

MEMORANDUM

TO: David A. Hulseberg, Village Manager

FROM: William J. Heniff, AICP, Director of Community Development

DATE: May 21, 2009

SUBJECT: Downtown Retail Business Grant Program Revision

At the September 18, 2008 Village Board meeting, the above program was reviewed to consider amendments recommended by the ECDC that would expand the types of business that may be considered under the Program. The Village Board supported some of the proposed revisions; however, it remanded the item back to the ECDC to further clarify the term “substantial retail” for service uses eligible for the grant program. At the March 4, 2009 and April 14, 2009 meetings, the ECDC discussed the proposed revisions to the Downtown Retail Business Grant program, along with the recommendations from Lombard Town Centre. The ECDC unanimously recommended approval of the following changes:

- All future grants shall be required to complete an Illinois sales tax release form;
- Service businesses with a substantial retail component, **as defined by having 25% of its gross income or gross floor area dedicated to retail sales activity**, are now denoted as a type of business that is potentially eligible for a DRB Grant;
- The dollar amounts awarded to service businesses with a substantial retail component will be a function of the amount and nature of the retail component associated with the business;
- For service businesses with substantial retail components that were previously in operation, sales data shall accompany the application;
- For start-up new service businesses with substantial retail components, up to half of the eligible grant award (i.e., no more than \$10,000) of can be awarded with the start-up of the business. Notwithstanding the item below, the applicant does have the ability to apply for an additional half of an award after a one year period of time, with the ECDC considering the retail sales tax figures as part of the application; and
- Retroactive grant applications are not permitted. Once a Certificate of Occupancy has been issued for a business/property, the business is no longer eligible, unless the application is for a future modification to the building or use meeting the program criteria.

- Businesses who receive grant money shall remain open at the location identified in their grant application for at least three (3) years from the date of the original grant disbursement. The Village shall also be reimbursed for any fees including but not limited to attorney's fees associated with enforcement of this provision. Staff will request that each applicant sign an affidavit and/or release form acknowledging that they are aware of this provision.

RECOMMENDATION

The Economic and Community Development Committee recommends that the Village Board of Trustees at their May 21, 2009 meeting approve an Ordinance amending Title 3, Chapter 36 of the Lombard Village Code as well as an Ordinance adopting the revised Downtown Retail Business Grant Program Policy. Staff is also requesting a waiver of first reading in light of pending applications.