in the format prescribed by NPS, may result in suspension of funds or other action. NPS normally requires that the initial report must include several slides or 4X6 photographs showing the condition of the property prior to beginning project work, however, these photographs have already been submitted by the grantee; the final progress report must include slides or photographs showing the finished work.

The grantee agrees to maintain close liaison with the NPS Grant Awarding Official throughout the grant period. NPS reserves the right to request meetings, upon reasonable notice, with grantee project staff at intervals during the course of project work. The grantee agrees to promptly notify the NPS Grant Awarding Official should any of the following conditions become known to it:

- a) Problems, delays, or adverse conditions that will materially affect the ability of the grantee (or its subcontractors, if any) to attain project objectives, prevent the project from meeting planned timetables, or preclude the completion of approved work;
- b) The need for adjustment (revision) to the project budget; and
- c) The lack of nonfederal matching share to meet the amount required by this Grant Agreement.

Special Condition #6, Prior Approval Requirements. The grantee may not, without written approval by the NPS grant awarding official (that official whose signature/title appears on the grant award document, or his designee), make changes in the approved scope of work or budget that would substantively alter the approved scope of work (43 CFR 12.925).

Special Condition #7, Lobbying Prohibitions. Costs associated with activities or any form of communication designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation are unallowable as a charge to this grant. None of the funds awarded may be used to process any grant or contract documents which do not include the text of 18 U.S.C. 1913 prohibiting lobbying with appropriated funds. In accordance with Public Law 108-108 (the Fiscal Year 2004 Omnibus Appropriations Act which provides appropriations to the Department of the Interior), recipients shall not use any part of the appropriated funds for any activity or for the publication or distribution of literature that in any way tends to promote public support or opposition to any legislative proposal on which Congressional action is not complete.

APPLICATION AND BUDGET CHANGES/SPECIAL CONDITIONS

GRANT NUMBER:	BEGINNING DATE:	ENDING DATE:
17-04-ML-0019	October 1, 2003	September 30, 2005

Special Condition #8, Debarment and Suspension. In accordance with Executive Order 12549 "Debarment and Suspension" the grantee and its subgrantees must not make any award or permit any award (by subgrant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549.

Special Condition #9, Financial Audit. The grantee shall obtain an audit of grant expenditure records in accordance with OMB Circular A-133. Financial audits that include costs incurred for this grant (including nonfederal matching share) must be transmitted to the Federal Audit Clearinghouse, Data Preparation Division, U.S. Bureau of the Census, 1201 E. 10th Street, Jeffersonville, Indiana 47132. A reasonable proportion of the costs of an acceptable audit performed in accordance with OMB Circular A-133 may be charged to this grant.

Special Condition #10, Record Keeping. The grantee must maintain the property, personnel, financial, procurement and other records and accounts pertinent to the funds awarded by this grant in accordance with 43 CFR 12. The grantee, and its contractors will permit on-site inspections by NPS representatives, and will effectively require employees and board members to furnish such information as, in the judgment of NPS representatives, may be relevant to a question of compliance with grant conditions and directives on the effectiveness, legality and achievements of project work.

Special Condition #11, Access to Records. The Secretary of the Interior and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of financial or programmatic audit and examination to any books, documents, papers, and records of the grantee that are pertinent to the grant at all reasonable times during the period of retention provided for in 43 CFR 12.

Special Condition #12, Publicity and Press Releases: Press releases about this project must acknowledge the grant assistance provided by NPS and copies of the press releases must be provided to NPS. The grantee must transmit notice of any public ceremonies planned to publicize the project or its results in a timely enough manner so that NPS, Department of the Interior, Congressional or other Federal officials can attend if desired.

Special Condition #13, Publications. The grantee must include acknowledgment of NPS grant support and a nondiscrimination statement in all publications and videos assisted with grant monies and/or concerning NPS grant-supported activities. At least two copies of each publication and video concerning NPS grant-assisted activities, or published with NPS grant assistance, must be furnished to the NPS Grant Awarding Official within 30 calendar days of publication. All publications, including video and audio tapes, must contain the following disclaimer and acknowledgement of NPS support: "This material is based upon work assisted by a grant from the Department of the Interior, National Park Service. Any opinions, findings, and conclusions or recommendations expressed in this material are those of the author(s) and do not necessarily reflect the views of the Department of the Interior." All consultants hired by the grantee must be informed of this requirement. The National Park Service shall have a royalty-free right to republish any published material generated by this grant.

APPLICATION AND BUDGET CHANGES/SPECIAL CONDITIONS

GRANT NUMBER:	BEGINNING DATE:	ENDING DATE:
17-04-ML-0019	October 1, 2003	September 30, 2005

Special Condition #14, Method of Payment. An SF-270, *Request for Advance or Reimbursement*, must be faxed to the NPS Grant Awarding Official for approval of payment requests. After NPS has notified the grantee by fax or e-mail that the payment request is acceptable, the grantee can transmit the payment request on the SMARTLINK payment system. Payment of grant funds will then be made by SMARTLINK electronic transfer of funds to a specified bank account of the grantee.

Special Condition #15, Approved Budget and Scope of Work. The approved Summary of Objectives and Results to be performed with this grant award is as follows: restoration of the ground floor shops, roof, marquee and egress of the DuPage Theater in accordance with the *Secretary of the Interior's Standards for the Treatment of Historic Properties*.

The approved Work/Cost Budget is summarized as follows:

Consultant Fees	\$ 60,000
Construction/Conservation Materials	<u>\$538,000</u>
TOTAL GRANT (including nonfederal matching share)	\$598,000

Special Condition #16, Preagreement Costs. Any preagreement costs incurred must be approved in writing by NPS and authorized to be charged to this grant in accordance with OMB Circular A-122. Documentation of these preaward costs must be retained for review by the grantee's financial audit.

Special Condition #17, NPS Concurrence with Selection of Consultants. The grantee must submit resumes and responses to its Requests for Proposals, along with its justification for which consultant(s) it selects for grant-assisted work to the NPS Grant Awarding Official for concurrence by NPS. The consultant(s) must have the requisite experience and training in historic preservation to oversee the construction work to be performed and to manage this complex project. Contractors must be competitively selected.

