

**To:** Honorable President and Board of Trustees  
**From:** William T. Lichter, Village Manager *WTL*  
**Date:** March 24, 2005  
**Subject:** **Redevelopment of the DuPage Theatre**

Pursuant to direction from the Board of Trustees at the meeting of December 2, 2004, the DuPage Theatre Foundation was notified that it was in default under terms of the DuPage Theatre Redevelopment Agreement. Under the Agreement, the Foundation thereafter had 60 days to cure the default. The 60-day period terminated on March 4, 2005 without the default having been cured by the Foundation.

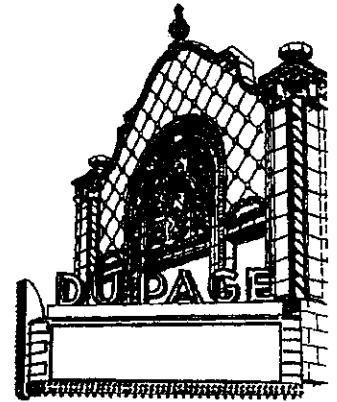
The DuPage Theatre Foundation has submitted a new proposal for redevelopment of the theatre. It is my understanding that the Foundation is prepared to present that proposal at the April 7<sup>th</sup> meeting. A copy of the proposal was forwarded to the Village Board under separate cover, and is available for public review.

Given that the cure period has ended, what follows are two possible options for further action:

1. Direct staff to advise the DuPage Theatre Foundation that the Redevelopment Agreement is null and void, pursuant to the issuance of a notice of termination as required by the Redevelopment Agreement.
2. Given that the DuPage Theatre Foundation is prepared at the meeting of April 7<sup>th</sup> to present a new proposal for redevelopment of the DuPage Theatre, continue until a future meeting a decision on whether to proceed with the termination notice so that there will be sufficient time to review the new proposal.

Staff is prepared to proceed based upon direction from the Board of Trustees.

# THE DUPAGE THEATRE FOUNDATION



March 30, 2005

Mr. William Mueller  
Village President  
Village of Lombard  
255 East Wilson Avenue  
Lombard, Illinois 60148

Dear President Mueller:

The DuPage Theatre Foundation is pleased to present an exciting development proposal for the DuPage Theatre property which will dramatically transform the downtown Lombard area. The proposed development will, most importantly, fully restore the DuPage Theatre to its original splendor, giving Lombard the premier performing arts center in DuPage County. The restored DuPage Theatre and Arts Centre will bring to Lombard exciting theatrical performances, concerts and vintage film festivals, provide local community groups with much needed space to meet, provide our school children with after school arts programs and theatre camps and bring additional tourism dollars and jobs to our town.

The project also brings the talented development team of RSC Associates and David P. Coffey & Associates who have designed a luxury 86 unit condominium and retail development complete with such amenities as large terraces, which will add to the street scene downtown. The project also includes plenty of parking for the theatre, retail and condominium units. In all, the project brings approximately \$32 million in investment to Lombard.

Although the details of the development project are contained within RSC's proposal previously provided to you and the Village trustees, I wanted to explain the overall scope of the project as it pertains to the restoration of the DuPage Theatre and Arts Centre. RSC will contribute approximately \$1.9 million to the Foundation for the restoration of the DuPage Theatre in the form of a charitable contribution and the purchase of the land adjacent to the theatre on the south side of the property, the land east of the Theatre on Parkside and for the second floor of the shops' portion of the property which will be renovated into condominiums. Additional funding for the Theatre's restoration will come from the following sources:

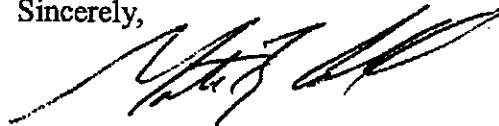
Historic Tax Credits	\$700,000
Façade Donation	\$100,000
Save Our Treasures Grant	\$296,000
Private Pledged Donations	\$100,000
Previously Committed TIF	\$900,000

In addition, the development is projected to raise \$10,892,909 in TIF revenues through 2024, assuming the TIF is extended. Our plan is to bond the TIF cash flow once the condominiums are completed for use in completing the theatre. The Foundation also will continue its fund raising efforts to reduce the TIF funds needed. We recently met with State of Illinois officials to discuss a tourism grant and have applied for a Fifth Third Bank Foundation grant. Full fundraising efforts will commence once the development plan is approved.

The current plan also includes a perpetual \$100,000 donation from the developer to subsidize the Theatre's operating budget to be funded from the revenues received from the first floor shops. Other than the TIF funds referenced above, the Foundation does not intend to seek any additional tax or funding subsidies from the Village. No tax dollars will be necessary to operate or restore the Theatre.

The development will be a tremendous addition to downtown Lombard. The Foundation has worked extremely hard in organizing and preparing this project and trust you and the Village trustees will be as excited about the project as we are.

Sincerely,



Martin B. Carroll