

VILLAGE OF LOMBARD  
REQUEST FOR BOARD OF TRUSTEES ACTION  
For Inclusion on Board Agenda


Resolution or Ordinance (Blue)  X  
Recommendations of Boards, Commissions & Committees (Green)   
Other Business (Pink)

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: David A. Huliseberg, Village Manager 

DATE: May 12, 2009 (B of T) Date: May 21, 2009

TITLE: Downtown Retail Business Grant Program Revision

SUBMITTED BY: Department of Community Development 

BACKGROUND/POLICY IMPLICATIONS:

The Economic and Community Development Committee transmits for your consideration two ordinances:

1. Ordinance Amending Title 3, Chapter 36 of the Lombard Village Code in regard to Amendments to the Downtown Retail Business Grant Program
2. Ordinance Adopting the Downtown Retail Business Grant Program Policy.

The Economic and Community Development Committee recommended approval of this request.

Staff is requesting a waiver of first reading in light of pending applications.

Please place this item on the May 21, 2009 Board of Trustees agenda.

Fiscal Impact/Funding Source:

Review (as necessary):

Village Attorney X \_\_\_\_\_  
 Finance Director X \_\_\_\_\_  
 Village Manager X \_\_\_\_\_

Date \_\_\_\_\_  
 Date \_\_\_\_\_  
 Date \_\_\_\_\_

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 noon, Wednesday, prior to the Agenda Distribution.

VILLAGE OF LOMBARD  
REQUEST FOR BOARD OF TRUSTEES ACTION  
For Inclusion on Board Agenda

Resolution or Ordinance (Blue)  X \_\_\_\_\_  
Recommendations of Boards, Commissions & Committees (Green) \_\_\_\_\_  
Waiver of First Requested Other Business (Pink) \_\_\_\_\_

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: David A. Hulseberg, Village Manager *DH*

DATE: May 12, 2009 (B of T) Date: May 21, 2009

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SUBMITTED BY: Department of Community Development *WPA*

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Review (as necessary):

Village Attorney X

Finance Director X

Village Manager X

Date

Date

Date

\_\_\_\_\_  
\_\_\_\_\_  
5/12/09

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 noon.

Wednesday, prior to the Agenda Distribution.





**MEMORANDUM**

**TO:**

David A. Hulseberg, Village Manager

**FROM:**

William J. Heniff, AICP, Director of Community Development

**DATE:**

May 21, 2009

**SUBJECT:**

Downtown Retail Business Grant Program Revision

At the September 18, 2008 Village Board meeting, the above program was reviewed to consider amendments recommended by the EDCD that would expand the types of business that may be considered under the Program. The Village Board supported some of the proposed revisions; however, it remanded the item back to the EDCD to further clarify the term "substantial retail" for service uses eligible for the grant program. At the March 4, 2009 and April 14, 2009 meetings, the EDCD discussed the proposed revisions to the Downtown Retail Business Grant program, along with the recommendations from Lombard Town Centre. The EDCD unanimously recommended approval of the following changes:

- All future grants shall be required to complete an Illinois sales tax release form;
- Service businesses with a substantial retail component, as defined by having 25% of its gross income or gross floor area dedicated to retail sales activity, are now denoted as a type of business that is potentially eligible for a DRB Grant;
- The dollar amounts awarded to service businesses with a substantial retail component will be a function of the amount and nature of the retail component associated with the business;
- For service businesses with substantial retail components that were previously in operation, sales data shall accompany the application;
- For start-up new service businesses with substantial retail components, up to half of the eligible grant award (i.e., no more than \$10,000) of can be awarded with the start-up of the business. Notwithstanding the item below, the applicant does have the ability to apply for an additional half of an award after a one year period of time, with the EDCD considering the retail sales tax figures as part of the application; and
- Retroactive grant applications are not permitted. Once a Certificate of Occupancy has been issued for a business/property, the business is no longer eligible, unless the application is for a future modification to the building or use meeting the program criteria.