Special Condition #18, NPS Review of Architectural Plans and Specifications. The grantee must submit plans and specifications to the National Park Service for its review and approval for compliance with the *Secretary of the Interior's Standards for the Treatment of Historic Properties*, and with the Conditions listed in this Grant Agreement prior to the beginning of grant-assisted repair work on the property.

Special Condition #19, Compliance with Section 106 of the National Historic Preservation Act. Pursuant to Section 106 of the Act, the grantee must complete the consultation process stipulated in the regulations issued by the Advisory Council for Historic Preservation in 36 CFR 800 prior to the commencement of construction work on the property. (Note that the grantee must also submit a copy of the State Historic Preservation Officer's written approval of the methodology or plan to be used for any archaeological testing or ground-breaking prior to conducting such testing or ground-breaking. The grantee must submit to the NPS' Grant Awarding Official copies of the following: 1) the letter by which the grantee initiates the consultation process with the State Historic Preservation Officer, 2) any written comments received from the SHPO in response to that request,

APPLICATION AND BUDGET CHANGES/SPECIAL CONDITIONS

GRANT NUMBER:	BEGINNING DATE:	ENDING DATE:
17-04-ML-0019	October 1, 2003	September 30, 2005

including any suggestions for modifying the project, and 3) the SHPO's written concurrence with the project as proposed or as modified. In the event that the grantee and the SHPO cannot reach agreement, the grantee must notify NPS in writing so that NPS may participate in the conclusion of the consultation process, including consulting with the Advisory Council as necessary.

Special Condition #20, Compliance with the Secretary of the Interior's Standards. All grant-assisted repair work will be reviewed by NPS to ensure that it meets the Secretary of the Interior's *Standards for the Treatment of Historic Properties*. Work that does not comply with these Standards in the judgment of NPS will not be reimbursed, and may cause the grant to be terminated and funds deobligated.

Special Condition #21, Requirement for Project Sign. The grantee must erect and maintain a project sign at the project site. This sign must: be of reasonable and adequate design and construction to withstand weather exposure; be of a size that can be easily read from the public right-of-way; and be maintained in place throughout the project term as stipulated in this Grant Agreement. At a minimum, the sign must contain the following statement: "Construction of the [name of property] is being supported in part by a Save America's Treasures grant administered by the National Park Service, Department of the Interior." Additional information briefly identifying the historical significance of the property or recognizing other contributors is encouraged and permissible. Photographs of the sign must be included with the Final Report submitted to NPS. The cost of fabricating and erecting this sign is an eligible cost for this grant.

Special Condition #22, Requirement for Executing Preservation Easement. The purpose of this grant is to preserve highly significant historic properties for future generations. Section 102(a)(5) of the National Historic Preservation Act requires that HPF grantees must agree to assume, after the completion of the project, the total cost of continued maintenance, repair and administration of the grant-assisted property in a manner satisfactory to the Secretary of the Interior.

Accordingly, the grantee must grant a preservation easement to the State Historic Preservation Officer, or to a nonprofit preservation organization acceptable to NPS, in the State where this property is located. The term of the easement must run for at least 50 years from the end date of this Grant Agreement. A draft copy of the preservation easement must be submitted to the NPS Grant Awarding Official for review and comment by July 31, 2004. Any revisions subsequently transmitted by NPS to the grantee must be incorporated into the easement prior to the final release of funds by NPS and prior to the recording of the easements on the deeds of these properties.

ORDINANCE NO. 5315

AN ORDINANCE AUTHORIZING SPECIFIC FINANCIAL ASSISTANCE IN REGARD TO THE REDEVELOPMENT OF THE DUPAGE THEATRE AND SHOPPES DEVELOPMENT COMPRISING A PART OF THE DOWNTOWN T.I.F. DISTRICT OF THE VILLAGE OF LOMBARD, DUPAGE COUNTY, ILLINOIS

BE IT ORDAINED, by the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, as follows:

SECTION 1: The President and Board of Trustees of the Village find as follows:

- A. The Village of Lombard (hereinafter referred to as the "VILLAGE") is a non-home rule municipality pursuant to Section 7 of Article VII of the Constitution of the State of Illinois.
- B. The State of Illinois has adopted tax increment financing pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as from time to time amended (hereinafter referred to as the "TIF ACT").
- C. Pursuant to its powers and in accordance with the TIF ACT, on February 2, 1989, the corporate authorities of the VILLAGE adopted Ordinance Numbers 3121, 3122 and 3123, in accordance with the TIF ACT, approving a tax increment redevelopment plan and project, designating a tax increment redevelopment project area and adopting tax increment financing relative to the VILLAGE'S downtown area tax increment financing district (hereinafter referred to as the "DOWNTOWN TIF DISTRICT") for redevelopment and revitalization of a portion of the corporate limits of the VILLAGE, which property is legally described on EXHIBIT A attached hereto and made part hereof (hereinafter referred to as the "REDEVELOPMENT PROJECT AREA").
- D. Pursuant to and in accordance with the Act, on June 6, 2002, the corporate authorities of the Village adopted Ordinance No. 5145, entitled "An Ordinance Amending Ordinance No. 3121, Adopted February 2, 1989, and the Redevelopment Plan and Project Attached Thereto as Exhibit "B", in Regard to the Termination Date for the Village of Lombard's Downtown Tax Increment Financing District," for the Village's DOWN TIF DISTRICT, by which the termination date for the DOWNTOWN TIF DISTRICT was extended to December 31, 2011, subject to the receipt of 2011 incremental real estate tax revenues during 2012.

