

ORDINANCE NO. 5640

AN ORDINANCE AMENDING TITLE 3, CHAPTER 36 OF THE LOMBARD VILLAGE CODE IN REGARD TO THE ESTABLISHMENT OF A DOWNTOWN RESTAURANT FORGIVABLE LOAN PROGRAM

BE IT ORDAINED by the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.), as follows:

Section 1: That Title 3, Chapter 36, the Lombard Village Code is hereby amended by adding new sections 36.50 through 36.56 thereto, which shall be amended to read in their entirety as follows:

Downtown Restaurant Forgivable Loan Program

§36.50 ESTABLISHMENT OF PROGRAM

There shall be established in the Village of Lombard a Downtown Restaurant Forgivable Loan Program (the "Loan Program") which shall be administered by the Director of Community Development (the "Director") with approval from the Economic and Community Development Committee in accordance with the standards set forth in Sections 36.51 through Sections 36.56 below.

§36.51 FUNDING

Each fiscal year, commencing with the 2005-2006 fiscal year and continuing until the termination of the Lombard Downtown TIF District and the Lombard St. Charles Road TIF District I (West) (the "Eligible TIF Districts") or until debt instrument proceeds or incremental revenues in relation to said Eligible TIF Districts (hereinafter collectively referred to as "TIF Funds") are no longer available, the Village Board may, as part of the approved Village budget, allocate a certain amount from the TIF Funds to be expended in the form of forgivable loans to businesses and/or property owners who meet the eligibility standards for a storefront or office space renovation for use as a restaurant in the Eligible TIF Districts (the "Forgivable Loan"). Forgivable Loans may be granted in amounts up to one third (1/3) of the improvement cost to a maximum per project to be established yearly, based on the total TIF Funds available

§36.52 APPLICATIONS FOR GRANTS

- A. Any property owner or business operator within the Eligible TIF Districts who wishes to undertake storefront or office space renovation for use as a restaurant

(hereinafter the "Project") may apply for a Forgivable Loan by completing an application supplied by the Director. Applications shall be eligible for consideration provided that they meet the filing deadline established by the Director and provided the Project meets the following eligibility criteria:

1. The building must be located within the limits of the Eligible TIF Districts;
 2. The applicant must be either a commercial, office, or mixed-use building owner or a commercial, office, or mix-use building tenant who has obtained the building owner's consent, relative to the Project and application for the Forgivable Loan, evidenced by the building owner's signature on the application form.
 3. The cost of the Project must be no less than five hundred and no/100 dollars (\$500.00); and
 4. The Project must involve eligible improvements as determined by the Director and as set forth in the Downtown Restaurant Forgivable Loan Program Policy, dated March, 2005 and approved by the Village Board Ordinance No. _____, adopted _____, 2005. (hereinafter the "Policy").
- B. Applications shall contain such information as required by the Economic and Community Development Committee from time to time, including but not limited to, an estimate of the Project costs; a business plan for the proposed restaurant; a description of the building involved, including ownership information and market value, as well as lease information, if applicable; the names and addresses of the applicants; and the names and addresses of the architect and/or contractor being used in relation to the proposed Project.

§36.53 FORGIVABLE LOAN APPROVAL

Recipients of Forgivable Loans shall be chosen based on the characteristics of the Project, the potential benefit to the economic welfare of the Eligible TIF Districts and the amount of TIF Funds that are available. The detailed criteria for Forgivable Loan Eligibility are established by, and set forth in the Policy, as amended from time to time by the Village Board.

§36.54 DISBURSEMENT OF FORGIVABLE LOAN FUNDS

A minimum of three (3) estimates must be submitted for the Project. No Forgivable Loan funds shall be disbursed unless all building improvements are undertaken in compliance with all applicable provisions of the Village Code and until the Village receives an affidavit from the loan recipient containing his or her sworn statement that he or she has paid at least two-thirds (2/3) of the approved cost of the Project. Original paid receipts

from contractors amounting to at least two-thirds (2/3) of the approved Project cost must be attached to the affidavit and no disbursement of Forgivable Loan funds shall be made until such receipts are received. Upon receipt of the approved affidavit and receipts, the Village will release fifty percent (50%) of the approved Forgivable Loan fund, subject to proper documentation. No further disbursement shall be made thereafter until an affidavit containing a sworn statement that the approved Project is complete is received, together with attached paid receipts for the remaining approved Project costs. Upon filing of such affidavit and receipts, the balance of the Forgivable Loan funds shall be disbursed, and a lien shall be recorded against the property on which the Project was undertaken, in the amount of the Forgivable Loan.

§36.55 LIEN CONDITIONS

- A. Upon final payment of Forgivable Loan funds, lien shall be placed on the property on which the Project is to occur as a guarantee for the loan. Current or future owners or lessees of buildings which have been improved through use of funds obtained through this Loan Program shall not operate any business other than a restaurant, within the building area improved by the Project, for ten (10) years after completion of the Project without written approval from the Director.
- B. The conditions associated with the lien on the property are as follows:
1. One-tenth (1/10) of the Forgivable Loan amount is forgiven for each full year after the recording of the lien that a restaurant is operated at the Project location.
 2. That at anytime a business other than a restaurant operates at the Project location, the lien becomes permanent (no more amortized "forgiveness") and the Village will record a document to this effect.
 3. In the event that any business other than a restaurant operates at the location of the Project, the balance of the loan must be immediately repaid by the recipient or the property owner.
 4. The release of the lien will be recorded by the Village after ten (10) years from the date the lien was recorded no business other than a restaurant has operated at the premises or after repayment of the remaining loan amount by the recipient or the property owner.
- C. Conditions associated with the lien may be waived in whole or in part by the Village Board upon a recommendation to do so from the Economic and Community Development Committee.

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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 21st day of April, 2005.

First reading waived by action of the Board of Trustees this _____ day of _____, 2005.

Passed on second reading this 5th day of May, 2005, pursuant to a roll call vote as follows:

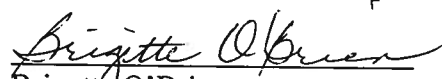
AYES: Trustees Gron, Tross, O'Brien, Sebby, Florey and Soderstrom


NAYS: None

ABSENT: None

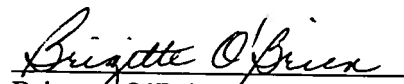
APPROVED by me this 5th day of May, 2005.

ATTEST:


Brigitte O'Brien
Village Clerk


William J. Mueller
Village President

Published by me in pamphlet form this 10th day of May, 2005.


Brigitte O'Brien
Village Clerk