- Businesses who receive grant money shall remain open at the location identified in their grant application for at least three (3) years from the date of the original grant disbursement. The Village shall also be reimbursed for any fees including but not limited to attorney's fees associated with enforcement of this provision. Staff will request that each applicant sign an affidavit and/or release form acknowledging that they are aware of this provision.

### RECOMMENDATION

The Economic and Community Development Committee recommends that the Village Board of Trustees at their May 21, 2009 meeting approve an Ordinance amending Title 3, Chapter 36 of the Lombard Village Code as well as an Ordinance adopting the revised Downtown Retail Business Grant Program Policy. Staff is also requesting a waiver of first reading in light of pending applications.

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MEMORANDUM

TO: Trustee Dana Moreau, Chairperson  
Economic and Community Development Committee

FROM: William J. Heniff, AICP, Director of Community Development *WJH*

DATE: April 1, 2009

SUBJECT: Retail Grant Program Assessment

**BACKGROUND**

At the March 4<sup>th</sup> EDC meeting, the committee approved revisions to the DRBG allowing for service businesses to be eligible for the grant provided that they either devote a minimum of 25 percent of its gross floor area to retail sales or demonstrate that at least 25 percent of its gross income comes from sales tax-generating activities. In addition, it was agreed that some form of repayment of the grant be included in the program, if a business closes or moves elsewhere within 3 years of receiving that money. The committee members ask staff to draft the language regarding the 3 year provision for committee members review and approval prior to the next Village Board meeting. Since a majority of the members did not respond to the staff email, staff is seeking the committee's review and approval; prior to the April 16, 2009 Village Board meeting.

**PROPOSED OPTIONS**

Staff offers the following options for the committee to consider regards to a minimum 3 year requirement: 1. **Security Deposit**- As originally discussed at the EDC meeting, this option would require recipients who close or relocate within 3 years after receiving grant money to ensure that their lease allows for the Village to receive the security deposit.

Staff is concerned with this approach for the following reasons:  
a. What if the tenant also owns the building and or space? A separate security deposit may have to be provided.  
b. Landlords may double the security deposit for the tenant, potentially making it more difficult to lease.

2. **Grant cap for 3 years**- Rather than requiring a repayment, a provision could be added that prohibits any DRBG funding on a tenant space for three (3) years, after they received a grant. For example, if a business received a grant for \$20,000 and closed/relocated 18 months after receiving the grant money, a new business seeking to enter that tenant space would not be eligible for grant money, regardless of their use, until the original 3 year time period lapsed. It is important to note that the latest revisions, if approved, would no longer allow grant money to be used on improvements made after receipt of the CO. In addition, the committee may also want to consider an alternative where if the original grant recipient received less than \$20,000, any new business that occupies that space within the 3 years would only be eligible for the remaining balance up to \$20,000.

3. **3 year commitment**- Provide a specific requirement that states any business who receives grant money is to remain open at that space for a minimum of 3 years from the time they receive the money. This is a similar requirement we have for the facade grant program however there are no

specifics for enforcement or repayment. This provision would merely put recipients on notice should they request grant money.

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4. Pro rata repayment-This option would include a repayment provision similar to the forgivable loan. That could be as follows:

Any property that closes it businesses or relocates within 3 years after receiving grant money would be required to repay the Village. This repayment would be on a pro rata basis as follows (see attached spreadsheet):

Completion of Year 1- 50% decrease in original grant amount  
Completion of Year 2- 75% decrease in original grant amount  
End of Year 3- 100% decrease in original grant amount

Staff is concerned about this option because of the potential burden placed on the property owner and any future tenant.

