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11/18/04

MEMORANDUM

TO: William T. Lichter, Village Manager

FROM: William J. Heniff, AICP, Senior Planner *WJH*
Department of Community Development

DATE: November 18, 2004

RE: **Downtown Lombard Relocation Grant Program – Additional Information**

On tonight's Village Board agenda is a request and recommendation from the Economic and Community Development Committee (ECDC) to approve a Downtown Relocation Grant for \$14,560 relative to the relocation of the Nolan Agency. As this item has been pulled from the Consent Agenda and placed on the Items for Separate Action, staff offers additional information regarding the program for the Board's reference and consideration.

History of Program

The Downtown Relocation Grant Program is intended to provide an economic stimulus to encourage existing businesses to remain within the Downtown Lombard Tax Increment Financing (TIF) District. The program is intended to provide assistance to business establishments that are relocated as a result of redevelopment activity within the Downtown Lombard area. Frequently these business establishments are lease holders and not owners of the underlying land that is subject to redevelopment. Consequently, should the property owner seek to raze the existing commercial building and redevelop the site, the affected businesses would incur substantial relocation costs. This program recognizes the Village's commitment to encourage the relocation of established viable businesses within the community. Without this program, redevelopment of deleterious properties in the downtown area could be inhibited and viable businesses could be forced out of the community.

The program was initially created in 1998 with a program funding amendment in 2003. A copy of the 2003 Ordinance adopting the current program is attached for your reference.

Recipients of Funds Through Program

To date, the program has been used to provide assistance to the following projects:

<u>Name of Business</u>	<u>Old Address/ New Location</u>	<u>Year of Pay Out</u>	<u>Amount Reimbursed</u>
Lombard Sportscards	Main St/10 S. Park	1999	\$5,986.91
TLC Toys	1 E. Parkside/3 N. Main St.	2000	\$7,781.31
Lombard Chamber of Commerce	158 S. Main/ 225 W. St. Charles	2004	\$8,960.00
Dr. Ernest Turcotte	152 S. Main/ 845 S. Main	2004	\$8,960.00
Law Office of Patrick O'Shea	156 S. Main/ 10 W. St. Charles Rd.	2004	\$13,266.31
		SUBTOTAL	\$44,954.53

Of particular note, the 2004 projects are the direct result of the razing of the Lombard Masonic Building. The approved FY2004-05 Village Budget allocated up to \$50,000 for the relocation of the businesses affected by the Elmhurst Memorial Hospital redevelopment project. These funds are provided for through the Downtown Lombard TIF program.

Applications for funding are reviewed and approved by the ECDC. For projects that request reimbursement costs of greater than \$10,000, Village Board approval is required.

ORDINANCE NO. 5378

**AN ORDINANCE AMENDING TITLE 3, CHAPTER 36
AMENDING SECTIONS 36.40 THROUGH 36.44
TO THE LOMBARD VILLAGE CODE IN REGARD TO A
DOWNTOWN LOMBARD RELOCATION GRANT PROGRAM**

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

SECTION 1: That Title 3, Chapter 36, Sections 36.40 through 36.44 be amended to the Lombard Village Code to read in their entirety as follows:

Downtown Relocation Grant Program

36.40 DEFINITION

A. Establishment:

There shall be established in the Village of Lombard a Downtown Relocation Grant Program (the "Relocation Program") which shall be administered by the Director of Community Development (the "Director") in accordance with the standards set forth in this Chapter.

B. Purpose:

The purpose of the Relocation Program is to provide for retention of business impacted by Redevelopment Agreements within the downtown tax increment financing district ("TIF District") adopted by the Village Board and future redevelopment of the affected property. This is intended to complement and support the Village's plans to maintain a quality TIF District. The redevelopment of particular parcels of land and the retention of viable merchants is crucial to maintaining an economically strong TIF District area; a commercial area where the image, appearance and environment encourage the attraction of shoppers. The intention of this program is to provide financial resources to assist impacted business owners re-establish their business within the Village of Lombard and in an area which is appropriate to that use.

§36.41 ELIGIBILITY

A. Eligible Applicants:

Eligible applicants for a Relocation Program grant must own a commercial business that is located in a property in which a Village Redevelopment Agreement in the TIF District has been executed. Notwithstanding the foregoing, no owner of a commercial business located in a property in which a Village Redevelopment Agreement in the TIF District has been executed shall be eligible for a Relocation Program grant if that owner currently holds title, or is the holder of a beneficial interest in a trust that holds title, to the property that is the subject of the Redevelopment Agreement, or was the titleholder, or holder of a beneficial interest in a trust that conveyed the property to the current title holder. Program eligibility may be limited based upon the individual Redevelopment Agreement for the affected property. The Redevelopment Agreement terms and conditions shall supersede the terms of the Relocation Program.

B. Eligible Costs:

Eligible costs may include: rent differential for a like or similar location (square footage, quality, location, visibility) for either six months or the balance of the lease whichever is greater, moving costs (truck rental or professional mover), initiation and hook up of new utility services, set up costs of equipment, new equipment required by a governmental body, interior remodeling of new location, exterior signs, stationery and business cards, and other moving incidentals. Professional, legal, architectural and permit fees may be included in the relocation costs.

C. Determination of Eligibility:

The Director shall determine whether applications and costs are eligible for consideration for a Relocation Program grant.

§36.42 GRANT AMOUNTS

A. Amount:

Once approved, applications for the Relocation Program are eligible to receive grants as follows:

1. For business utilizing under 1,000 sq.ft., 100 percent reimbursement for eligible costs of the first \$5,600. The Relocation Program provides for 60 percent reimbursement of eligible costs between \$5,600 and \$16,800.

2. For business utilizing 1,000 sq.ft. or more, 100 percent reimbursement for eligible costs of the first \$10,000. The Relocation Program provides for 60 percent reimbursement of eligible costs between \$10,001 and \$15,000.

B. Approval:

Grants under \$10,000 may be approved by the Director. Grants \$10,000 and over require approval of the Lombard Board of Trustees.

§36.43 CONFORMANCE

All improvements must conform to all building and zoning codes of the Village of Lombard and to criteria developed for the Relocation Program. The business owner must comply with all local, state and federal ordinances, laws, rules and regulations.

§36.44 PROCEDURAL REQUIREMENTS

A. Procedures:

An applicant must first meet with the Director for advice and technical assistance. A checklist is to be followed when applying for the Relocation Program. The applicant will submit a preapplication accompanied by any remodeling, signage or façade plans, including sample materials, color samples and detailed cost estimates of the eligible expenses. All plans must follow appropriate design guidelines and code requirements. Improvements made prior to the approval of the application and execution of an agreement may be ineligible. The business owner must complete the preapplication, and be prepared to comply with all federal, state and local regulations.

B. Other Programs:

Participation in the Relocation program does not limit additional participation in other programs such as the Downtown Improvement and Façade Program or the Village of Lombard Low Interest Loan Program.

SECTION 2: 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.

Ordinance No. 5378
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First reading waived by action of the Board of Trustees this 6th day of November, 2003.

Passed on second reading this ___ day of _____, 2003.

Ayes: Trustees DeStephano, Tross, Koenig, Sebby, Florey and Soderstrom

Nays: _____

Absent: _____

Approved this 5th, day of November, 2002.



William J. Mueller, Village President

ATTEST:



Barbara A. Johnson, Deputy Village Clerk