



MEMORANDUM

TO: Trustee Johnston, Chairperson
Economic and Community Development Committee

FROM: Jennifer Ganser, Assistant Director of Community Development

DATE: August 10, 2015

SUBJECT: Downtown Improvement & Renovation Grant Program

JG

Last month the ECDC discussed the Downtown Improvement and Renovation Grant Program (also known as the Façade Grant Program) and a policy issue regarding the replacement of materials paid for by TIF grant dollars in the past. Currently the façade grant program has no limit on the number of times an applicant or building may apply. Historically the façade program has not been applied to cover general maintenance or repair through staff policy.

At the July ECDC meeting the Commissioners discussed the following options to consider for future grant applications:

- amortize the life of items that were partially paid by the TIF grant
- lower the percentage of the TIF grants for subsequent applications
- continue to pay the full grant amount, regardless of the number of applications an applicant has made
- allow an applicant to apply for only one grant

Lombard Town Centre discussed the issue at their July 27, 2015 Board Meeting. The LTC Board felt that existing businesses and property owners should be eligible for grants and there should not be a cap on the number of times an applicant can apply. They did distinguish a change in a sign or awning for solely marketing purposes (which they would not support), versus changing a sign or awning due to the item out living its useful life (which LTC would support). The Board felt that a new awning could add to the enhancement of downtown. The Board expressed a concern that every situation is different and liked that the program had some flexibility for unique situations. They did express concern of an applicant replacing or repairing an item due to action from Village Code Administration, suggesting that code violations pertaining to deferred maintenance should not be eligible for a grant.

Staff also researched attached similar programs in eleven (11) comparable communities. Four communities (Wheeling, Palatine, Des Plaines and Elmhurst) only allow an applicant to apply once. However, Wheeling will allow an applicant to apply again if the project scope is different. Some communities have a time limit, for example Naperville states that properties awarded a grant within the last five years are not eligible. Communities also have monetary limits, such as St. Charles limiting the grant to \$20,000 within any five year period.

Staff notes there are multiple properties and applicants that have received more than one façade grant. Also, eligible improvements such as signage and awnings are changed more frequently than a complete building façade or a parking lot improvement. Staff recommends the ECDC continue to allow multiple applications, but lower the percentage from 50% to 25% when signage or awnings have been previously granted TIF dollars to the same applicant at the same location. This would allow an applicant at the same location to apply numerous times and still receive the full 50% grant (up to \$50,000) for new façade enhancements, but only receive 25% when signage and awnings were previously given a grant. This change continues to help the existing businesses and property owners, but tapers down the amount of TIF assistance. A new business or property owner, or a business moving locations would be eligible for the 50% grant.

Attached is the Downtown Improvement and Renovation Grant Program Policy with red-lined text. Many of the updates are grammatical, but it also includes text relating to the issue of a business applying more than once, and gives the ECDC an opportunity to consider code administration maintenance on a case by case basis.

COMMITTEE ACTION REQUESTED

This item is being placed on the August 10, 2015 ECDC agenda for review and recommendation to the Village Board of Trustees.

Municipality	Program guidelines	Notes
Wheeling	The program may not be used by the same applicant to renovate the same store front (tenant space) more than once.	Staff has allowed a tenant to apply more than once when the project is different (building façade and later a sign) as long as the amount total does not exceed the max. amount.
St. Charles	<p>Properties that have never received a grant in the past are given first priority for funding. Limitations apply to the overall grant amount. In general, the overall amount of grants for any property cannot exceed \$20,000 within any five year period.</p> <p>Applicants who have previously completed a Facade Improvement Grant Program project and have received reimbursement from the Village are not eligible to reapply for the program for a period of 10 years from the date that the reimbursements were paid to the applicant.</p> <p>TIF funds shall not be used to renovate the same property more than once.</p> <p>Financial assistance is available to business owners or property owners, for no more than \$15,000 every 3 years, per building.</p> <p>Properties awarded a grant through this program within the last five years are not eligible.</p>	City starts accepting applications on Feb 1st each year. Many properties have had multiple grants, since the program was around since the 90s.
Westchester	<p>TIF funds shall not be used to renovate the same property more than once.</p> <p>Financial assistance is available to business owners or property owners, for no more than \$15,000 every 3 years, per building.</p>	
Palatine	<p>Financial assistance is available to business owners or property owners, for no more than \$15,000 every 3 years, per building.</p>	
Glen Ellyn	<p>Properties awarded a grant through this program within the last five years are not eligible.</p>	Staff would consider another application, if the project was different in scope.
Naperville	<p>Financial assistance is available on a one-time basis per building. Grants are limited to a maximum of \$4,000 per address per program year and are issued in the form of a reimbursement after eligible expenses are incurred.</p> <p>No limit of times someone can apply</p> <p>No limit of times someone can apply. Staff policy is that an applicant shall only apply once.</p>	
Elmhurst	<p>Businesses may apply for one grant award per business over the life of the program.</p>	
Winfield		
Addison		
Wood Dale		
Des Plaines		