**STAFF RECOMMENDATION**

Staff recommends a combination of options 2 & 3. Staff feels that these options are the best alternatives since it's easy to understand for applicants, and it avoids the need for liens, attorneys, and collection agencies. It is important to note that all applications will still require the ECDC's review and approval. At that time, the committee will be able to closely review each applicant's materials to determine the businesses viability and success. Attached is a revised program policy guide with the recommended changes. The most recent changes related to this discussion are noted in red.

**ACTION REQUESTED**

Staff requests that the Economic and Community Development Committee recommend amendments to the DRBG Program Policy to grant recipients be in operation for a minimum of three years.

**GRANT BALANCE**

**Grant Amount \$ 20,000.00**

<b>Year 1</b>	<b>Balance owed if they close</b>
Month 1	\$ 19,166.00
Month 2	\$ 18,332.00
Month 3	\$ 17,498.00
Month 4	\$ 16,664.00
Month 5	\$ 15,830.00
Month 6	\$ 14,996.00
Month 7	\$ 14,162.00
Month 8	\$ 13,328.00
Month 9	\$ 12,494.00
Month 10	\$ 11,660.00
Month 11	\$ 10,826.00
Month 12	\$ 9,992.00



<b>Year 3</b>	<b>Balance owed if they close</b>
Month 25	\$ 4,584.00
Month 26	\$ 4,168.00
Month 27	\$ 3,752.00
Month 28	\$ 3,336.00
Month 29	\$ 2,920.00
Month 30	\$ 2,504.00
Month 31	\$ 2,088.00
Month 32	\$ 1,672.00
Month 33	\$ 1,256.00
Month 34	\$ 840.00
Month 35	\$ 424.00
Month 36	\$ -





# DOWNTOWN RETAIL BUSINESS GRANT PROGRAM



## April 1, 2009

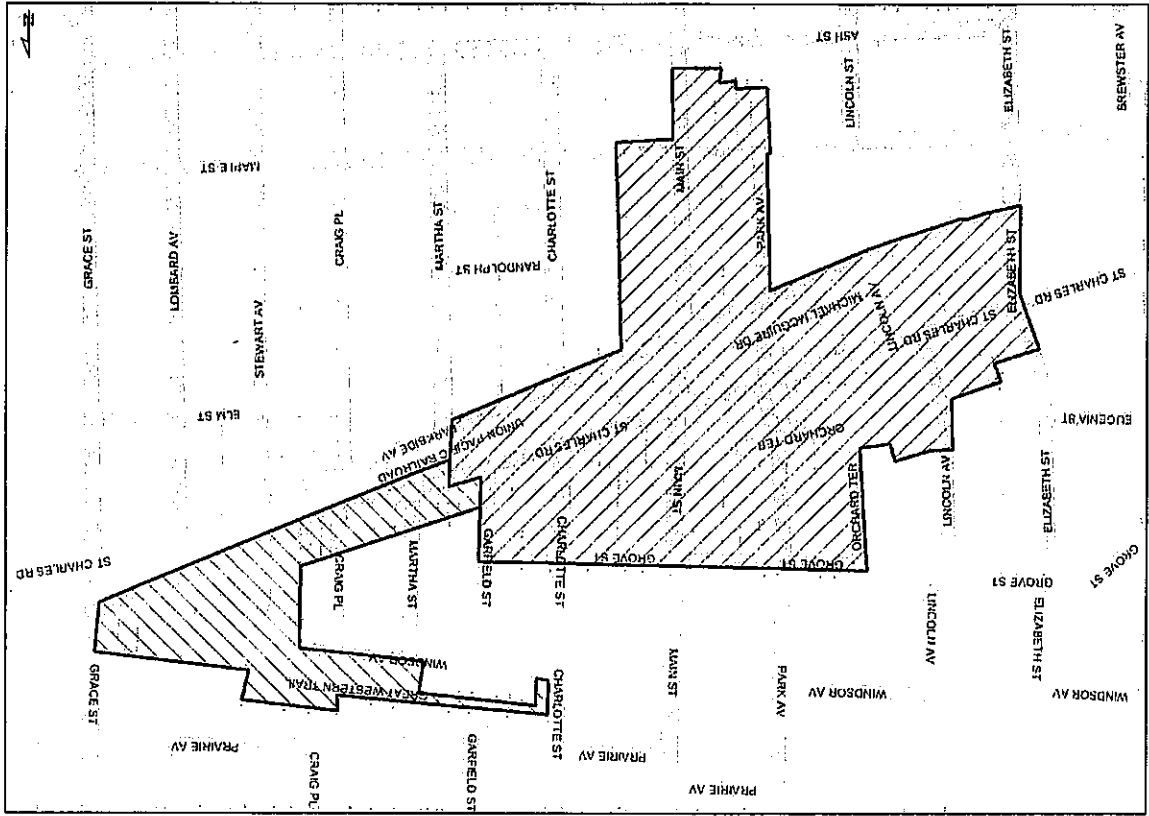
The purpose of the Downtown Retail Business Grant Program (hereinafter the "Program") is to increase the economic viability of Downtown Lombard by attracting targeted retail businesses and assisting existing businesses in the Downtown. The program will offer a 50% matching grant for eligible expenditures associated with helping the start-up of new businesses or the expansion of existing businesses in the Downtown. Priority will be given to businesses that best complement the Lombard Downtown retail mix and help strengthen existing retail clusters. Grant monies derive from TIF funds, and therefore priority will be given to businesses with projected tangible benefits to the TIF area.