- E. The DuPage Theatre Foundation (hereinafter referred to as the "NFP CORP") has indicated its desire to redevelop a portion of the REDEVELOPMENT PROJECT AREA, said portion thereof, which is owned by the VILLAGE, being legally described on EXHIBIT B attached hereto and made part hereof, (hereinafter referred to as the "SUBJECT PROPERTY") on which the NFP CORP intends to restore and rehabilitate the DuPage Theatre and Shoppes and thereafter operate same as a performing arts center with shops (hereinafter referred to as the "PROJECT").
- F. In furtherance of subsection E above, the NFP CORP and the VILLAGE have entered into a Redevelopment Agreement, a copy of which is attached hereto as EXHIBIT C and made part hereof, which sets forth the terms and conditions pursuant to which the VILLAGE will lease the SUBJECT PROPERTY to the NFP CORP, as well as the terms and conditions pursuant to which the NFP CORP will proceed with the PROJECT (hereinafter referred to as the "REDEVELOPMENT AGREEMENT").
- G. In accordance with the TIF ACT, and in furtherance of the PROJECT, it is in the best interest of the VILLAGE to approve certain specific financial assistance for the NFP CORP, so that redevelopment within the DOWNTOWN TIF DISTRICT can continue, and the PROJECT, which relates to property owned by the VILLAGE, can be a success.

SECTION 2: Based upon the foregoing, and pursuant to the TIF ACT, the following financial assistance shall, in addition to any financial assistance provided for in the REDEVELOPMENT AGREEMENT, be provided by the VILLAGE to the NFP CORP in relation to the PROJECT:

- A. In relation to the restoration and rehabilitation phase of the PROJECT:
 - (i) One Million and No/100 Dollars (\$1,000,000.00) of incremental revenue produced by the DOWNTOWN T.I.F. DISTRICT; One Hundred Thousand and No/100 Dollars (\$100,000.00) of which shall be made available to the NFP CORP upon the adoption of this Ordinance, and Nine Hundred Thousand and No/100 Dollars (\$900,000.00) of which shall be available to the NFP CORP upon the NFP CORP'S execution of the contracts for the Phase I and Phase II work in relation to the PROJECT, as

referenced in Section II.C of the REDEVELOPMENT AGREEMENT;
and

(ii) Commuter parking revenues generated by the South Parcel, (as defined in the REDEVELOPMENT AGREEMENT), subsequent to the last day of the month in which this Ordinance is approved, subject to the retention by the Village, as determined by the Village in its reasonable discretion, of sufficient revenues to reimburse the Village for its costs in maintaining and operating commuter parking on said South Parcel.

B. In relation to the operation of the theater in accordance with the Business Plan, (as defined in the REDEVELOPMENT AGREEMENT):

(i) Commuter parking revenues generated by the South Parcel, (as defined in the REDEVELOPMENT AGREEMENT), subject to the retention by the Village, as determined by the Village in its reasonable discretion, of sufficient revenues to reimburse the Village for its costs in maintaining and operating commuter parking on said South Parcel.

SECTION 3: That this Ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form as provided by law.

Passed on first reading this ____ day of _____, 2003.

First reading waived by action of the Board of Trustees this 25th day of June, 2003.


Passed on second reading this 25th day of June, 2003.

AYES: Trustees DeStephano, Tross, Koenig and Florey

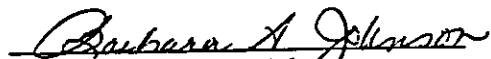
NAYS: Trustees Seby and Soderstrom

ABSENT: None

APPROVED by me this 25th day of June, 2003.


William J. Mueller
Village President

ATTEST:


Barbara A. Johnson
Deputy Village Clerk

Published by me in pamphlet form this 3rd day of September, 2003.

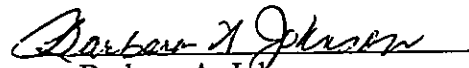

Barbara A. Johnson
Deputy Village Clerk

EXHIBIT A

LEGAL DESCRIPTION
REDEVELOPMENT PROJECT AREA

Lots 1 and 2 of the Resubdivision of Lot 6 of Block 27 of the Original Town of Lombard, Lots 1, 2, 3, and 4 of the Original Town of Lombard, Lots 1, 2, 3, the North 25 ft. of Lot 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20 and 21 in Caverno's Subdivision, Lot 1 in Lombard Bible Church Consolidation Plat, Lots 1, 2, 3, 4, and 5 in Owner's Subdivision in Block 18 of the Original Town of Lombard, Lots 1, 2, 3, 4, 5, 6, and 7 in Block 11 of the Original Town of Lombard, Lots 8, 9, 10, 11, and 12 in J. B. Hull's Subdivision of part of Block 11 and part of outlot 4 of the Original Town of Lombard, Lots 7, 8, 9, 12, 13, 14, 15, 16, 17 and 18 of Grove Park Subdivision, Lots 2, 3, 4, 5, 6, 19, 20, 21, 22, 23, 24, 25, 26, 27, and 28 in Grove Park Subdivision, Lots 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, and 18 in Grove Park Subdivision First Addition, Lots 11 and 12 in W. H. Maple's Subdivision, Lots 3, 4, 5, 6, 7, 8, 9, 10, and 11 in Block 10 of the Original Town of Lombard, Lots 1, 2, and 3, in the Subdivision of Outlot 10 in the Original Town of Lombard, Lot 1 of the Belfast Consolidation Plat, Lots 1, 2, 4, and 5 of Block 19 in the Original Town of Lombard, Lots 1, 2, 3, 4, 5, 6, 7, 8, of J. B. Hull's Subdivision of Lot 3 of Block 19 of the Original Town of Lombard, Lot 43 excepting the North 20 feet thereof in Orchard Subdivision, Lots 1 and 2 of Timke's Resubdivision, all of Park Manor Condominium, including all Chicago & Northwestern Railroad right-of-way and all public rights-of-way adjacent to the above-described property all being in the Northeast Quarter of Section 7, Township 39 North, Range 11, East of the Third Principal Meridian in DuPage County, Illinois.

