<center>MEMORANDUM</center>

TO: William T. Lichter, Village Manager

FROM: David A. Hulseberg, AICP, Director of Community Development

DATE: May 18, 2006

SUBJECT: **Downtown Restaurant Forgivable Loan Program; O'Neill's Pub, 14 W. St. Charles Road**

BACKGROUND

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 increasing the availability and ease of parking. This Program, approved in July, 1998, is intended to support the Village's plans to maintain a quality downtown.

Approved applications for the Downtown Improvement and Renovation Grant Program are eligible to receive a fifty percent (50%) matching grant. Grants up to $10,000 are approved administratively by the Director of Community Development. 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.

PROPOSAL

Edward A. O'Neill submitted an application for the Downtown Restaurant Forgivable Loan Program which was reviewed at the May 2, 2006 meeting of the Economic and Community Development Committee. The restaurant will occupy the former Ken's TV space and will be designed as a traditional Irish pub. The restaurant will offer lunch, dinner, weekend brunch, and possibly weekday breakfast seating. Food sales are estimated to represent 60 percent of all revenues.

An estimated $410,037 will be spent on eligible improvements to the tenant space. The Economic & Community Development Committee recommended approval of a forgivable loan in the amount of $100,000.

RECOMMENDATION

Staff recommends that the Village Board authorize the signatures of the Village President and Village clerk on an agreement authorizing a Downtown Restaurant Forgivable Loan in the amount of $100,000.00 for the property located at 14 W. St. Charles Road, subject to the applicant obtaining a liquor license.

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