### Eligible TIF Districts

The Program will only be offered to businesses located within the Lombard Downtown TIF District or the Lombard St. Charles Road TIF District I (West) ("Eligible TIF Districts"). The boundaries of the Eligible TIF Districts are shown on Figure 1 below. An existing business in Lombard that is outside of the TIF boundaries would not be eligible for funds unless it opens an additional location within the boundaries of the Eligible TIF Districts.

Figure 1. Eligible TIF Districts

-  Lombard Downtown TIF District
-  Lombard St. Charles Road TIF I (West)



**Program Eligibility**

Eligibility requirements are as follows:

1. **Expenditures.** Eligible expenditures include build-out of space, first three months of rent (existing business must move into a new space in the TIF area or expand their existing space), signage, moving expenses, visual merchandising, retail consulting, and licensed space designer (ASID). The program does not cover costs associated with production equipment, media marketing/advertising, payroll, day-to-day operational costs (e.g. utilities, taxes, maintenance), refuse, or product.

2. **Amount.** Participants will be eligible for up to \$20,000. Participants must expend verified funds and then will be reimbursed for qualified expenditures up to but not exceeding 50% of acceptable expenditures. The Retail Business Grant Program shall not exceed \$20,000 per participant. The Economic and Community Development Committee may recommend amounts of less than \$10,000. Grants exceeding that amount will require Village Board approval. **Tenant spaces that received grant money may not be eligible for more than \$20,000 in a three (3) year period from the date the Village disperses grant funds.**

3. **Ownership/Lease.** Applicants to the Retail Business Grant Program must either own or have a minimum three-year lease in a first floor retail location along a public street. In some instances, approval may be contingent upon a written lease from a landlord and the applicant.

4. **Occupancy- Businesses who receive grant money shall remain open at the location identified in their grant application for at least three (3) years from the date of the original grant disbursement.**

5. **Eligible Businesses.**

- A. Priority will be given to retail businesses that best complement the Lombard downtown retail mix. A list of targeted retail categories is as follows: clothing stores, produce market, cd/music store, design/decoration/furniture, electronics, home improvement, specialty foods, crafts/toys/hobbies, custom jewelry, kitchen/home accessories, children's products, entertainment venues (which complement restaurants in the downtown), specialty retail, computer store, shoe store, and art shops/galleries. Other stores may be eligible for the Program, subject to review by the Economic and Community Development Committee.