Of that part of Block 22 of the Original Town of Lombard described by beginning at a point on the East line of Main Street, 499.0 feet North of the Southwest corner of said Block 22 and running thence Easterly to a point on the center line of said Block 22 that is 386.6 feet to the Southerly line of said Parkside Avenue; thence Southwesterly along the Southerly line of said Parkside Avenue to the East line of Main Street; thence South on the East line of Main Street, 291.85 feet to the place of beginning, Lots 1, 2, and 3 in James' Subdivision of Part of Block 22 of the Original Town of Lombard, Lots 28, 29, 30, and 31 of Part of Block 22 in N. Matson & Others Resubdivision, Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13 in Block 17 of the Original Town of Lombard, Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, and 14 in Block 16 of the Original Town of Lombard, Lots 1, 2, the East 1/2 of Lot 3, Lots 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, and 18 in Block 12 of the Original Town of Lombard, Lots 1, 2, 3, 5, 6, 7, 8, 9, 10, 12, 13, 14, 15 in Block 18 of H. O. Stone & Company's Addition to Lombard, Lombard Tower Condominiums, Charlotte-Garfield Condominiums, including all Chicago & Northwestern Railroad right-of-way and all public rights-of-way adjacent to the above-described property all being in the Northwest Quarter of Section 8, Township 39 North, Range 11, East of the Third Principal Meridian all in DuPage County, Illinois.

EXHIBIT B

LEGAL DESCRIPTION OF SUBJECT PROPERTY

LOT 1 (EXCEPT THE SOUTH 100 FEET THEREOF) IN BIG IDEA PRODUCTIONS RESUBDIVISION ACCORDING TO THE PLAT THEREOF RECORDED ON APRIL 20, 1999 AS DOCUMENT NUMBER R99-90133 IN THE RECORDER'S OFFICE OF DUPAGE COUNTY, ILLINOIS;

P.I.N. Pl 06-08-111-033;

COMMON ADDRESS: PART OF 101-109 SOUTH MAIN STREET, LOMBARD, ILLINOIS.



Village of Lombard

Meeting Minutes

Finance Committee

Village Hall
255 East Wilson Ave.
Lombard, IL 60148
villageoflombard.org

DRAFT

Subject to Committee approval at their 10/19/04 meeting.

*Trustee Karen S. Koenig, Chairperson
Trustee Richard J. Tross Alternate Chairperson
Edward Murphy, Bill Ware, David Wellehan,
James Hogan, Mary Cation, Jim Castaldo
Staff Liaison: Leonard J. Flood*

Wednesday, September 29, 2004

7:30 PM

Village Hall

Board Room

1.0 Call to Order and Roll Call

Chairperson Karen Koenig called the meeting to order at 7:32 p.m. She stated that the Finance Committee meetings are not usually televised but that this is a special opportunity to educate the public as to what the Finance Committee does. She explained that it is one of 6 Standing Committees of the Village of Lombard comprised of 6 volunteer citizens appointed by the Board of Trustees. She further explained that the regular duties of the Finance Committee include review and advice to the Village Board regarding Budget matters, Water and Sewer rates, insurance proposals and fee increases. The Finance Committee regularly recommends Financial policy to the Board. She said that this meeting is being televised because along with their regular business, they will review two items of interest to the public, the Pledge report and Financial information of the DuPage Theatre Foundation and salaries of Elected Officials.

Present: Chairperson Trustee Karen S. Koenig, Mary Cation, James W. Hogan, Edward Murphy, David Wellehan, Bill Ware and Jim Castaldo

2.0 Public Participation

Chairperson Koenig opened the Public Participation portion of the meeting and asked that speakers limit their comments to respect the time of the Committee members. No one from the public spoke at this time.

3.0 Approval of Minutes

Approval of the Minutes of January 20, 2004

It was moved by Murphy, seconded by Ware, to approve. The motion carried by a voice vote

Approval of the Minutes of February 10, 2004

It was moved by Murphy, seconded by Wellehan, to approve. The motion carried by a voice vote

Approval of the Minutes of February 26, 2004

It was moved by Hogan, seconded by Wellehan, to approve. The motion carried by a voice vote

4.0 New Business

Dupage Theatre Pledge Report and Financial Information

Chairperson Koenig introduced the subject and clarified what the Village Board is looking for, saying that the Committee should have discussion and ask questions regarding the items presented and make a recommendation to the Board as to whether this plan for restoration of the DuPage Theatre is financially viable. She called the Committee's attention to a memo from staff and said that the Foundation will report what they have been doing and their activities over several the last several months. She asked staff to present the major points of the report.

Village Manager William Lichter reviewed the staff report referring the Committee to the figures described in the memo, the Pledge Report, exhibits A and B and the Treasurer's report attached. He explained some key points in the Pledge Report, exhibit A and the Treasurer's Report, exhibit B for the period of Sept 1, 2003 to August 31, 2004. He pointed out that the Foundation has received \$164,468 of which \$122,531.17 was from the Village of Lombard, \$100,000 from TIF Funds and \$22,531.17 from parking revenue. He said that the Village maintains restoration accounts with funds raised by the former Ad Hoc DuPage Theatre Committee and those figures are shown in Attachment C. He explained that there remains a balance in that fund of \$14,809.43 of which \$296.49 is soft money, which can be used for general expenses and \$14, 512.94 in donations made for construction or hard money for a combined total of (Exhibits B and C) just over \$123,000.

Mr. Lichter then discussed various revenue sources including private pledges of \$93,000 of which \$25,114 have been received. He mentioned a pledge from the Friends of the DuPage in the amount of \$20,000, of which \$19,000 has been received and pledges from the Friends of the DuPage for the period of July, 2004 through June 2005 in the amount of \$25,000 of which none has been received. He touched on the Lombard Restoration fund in which a total amount of \$94,250.58 has been received on behalf of the Ad-Hoc Committee. The report mentions a contribution of \$400,000 from RSC should that firm be awarded a contract to develop the South lot. The firm of Daniel P Coffee and others submitted proposals and the Board of Trustees has made no decision on the property. Other corporate contributions include that of construction management by the Alter group.