DOWNTOWN IMPROVEMENT AND RENOVATION GRANT PROGRAM POLICY

JUNE 18, 19982015

The purpose of the Downtown Improvement and Renovation Grant Program is to increase the economic viability of Downtown Lombard by improving the aesthetics of the buildings, improving signage, and increase the availability and ease of parking. The Downtown Improvement and Renovation Grant Program will offer a one-for-one matching grant for facade improvements, signage improvements, and to increase the availability and ease of parking. This Program is intended to complement and support the Village's plans to maintain a quality downtown. The Downtown's image, appearance and environment are important factors in attracting shoppers and new businesses to the downtown. The Downtown Improvement and Renovation Grant Program provides an incentive to owners and tenants to improve the downtown. The intention of the Program is to create a more attractive area through a private/public partnership.

Grant Eligibility

- 1. Improvements.** Eligible storefront improvements may include façade renovation, lights, signs, graphics, windows, doors, window displays, awnings, landscapes, and parking improvements. Eligible structures must be at least twenty (20) years old. Façade renovation of upper floors is also eligible if first floor improvements are approved simultaneously. The sides of commercial buildings which are highly visible from main shopping streets are also eligible. -If a property receives notification from Code Administration on a potential violation, the ECDC has discretion to deem the proposed improvement eligible or not.
- 2. Amount.** Approved applications for the Downtown Improvement and Renovation Grant Program are eligible to receive a fifty percent (50%) percent matching grant. Grants up to \$10,000 are approved by the Economic and Community Development Committee. All grants above \$10,000 must be approved by the Village Board. The maximum grant amount is \$50,000. Requests for grants above \$50,000 will be considered on a case-by-case basis. For signage and awnings, applicants are allowed to apply more than once for the program at the same location. Subsequent applications for signage and awnings at the same location will be eligible for a twenty-five percent (25%) grant. If a business relocates, a signage or awning at the new location would be eligible for the 50% matching grant.
- 3. Ownership.** Eligible applicants include the owners of commercial or residential buildings or the owner of a commercial business, located within the tax increment financing (TIF) district. Business owners who are tenants of commercial buildings must provide written consent form the building owner for all proposed improvements.
- 4. Fees.** Professional, architectural, engineering, and Village permit fees may be included in the total improvement costs. The Downtown Improvement and Renovation Grant Program will fund up to twenty-five percent (25%) percent or \$1,500, whichever is less, of architectural rendering fees prior to approval must have proper documentation and invoices.

If the submitted architectural rendering plans are approved the applicant is eligible to receive the full fifty percent (50%) percent matching grant amount. There are no application fees to apply for the grant program. However, if a business or tenant owes money to the Village all accounts must be current before any portion of the grant is disbursed.

5. 6. Illinois Prevailing Wage Act. All grant requests paid for by Village of Lombard TIF dollars shall comply with the Illinois Prevailing Wage Act. The applicant and property owners shall sign an acknowledgement form.