- B. **Service businesses with a substantial retail component, as defined by having 25% of its gross income or gross floor area dedicated to retail sales activity, are potentially eligible for the Program. The dollar amounts awarded to service businesses with a substantial retail component will be a function of the amount and nature of the retail component associated with the business. For service businesses with substantial retail components that were previously in operation, sales data shall accompany the application. For start-up new service businesses with substantial retail components, up to half of the maximum possible grant**

10. **Evaluation.** The Economic and Community Development Committee will review all applications on an as-needed basis. Proposals shall be evaluated on their viability, their contributions to the TIF districts retail mix, their support to the Village tax base and their completeness and eligibility. An applicant may be required to submit a personal financial statement. A successful business plan will be the one that conveys the most promising

9. **Administration.** The program will be jointly administered by the Department of Community Development and the Lombard Towne Centre. All Applications will be reviewed by the Economic and Community Development Committee. If the amount of the grant is less than ten thousand dollars (\$10,000) or less, the Economic and Community Development Committee has the authority to approve the grant. If the amount of the grant is greater than ten thousand dollars (\$10,000), the Economic and Board, who will then determine whether the grant should be approved. 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.

8. **Conformance.** All improvements must conform to current building and zoning codes of the Village of Lombard. Any exterior improvements completed in the Lombard Downtown TIF District must conform to the *minimum design criteria* outlined in the "Downtown Lombard Improvement Plan" dated March 26, 1987. The business owner must maintain the property in compliance with all federal and local laws, ordinances, and regulations.

7. **Main Street Organization.** Recipients of a Grant through the Program must maintain an active membership in the Lombard Town Centre Organization.

6. **Fees.** Professional, architectural, engineering, and Village permit fees may be included in the total improvement costs. The Program will fund up to twenty-five percent (25%) or one thousand five hundred dollars (\$1500), whichever is less, of architectural rendering fees prior to Project approval of the improvements. All requests for architectural rendering fees prior to approval must have proper documentation and invoices. There are no application fees associated with the Program. However, if an applicant owes money to the Village all accounts must be brought current before any portion of the Grant is disbursed.

C. Resale stores and service businesses without a substantial retail component are not eligible for the Program.

award (i.e., no more than \$10,000) of can be awarded with the start-up of the business. Notwithstanding the procedural requirement that prohibits applications after a Certificate of Occupancy has been issued, a start-up new service business applicant who is granted half of an award has the ability to make a second application for an additional half of an award (i.e., no more than \$10,000) after a one year period of time, with the EDCD considering the retail sales tax figures as part of the second application.

combination of financial feasibility, product and market knowledge, growth potential, job creation and financial need.

11. **Appeals.** If the application is rejected by the Economic and Community Development Committee, 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 within ten (10) days of the rejection with said letter 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 address the appeal at a Village Board meeting and make a final determination relative to the application. The denial of the appeal by the Village Board shall not preclude an applicant from submitting a new application for the Program. The Village Board has the right to amend or waive program terms and conditions to accommodate special circumstances.
12. **Business Plan.** Business plans should not exceed sixteen (16) double-spaced pages including exhibits and should include as many of the following as possible:

- A. Description of your business and industry
  - 1. Your business
  - 2. The industry and its history
- B. Features and advantages of your product
  - 1. Description
  - 2. Competitive advantage
  - 3. Proprietary position
  - 4. Future potential
- C. Market research and analysis
  - 1. Definition of your customers and markets
  - 2. Market size and trends
  - 3. Competition
- D. Estimated market share and sales
  - 1. Market plan
  - 2. Market strategy
  - 3. Pricing
  - 4. Sales tactics
  - 5. Service and warranty policies
  - 6. Advertising, public relations and promotions
- E. Design and development plans
  - 1. Development status and tasks
  - 2. Difficulties and risks
  - 3. Costs
- F. Operation plans