Mr. Lichter also said that under Public sources is the Save Our Treasures grant agreement with those funds being available until September of 2005 and require that matching funds be used within the period of the grant. He also informed them that there is a requirement to grant a 50-year easement to the Illinois Historic Preservation Agency to commence September 30, 2005. The report anticipates an amount of \$1,140,800 from Historic Preservation Tax Credits. He mentioned a few points regarding the credits such as availability only to entities which pay Federal tax so a limited liability Partnership will have to be formed. The IRS Code allows these credits to be phased in over 60 months. Since the investment is a high-risk, purchasers will look at feasibility and business plans. If the venture fails within 5 years, investors may recapture the funds they have invested. He said that to date they have not received the \$1,000,000 Illinois First Grant and under Municipal sources the Village has pledged \$1,000,000 in TIF funds, of that \$100,000 has been paid with the balance to be paid after execution of contracts for Phase I and II construction. The contract execution deadline is December 1, 2004 with the completion date of the construction of December 31, 2005.

He pointed out that the sale of the South property is subject to Village Board approval and not a part of the agreement with the DuPage Theatre Foundation and that \$700,000

for funds in TIF revenue from any new development on that site is subject to Village Board approval.

In conclusion, Mr. Lichter said that the parking revenue pledged amount was \$22, 444. (See attached for summaries) Mr. Lichter opened the discussion for questions.

The Committee wanted to hold questions until the Foundation report had been given.

Martin Carroll, 119 N Main, President of the DuPage Theatre Foundation, explained that they would make a presentation of what the Foundation has done since the Finance Committee had reviewed the business plan. They made a power point presentation He said that since the Village and the Foundation had entered in to the 20-year agreement a tremendous amount of work has been done by the Foundation and volunteers. He extended thanks to Village President Bill Mueller and the Village Board. He mentioned the Foundation's members Vice President Mark Pence, Treasurer Steve Holowicki Board Members Ian Parr, Jim Castaldo, William R. Haljun, Robert Vorel and Steve Zeidler.

Mr. Carroll then described the fundraising efforts that had been conducted. He said that when he meets with their Public Relations representative Susan Peters she has interviewed dozens of people and she says that everyone she has spoken to about the project thinks that it is a good project for the community, which she says is a good thing, as frequently this type of project is met with a great deal of controversy. Mr. Carroll explained that they have also worked with Executive Services Corp, a group of retired Executives that has been working in an advisory capacity on the project and overseeing their fundraising efforts.

He said that they will use Daniel P. Coffee and Associates, the same Architect who renovated the Chicago Theater, the Oriental Theater and the Palace Theater. He said that they have been working with the Alter Group and that their contact with Alter, Tracy Nicholas would also speak. He advised the Committee that they had secured Baum Realty to market the retail spaces. He added that two very exciting restaurants are interested in the space and that they also have a prospective tenant for the Parkside space. Mr. Carroll said that their Public Relations group has gotten articles in the papers, as has Crest Communications. He then introduced Tracey Nicholas of the Alter Group.

Ms. Nicholas gave an overview of the Alter Group as a manager of projects. The parent division is the Alter Group, which has been active in DuPage County for over 50 years. She explained that Alter's cultural department focuses on cultural renovations such as the Biograph Theater, Victory Gardens, the Chicago Historical Society and the Center for Jewish Life in Chicago. She spoke about their focus on cost savings and bringing subcontractors on Board. She explained that Alter is donating their entire fee. Ms Nicholas said that they have done building testing to make sure they understand the condition of building, making sure it is a viable structure. She said that they are doing due diligence and the cost savings to the Foundation is in the fee donation as well as labor donations from unions. She also said that they are seeking material donations such as draperies, organ, finishes etc to support the budget and employing new technologies to cost effectively secure the building, for example the masonry.

Mr. Carroll then introduced Kevin Fitzpatrick to speak regarding fundraising. Mr. Fitzpatrick thanked the Chair and Committee members. He said that fundraising in earnest began this summer. He showed a Power Point Presentation of various pledges including one for \$50,000. He explained that they haven't focused on individuals at this

point which cost a large campaign. They will go after individual donations last because they are easier to obtain when construction going on. He said that they have called the top 120 businesses in Lombard and have been supported by President Mueller. He said that some funds are not reflected on this report and the Foundation has had a wonderful September. Mr. Fitzpatrick said that they have been in touch with Representatives Biggins and Cross and they have assured us that the State money is ours, also assurances from Senators Aldo, Roskam, Dillard and Cronin. He said that the Foundation has a paint a chair fundraiser with theater chairs from the Masonic Temple which artists paint adding that some are on display in local businesses. He said the birthday party for the DuPage Theatre was a great success and announced that the Ides of March celebrating their 40th Anniversary concert, "Light It Up", will fill the house. He also discussed the Corporate Contributors. He explained that in the Spring or Summer they will begin to seek individual contributions with a new brochure.

Mr. Carroll touched upon the numbers on the pledge report and stated that all are solid except for the Illinois First money. He spoke of the Save Our Treasures Grant secured by Henry Hyde saying it is a very prestigious grant, a project has to have historical significance to qualify. He said that those funds will be released when the Village of Lombard signs off on Phases I and II. He said that the Historic Tax credits come in as you progress with construction and are a commonly used tool for buildings such as the DuPage Theatre which are on National Historic Register. Mr. Carroll described the possibilities, including the Theatre acting as an anchor for the downtown giving people a reason to come to downtown Lombard. He compared the project to the Riverwalk in Naperville and the attraction will spill over into other areas of Main and St. Charles. He said that the DuPage Theatre will be more than Movie theater housing concerts, theater, dance recitals and theater groups He said that there is a loss of space for performing arts groups in DuPage County. He remarked that there could also be children's theater camps and after school programs. Community groups find it hard to find places to use for meetings and the Foundation could allow them to use this facility during the day. He stated that once this complex opens it will create 200 jobs. He said that if the Village will approve the required 50 year-easement and the sale of the South property with the proceeds going to the Theatre, which was always the Foundation's understanding, it will go a long way toward having this space open and running. In conclusion he said that The Theatre is a wonderful project and the Foundation Board worked very hard. He opened the discussion to questions.

Mr. Murphy asked who had checked the building over for viability for restoring.

