



MEMORANDUM

TO: Trustee Johnston, Chairperson
Economic and Community Development Committee

FROM: Jennifer Ganser, Assistant Director of Community Development

DATE: October 12, 2015

A handwritten signature in blue ink, appearing to be "JG", is located to the right of the "FROM:" line.

SUBJECT: Downtown Improvement & Renovation Grant Program

The ECDC has 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. Staff notes there are multiple properties and applicants that have received more than one façade grant in the past. Also, eligible improvements such as signage and awnings are changed more frequently than a complete building façade or a parking lot improvement.

Based on previous ECDC meetings, staff recommends that applicants be allowed to apply more than once for signage or awnings. A time limit of seven years for when a new sign or awning can be applied for would be enforced. Seven years is consistent with past Village time allowances for sign amortizations and the IRS. Subsequent applications would be eligible for a fifty percent (50%) grant as long as the contract price is \$2,000.00 or less, therefore the grant amount would be \$1,000.00 or less. The applicant should demonstrate a commitment to downtown Lombard by being a property owner or business owner for at least five years.

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, gives the ECDC an opportunity to consider code administration maintenance on a case by case basis, and notes that the petitioner must be present at the ECDC meeting. The prevailing wage section is also amended, relative to that specific item on the October 12th ECDC agenda.

COMMITTEE ACTION REQUESTED

This item is being placed on the October 12, 2015 ECDC agenda for review and approval.

DOWNTOWN IMPROVEMENT AND RENOVATION GRANT PROGRAM POLICY

~~JUNE 18, 1998~~ 2015

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. New applications are allowed seven (7) years after the initial request. Subsequent applications for signage and awnings at the same location, by the same applicant, will be eligible for the fifty percent (50%) grant as long as the contract price is \$2,000.00 or less. The applicant should also demonstrate a long-term commitment to the downtown and be the property owner or business owner for the previous five years of the location for the grant. If a business relocates a signage or awning at the new location would be eligible for the 50% matching grant. If a new tenant or property owner acquires the property they would be eligible for a 50% matching grant for their first signage or awning request.
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, if deemed applicable. 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. The applicant, or his/her designee, shall be present at the Economic and Community Development Committee meeting to make a brief presentation on the request.
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 his/her 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