13. **Procedural Requirements.** Participants in the Program must accomplish the following steps:
- A. Candidates for the Retail Business Grant Program should contact the Department of Community Development or Lombard Town Centre for applications. Applications may be obtained from and submitted to either:  
 Dept. of Community Development  
 225 E. Wilson Avenue  
 Lombard, IL 60148  
 630.620.5749  
 Lombard Town Centre  
 102 W. St. Charles Rd., Ste 2  
 Lombard, IL 60148  
 630.620.8063
  - B. Candidates shall submit the following documents:  
 1. Application form;  
 2. Preliminary plans and preliminary cost estimates;  
 3. Business plan;  
 4. Details of signage and/or awning design; and
  - G. **Management Team**  
 1. Key management personnel (credentials/resume)  
 2. Management assistance and training needs
  - H. **Overall Schedule**  
 1. Timing of critical activities before opening (e.g. company incorporation, signed lease, suppliers ordered, employees hired, opening date)  
 2. Timing of critical activities after opening, (e.g. expansion, product/service extension)
  - I. **Critical risks and problems (how will you respond?)**  
 1. Price cutting by competitors  
 2. Unfavorable industry-wide trends  
 3. Operating cost overestimates  
 4. Low sales  
 5. Difficulties obtaining inventory or supplies  
 6. Difficulty in obtaining credit  
 7. Lack of trained labor
  - J. **Financial Plan**  
 1. Profit and loss forecasts for 3 years (first year monthly)  
 2. Cash flow projections for 3 years  
 3. Performance balance sheet at start-up, semi-annually in the first year and at the end of 3 years

- 5. Proof of ownership, lease, and/or owners approval.
- C. After review by the Economic and Community Development Committee, and approval of the grant by either the Economic and Community Development Committee or the Village Board, depending upon the amount of the Grant, a "Certificate of Eligibility" will be forwarded to the owner/applicant.
- D. Upon receipt of the "Certificate of Eligibility", the owner and/or applicant shall proceed as follows:
  1. Submit final plans and cost estimates to the Department of Community Development and apply for proper building permits.
  2. Submit three (3) contractor bids for the work outlined in the application. Also, indicate the preferred contractor.
  3. Submit a fully executed Grant Agreement.
- E. Upon receipt of the items set forth above, a "Notice to Proceed" shall be forwarded to the owner/applicant by a representative of the Department of Community Development.
- F. Upon issuance of the Notice to Proceed, improvements and renovations may start after the required building permits have been issued. All necessary inspections should be coordinated through the Village's Bureau Inspectional Services (BIS).
- G. **Prior to the issuance of any grant funds, the applicant must submit to the Village a completed Illinois sales tax release form.**
- H. The applicant must submit an affidavit containing his or her sworn statement that he or she has paid at least one-half (1/2) of the approved cost of the Project. Original paid receipts from contracts amounting to at least one-half (1/2) of the approved Project cost must be attached to the affidavit. Upon verification of the affidavit and receipts, the Village will release fifty percent (50%) of the grant funds.
- I. Upon completion of the Project and after all final inspection from the Bureau of Inspectional Services have passed, the building will be inspected by a representative of the Community Development representative for conformance with the application.
- J. Upon determination of conformance, and receipt of the affidavit, the Village will process and disburse the remaining amount of the loan.
- K. All eligible expenditures will be matched by the Village of Lombard at 50% of costs as designated by an appropriate receipt or invoice. Overall costs may be submitted up to \$40,000 within twelve months after registering the business with the Village of Lombard or applicant approval of the Retail Business Grant Program if the business is already registered.