Martin Carroll answered that Alter and Klein and Hoffman and STS have looked at the building. Alter has helped to find professionals. He said that they had an advantage with the building having had so much removed, there are a lot less surprises.

Mr. Murphy referred to letter from Chief Seagraves who worked with Klein and STS there is question about walls ceiling roof and supposedly an estimate of \$155,000 for those repairs. He asked if that amount had been included in their figures.

Mr. Carroll said that as yet he has no figures on the repairs to the exterior and roof. He said that they are still in midstream as to what type of work needs to be done, that they haven't gone out to bid and plans need to be drawn and taken to the Construction Committee.

Chairperson Koenig said that the letter with \$155,000 figure was given to the Village Board and cited that tuck-pointing needed to be done for safety reasons and that there are roof problems. She said that her understanding was that Phase II described in the development agreement includes the roof and the safety work.

Mr. Carroll said that there are problems but that they had a fence put up to protect the public from any problems. Nicholas added that the restaurant and floor one will be Phase I but in order to secure the building, they could occur simultaneously.

Mr. Wellahan asked of Martin Carroll if they will be adjusting what Phase I and II will be encompass in order to get the price under 900K. Saying that they don't have money in hand except for the \$900,000, if they are on schedule with Phase I and II by December 1.

Mr. Carroll said that Phase I and II were outlined by the Architects as the commercial areas and exterior those phases will cost what they will. He said that their job will be to get contracts and come back to the Village of Lombard. We won't adjust phases I and II, our agreement is to raise the money and complete Phases I and II. He said that when they go forth with the project the Save our Treasures grant in the amount of \$296,000 will be released as well as other funds which will allow the project to move ahead.

Mr. Wellahan said that the Foundation has 60 days to get contracts in hand and asked if that can be done. Mr. Carroll said that they are working on it now with an aggressive schedule. Mr. Wellahan further questioned as to how they can go out for proposals if they don't know what they want done. Carroll answered that it is in the original agreement what is to be done.

Chairperson Koenig referred to the development agreement and its Exhibit 5 where the numbers are broken down by phases. She said that later it was learned that in Phase II numbers there are cost estimates for lobby restoration, which is not part of Phases I or II. She further explained that in Exhibit 5 behind all the drawings have cumulative totals at the bottom of each Phase.

Mr. Ware questioned whether the prices here are from two years ago and said that construction costs are up 30% since then. Mr. Carroll said that these figures are from the current year showing 1.2 Million dollars. Chairperson Koenig pointed out that the numbers from October 10, 2002 were preliminary.

Chairperson Koenig asked Mr. Wellahan if he is more assured that the phases are defined. Mr. Wellahan thought that they were vague. Mr. Carroll said that these numbers are from the Alter Group and their experts and he feels good about these numbers. He said that although things can change, this is the best information that we have now. He added that if the Village takes certain votes, the Village opens up 4.1 Million dollars in real money to do the project. He added that the only number in doubt is the grant from the State.

Mr. Murphy asked if the Historical tax credits could be in doubt from what Mr. Lichter said, the Village would have to turn over the property easement. Mr. Carroll said that it is complicated but a commonly used tool for historical properties what they would do is bring in a for-profit corporation and set up an Limited Liability Partnership (LLP), and they establish ownership and 92% of the funds come back to the Foundation as we complete historic restoration. He explained that the figures show a 1.2 Millions dollar tax credit based on 6.2 Million dollars in money spent. He said that their Attorney said that the project absolutely qualifies for the credits, the only thing standing in the way is 50-year easement.

Mr. Ware stated that they need to have a company set up which they don't have and won't qualify for 1.2 Million dollars without that. Mr. Carroll indicated that there will be plenty of corporations willing to participate, as they will qualify for tax credits. But he said that they have to start construction and have a 50-year easement agreement which

is why he said they had hired historic advisors and attorneys to make sure that what they do toward historic preservation is correct. Mr. Hogan made the point that they have to construct before monies are available and should the project fail the tax credits are subject to recapture. Mr. Vorel said that funds will be placed in escrow up front and have to be spent on qualified expenditures auditors come in and examine those expenditures and funding is approved for a 20% tax credit.

Mr. Hogan mentioned that they would have to get the money down the road as construction progresses. Mr. Vorel said that usually the bank would make financing available up front. Chairperson Koenig said that her understanding was that the risk is not based on the viability of the building but that the funds are used for historic preservation. Ms. Cation mentioned the \$400,000 contribution for the South lot development, saying it is a significant amount and asked where that stands. Mr. Lichter said that the Village had received three quotes each with a site plan. He also explained that RSC would pay \$600,000 to buy the land and make a contribution of \$400,000 toward the project, contingent on that particular developer developing the land.

Mr. Fitzpatrick explained that that offer is the highest responsible offer for the project and fashioned so that more money would go to not only the property but had higher amount of donation. Mr. Ware asked if it would be \$400,000 in cash. Martin Carroll said that RSC had made this generous offer as they wanted to be next to the theatre they said that it would be a wonderful asset and they would have better units if the theater was there. Mr. Ware mentioned the Alter Group's \$62,500 reduction of fees and asked if those have to be approved by the Board. Ms. Nicholas and Mr. Carroll explained that it is a donation of their fees and that Baum Realty is donating a portion of their commission to the project, and that some companies are donating supplies.

Mr. Hogan said that since the State of Illinois is in financial difficulty, he was curious about the Foundation's favorable responses regarding the status of the Illinois First Grant. Mr. Carroll responded that although the money is not hard and fast they are hopeful because this money has to be used for Capital Improvements and not to balance the budget. He also said that the project meets the criteria. He said that they have lobbied very hard to get these funds. Mr. Ware expressed concern that there were too many what ifs regarding the tax credits and other funding and if the \$900,000 is given over and there are no other funds, the Village would be stuck.

Martin Carroll agreed that no one wants a half-completed project. He further stated that if the Village Board will vote to sell the South lot and donate the proceeds, that would be real money and if they vote in favor of the 50-year easement the Save Our Treasures and historic tax credits would be possible. He also said that additional funding would be easier to raise if they have the project up and running. He said that tremendous progress had been made but that there is a lot of work ahead.