~~5. Franchise store. Special approval by the Director of Community Development is required for all free standing franchise drive in stores. Franchise stores which follow a company design policy may apply on a case by case basis.~~

6. **Conformance.** All improvements must conform to current building and zoning codes of the Village of Lombard and to minimum design criteria developed for the Downtown Improvement and Renovation Grant Program as outlined in the "Downtown Lombard Improvement Plan" dated March 26, 1987.
7. **Process.** The applicant must submit an application for the Downtown Improvement and Renovation Program to the Community of Development Department. A separate request for a building permit, an electrical permit and/or other permits and licenses shall be submitted to the Bureau of Inspectional Services. The Director of Community Development shall review the application and all supporting documentation.
8. **Appeals.** If the grant was disapproved by the Director of Community Development, the applicant may resubmit the application after addressing the application deficiencies or appeal the decision. If the applicant chooses to appeal the decision, a letter of appeal and supporting documentation must be sent to the Director of Community Development stating the reason for the appeal. The letter of appeal and supporting documents will then be forwarded to the Village Board. The Village Board will review the appeal and make the final determination of the grant application.

If the application was denied by the Village Board, the applicant may resubmit after addressing the concerns of the Board.

Design and Selection Process Criteria

The design and selection process will follow the recommendations of the "Downtown Lombard Improvement Plan" dated March 26, 1987. The improvement plan provides recommendations for the enhancement of building facades, efficient and appropriate land use, parking, and traffic circulation. A copy of the "Downtown Lombard Improvement Plan" is available ~~for perusal~~ at the Community Development Department and online.

Federal and Local Requirements

In order to qualify for the Downtown Improvement and Renovation Program, the building must be located within one of the three Tax Increment Finance (TIF) Districts in downtown Lombard. The property owner or representative must complete the pre-application, and must be prepared to comply with all federal and local laws, ordinances, and regulations. The Director of Community Development will administer the Downtown Improvement and Renovation Grant Program.

Procedural Requirements

An applicant must first meet with the Director of Community Development, or their designee for advice and technical assistance. The provided checklist is to be followed when applying for the Downtown Improvement and Renovation Program. The applicant will submit a pre-application form accompanied by renovation plan, including sample materials, color samples, and detailed cost estimates of the improvement or renovation. All improvements and renovation plans for buildings located in the TIF district must follow current code requirements. Improvements made and expenses incurred prior to approval of the application and execution of the agreement may not be eligible.

In exchange for grants in excess of \$10,000, the Business Owner and any subsequent owner agrees to maintain the business in accordance with local codes, and agrees not to substantially change the use of the building for three (3) years after completion of the improvements without written approval from the Director. Business or interior space for which this grant was received for a period of not less than three (3) years from the date of this Agreement.

The following types of businesses are encouraged in the downtown (the list is not all inclusive):

1. Restaurants
2. Outdoor Cafes
3. New Retail shops

The following types of businesses are discouraged in the downtown (the list is not all inclusive):

1. Second hand or Rummage stores
2. Sports Card shops
3. Pawn shops
4. Currency Exchanges

Failure to maintain the business in accordance with local codes or negatively changes the use of the Business or interior space will require full repayment of grant funds to the Village of Lombard. This requirement may be waived by the Director of Community Development on a case-by-case basis.

Please call ~~(630)~~ 620-57469 for further information or to set up an appointment.

Village of Lombard
Community Development Department

255 E. Wilson Ave-nue, Lombard, IL 60148
630-620-5749



MEMORANDUM

TO: TRUSTEE JOHNSTON
ECONOMIC AND COMMUNITY DEVELOPMENT COMMITTEE

FROM: SARAH RICHARDT, EXECUTIVE DIRECTOR

SUBJECT: DOWNTOWN RENOVATION AND IMPROVEMENT GRANT

DATE: August 10, 2015

CC: BILL HENIFF

The Village of Lombard has requested that Lombard Town Centre offer their opinion about the possible changes to the Downtown Renovation and Improvement Grant, otherwise known as the Façade Grant. Although no formal vote was taken, the following opinions reached a general consensus:

- Long-time businesses should not be penalized if they have outlived the TIF and should be eligible for grants if the item has outlived its useful life.
- Possible cap at \$50,000 lifetime or higher with Village Board of Trustees approval.
- Change in marketing/logo would not be supported by Lombard Town Centre, only if the improvement had outlived its useful life.
- Maintenance should be defined by the village code. If the building is not in code compliance it would not be eligible.