Mr. Ware said that coming from banking background, he questioned whether the tax credits would be there or not. Mr. Carroll suggested he contact the Attorney who has walked the Foundation through this process. Kevin Fitzpatrick asked if he was able to tell his specific concerns about tax credits. He said that the Foundation is counting on an amount of \$4.1 Million to move from column to column based on 4 votes from the Village Board. Mr. Ware mentioned that when investors take a look at the business plan they will see no leases for the retail spaces. Mr. Carroll confirmed that although they have a letter of intent and have had tremendous amount of interest, they have no leases in hand. Ms. Koenig asked for clarification on the tax credits. Carroll answered that it is not based on the success of business but the success of the restoration of the building in an historical fashion and said investors won't be looking at our business plan.

Ms. Cation mentioned the Save Our Treasures Grant requires a preservation easement and that the total cost of maintenance will be the responsibility of the grantee, and asked how that will be addressed. Mr. Carroll said that in the development agreement the Foundation would be responsible. Mr. Carroll said that the Business plan was very conservative and the Foundation is in a good position because they don't have many expenses no mortgages and debt and will have lease revenue and parking revenue. He said that they can allow for a lot of community uses because they don't have many expenses.

Mr. Ware said he can not see this project creating 200 jobs. Mr. Carroll said that restaurants employ many people and depending what use the Parkside space takes on, with the theater, restaurant, and the second floor for retail and performance space altogether it could generate 200 employees.

Mr. Hogan mentioned the Save Our Treasures Grant had to have matching funds and asked where those funds would come from. Mr. Carroll said it would be from the village TIF funds. Mr. Hogan asked about what grants had been sent out. Mr. Carroll responded that they are just starting that process in grants for smaller amounts they have sent 3 or 4 and have been aiming for larger money and have been working with Washington to secure larger grants. Kevin Fitzpatrick said that they have received other grants such as one from McDonalds and they have 13 others that he was not at liberty to mention. Mr. Hogan said that \$300,000 was on the high side of what they are going to get. Mr. Carroll said they are hoping for a much larger grant this year or next which would come from Federal sources. He said that the matching money doesn't have to come from Village of Lombard money

Mr. Murphy pointed out that they only have \$100,00 pledged, but Mr. Fitzpatrick said that it was more like \$200,000 and that the Board of Trustees through their votes will make this happen. Mr. Carroll said that this funding has been raised since June. Mr. Murphy asked if they had not begun day one and Mr. Carroll said that it is time consuming and hard work done the right way.

Ms. Cation questioned what changed in the development agreement with the 1.2 Million dollar figure. Mr. Carroll said that it had included Lobby work that didn't make sense to do at that time. Mr. Ware expressed concerns that they seemed to be counting on the Village turning the switch taking the lead for the project and everything else follows. Mr. Carroll said that all they were asking for was the 50-year easement and that the TIF funding and the sale of this property were already agreed upon along with the parking revenue. He said they are not asking for anything else but the easement. Mr. Carroll said it had always been their understanding that the Village would sell the South lot and donate the proceeds to the theatre. He said that they made a pledge not to ask the Village for more money.

Mr. Ware said that the Board of Trustees would have to approve more than the \$1,000,000. Chairperson Koenig said that the Board had pledged the \$1,000,000 and the South lot TIF money once that was operating, there is no new discussion about money, the issue is the 50-year easement agreement. She said that the new piece doesn't involve dollars. Mr. Fitzpatrick said that the TIF money is not village money, it was always the lead money. The second portion we always thought that the South property sale and the TIF funds was agreed upon. Mr. Murphy made the clarification that this is a new subject for the Finance Committee that they had dealt with the business plan not the construction.

Mr. Fitzpatrick said the Foundation has never come back to the Village of Lombard for more money and they do not want to raise taxes to the people of the Village. Chairperson Koenig said that when the Finance Committee reviewed the business plan

this Committee wanted project to be self-funding. She explained for the benefit of the general public this plan calls for Tax Increment Financing revenues generating from the Theatre and the South lot and the property had been donated to the Village by Big Idea.

Mr. Wellahan said that the Committee is looking at representing the Village of Lombard and where the money is going he said that they need the contracts for Phases I and II by December 1, 2004 or they default and all bets are off. He made a motion that the Committee recommend that the Village Board delay the sale of the South lot until the provisions of ordinance 5315 are met that contracts are signed for Phases I and II and if so they get the \$900,000. He commented that in order to meet the costs of Phases I and II the Foundation would have to have revenues other than the South properties.

Mr. Ware agreed that if they need to be in compliance and commented that they don't even have bids out yet. He said he would not suggest to BOT that they release the money until they comply. Mr. Carroll said that the money can't be released until the Foundation has the signed contracts. Chairperson Koenig said it is a difficult question to answer but she thought that the points and questions raised are important. She said that the Village Board is looking for more minds to raise concerns and the discussion has been very valuable and to advise the Board if the project is viable with the funding available. Mr. Wellahan repeated that the recommendation would be for the Village Board to delay action on the sale of the South lot until the conditions have been met and then the \$900,000 is released.

Chairperson Koenig asked the Committee if the Village of Lombard does take the actions to secure these funding sources as well as the \$900,000 whether the Committee thinks this project is adequately funded. Many said no. Mr. Hogan said that the Foundation doesn't even have 25%, they are currently funded at \$110,000 a year and that that doesn't buy much construction.

Mr. Carroll said that this is just an update to show you the numbers, there is still work in progress. He said that they have no contracts and they are not through raising money, they just wanted to give numbers and answer questions and keep going. He said that the Committee can see that the numbers are real. Mr. Ware said that he and others have major concerns with the numbers relative to going forward with the Phases 4 and 5. Mr. Fitzpatrick said that this project is estimated at 6.2 Million dollars as in the report. Mr. Murphy said that they would like 8 Million dollars but 6.2 Million is what they have to work with. Mr. Fitzpatrick said he just wants to be accurate, the project could be more expensive, no one knows until we do it.

Ms. Cation asked what the Village Board wants from the committee. Trustee Koenig said that each should voice their concern and the Trustees will receive a copy of the tape. Mr. Castaldo said that the Committee has done their fact finding and gotten answers, how the Board sees is up to them. We have said lets be careful the Village is on the hook with a 50-year lease. and that Lease is tied also to the tax credits so that decision could mean 1.4 Million dollars. Mr. Fitzpatrick said that they had submitted only one document, you have stack of paper, our concern is that you saw our document and that we supported it.

Mr. Murphy said that he has never been in favor of the DuPage restoration but in good faith they have met their requirements to this point and Dave's motion is adequate to this point. Chairperson Koenig agrees that they have met the requirements to this point and that is what my understanding of what this Committee should do. She said that they went beyond that to say does it look like will come to fruition, but she would prefer that we look at whether it is meet up to this time.

Mr. Murphy seconded Mr. Wellahan's motion Mr. Ware added the descending opinion

that there were too many hopes and prayers in this plan. The motion carried by a voice vote.

Mr. Hogan commented that if the Village enters into a 50-year lease in order to get the grant, they might have to pay back the Federal Government. Mr. Carroll answered that money would only have to go back to the Illinois Historical Preservation Agency if modifications are made. Cindy Ward said she learned from the National Park Service that the restrictions only affect how we spend the money.

Chairperson Koenig clarified that no changes to the facade or structure could be made and the Foundation is responsible for maintenance and if there is no endowment fund the Village would have to pay. Mr. Carroll said that it has always been the Foundation's intention to maintain the property. Chairperson Koenig made the clarification that the Village would have limited options with future changes and asked what risk the Village is under. Kevin Fitzpatrick said that there is no risk to the Village regarding money, only changes are restricted.

Chairperson Koenig thanked the Foundation, Mr. Carroll, Mr. Fitzpatrick the Public and staff for such a good report.

Chairperson Koenig called for a break at 9:55 p.m.

Setting Salaries of Elected Officials

Chairperson Koenig reconvened the Finance Committee meeting at 10:02 p.m.

Chairperson Koenig introduced the topic regarding setting of salaries of elected officials, which she had been asked by board members to add to tonight's agenda. She said that in her opinion it is a good idea that the Finance Committee review this. She asked for a staff review of the item.

Director of Finance Leonard Flood referred to two memos in the packet and survey the DuPage Mayors and Managers Conference had compiled as well as a recent article regarding action taken by West Chicago. As indicated in a memo from our Attorney, no less than 180 days before elective office is taken, which occurs at our first regular board meeting in May, any ordinance setting the salaries of elected officials would have to be passed on a second reading on October 21, 2004.

Director Flood said he had also discussed this matter with our Attorney, Tom Bayer and asked if some type of index could be used. He suggested that the consumer price index could be used, as the Village of Lombard is not involved in setting it. He referred them to the second memo, which reflects current salaries, which were set December 17, 1987, 17 years ago. He advised them that the current salaries are \$8,000 for Village President, \$3,600 for Village Clerk and \$2,400 for Village Trustees. He also referred to two spreadsheets one submitted by Trustee Tross, depicting what salaries would look like if an index had been put in effect when those salaries were approved. Exhibits were explained and what the impact would be based on the current salaries. Those numbers would increase from \$2,400 to \$4,400 to \$4,700 for Trustees, from \$3,600 to \$6,100-\$7,100 for Village Clerk and from \$8,000 to \$13,700 President.

Ms. Cation asked what other Villages use indexes. Mr. Flood replied that the majority of municipalities do not, but if you don't, the salaries tend to remain the same. He said that one suggestion is to just use flat amounts.

Mr. Castaldo asked if the Board members were allowed reimbursement for expenses. Mr. Flood said that a policy was enacted a few years ago to allow for reimbursement.

Mr. Ware asked about Exhibit A showing a cost of cost of living based on what the Village gives employees. Director Flood explained that one disadvantage of Exhibit A is the fact those numbers are something over which the Board has control and it appears better to use an index where Board members can't control the outcome.

Mr. Castaldo asserted that it is ridiculous that the salaries have not been reconsidered since 1987. Mr. Ware said that he supported that comment and thinks that the salaries should be increased as suggested and that there be an annual increase based on CPI. He asked how much the index has changed in total since 1987. Mr. Flood said that we have no figures on that. Mr. Castaldo said that it compounds its self. Mr. Wellahan said that 38.4 is the number compounded and the full amount would be \$11,000 compared to \$13,600. Mr. Flood said that if an index were to be used, it would change the salaries each year. Mr. Wellahan commented that the amount would compound forward.

Chairperson Koenig said that Exhibit A by law can't be used. Mr. Hogan said that from this point on Exhibit B could be used. Mr. Wellahan suggested recommending a set amount with review every 4 years. Mr. Ware said that the Committee could come up with a suggestion to start with a certain Dollar amount and each year increase that by the CPI.

Mr. Wellahan suggested that when a salary reaches a certain amount when it gets to 5,200 and stays a certain time then when the CPI changes, it will change to 5,300. Ware thought this would be an accounting problem. Mr. Flood said it would be more of a problem legally writing the ordinance. Mr. Flood explained that the three Trustees who would not be up for Election this year would not benefit until their office came up for Election. Mr. Wellahan said to increase the base amount to \$11,000, \$5,000 and \$3,300 would increase the budget by \$11,400.

Mr. Ware moved that the Committee recommend that beginning with the Trustees elected at the April 2005 Consolidated Election, to be seated at the first Board meeting of May, 2004 the Village President's salary be increased to \$11,000, the Village Clerk' salary to \$5,000 and the Village Trustee's salary to \$3,300 with an annual increase of the CPIU rounded to the nearest \$1.00. The motion was seconded by Ms. Cation. The motion carried by a voice vote.

5.0 Unfinished Business

6.0 Review of Financial Information

7.0 Future Meeting Dates

October 19

8.0 Adjournment

It was moved by Wellehan, seconded by Ware, to adjourn 10:29 The motion carried by a voice vote