Lombard Town Centre  
102 W. St. Charles Rd., Ste 2, Lombard, IL 60148  
(630) 620-8063

or

Village of Lombard  
Community Development Department  
255 E. Wilson Ave., Lombard, IL 60148  
(630) 620-5749

For further information contact:

L. All businesses must submit applications and complete review by the EDC prior to the opening of the business in the TIF area. Once a Certificate of Occupancy has been issued for a business, the business is no longer eligible to apply to the Retail Business Grant Program unless the application is for an expansion meeting the Program criteria. A new or expanding business either must open for business or have expanded their business within nine months from the date of grant approval, or all grant funds shall be forfeited.







MEMORANDUM

Trustee Dana Moreau, Chairperson  
Economic and Community Development Committee

FROM: William J. Heniff, AICP, Director of Community Development *WJH*

DATE: March 4, 2009

SUBJECT: Retail Grant Program Assessment

**BACKGROUND**

At the November 5, 2009 meeting, the ECDL discussed the proposed revisions to the Downtown Retail Business Grant program (minutes attached). It was agreed that the committee would wait to vote on any of the proposed changes until the LTC had a chance to submit their recommendations based on the market study they were completing. Staff attended the LTC's Board meeting on February 24, 2009 where they discussed the findings of their market study along with making recommendations for revisions to the DRBG. Members from the LTC will present their findings to the committee as it relates DRBG at the March 4, 2009 ECDL meeting.

**SUMMARY OF PROPOSED CHANGES**

The following is a summary of the proposed revisions to the DRBG:

*September 3, 2008 ECDL Meeting*

At its September 3 meeting, the ECDL recommended a number of changes to the DRBG Program Policy. These were considered at the September 18 Village Board meeting. The Village Board expressed support for the following proposed changes:

- All future grants shall be required to complete an Illinois sales tax release form; and
- Retroactive grant applications are not permitted. Once a Certificate of Occupancy has been issued for a business/property, the business is no longer eligible, unless the application is for a future modification to the building or use meeting the program criteria.

However, the Village Board remanded the changes back to the ECDL for further discussion and clarification of the term "substantial retail component." This affects following proposed changes:

- "Service businesses with a substantial retail component" are now denoted as a type of business that is potentially eligible for a DRB Grant;

- The dollar amounts awarded to service businesses with a substantial retail component will be a function of the amount and nature of the retail component associated with the business;

- For service businesses with substantial retail components that were previously in operation, sales data shall accompany the application; and

- For start-up new service businesses with substantial retail components, up to half of the eligible grant award (i.e., no more than \$10,000) can be awarded with the start-up of the business. Notwithstanding the item below, the applicant does have the ability to apply for an additional half

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of an award after a one year period of time, with the EDCD considering the retail sales tax figures as part of the application.

### SUPPORTING DOCUMENTS

For your reference, the following documents pertaining to the history of the DRBG revision are attached:

- November 5, 2008 EDCD memo
- Minutes from the November 5, 2008 EDCD meeting
- September 18, 2008 Village Board memo
- August 6, 2008 EDCD memo
- September 2005 DRBG Program Policy
- September 2008 DRBG Program Policy, last revised March 4, 2009 (proposed changes in **bold**, remanded changes on p.2)

### STAFF RECOMMENDATION

As staff noted in the November 5, 2008 EDCD memo, to meet the Village Board's request for a definition of "substantial retail component," staff suggests adding a minimum threshold of 25 percent. To qualify, a service business would need to either devote a minimum of 25 percent of its gross floor area to retail sales or demonstrate that at least 25 percent of its gross income comes from sales tax-generating activities. (This 25 percent requirement is consistent with the Village's definition of ancillary uses as opposed to principal uses.) The LTC discussed this item at their February 24, 2009 and concurs with staff recommendations.

Such a requirement creates the need for annual follow-up and enforcement. Service businesses with retail components that qualify based on their sales income will need to provide the Village with an annual financial statement to demonstrate their continued eligibility. The DRBG Program does not currently require grant recipients to remain in business for any length of time. The Downtown Restaurant Forgivable Loan Program has a 10-year scope, with one-tenth of the loan amount being forgiven each year for 10 years. The Downtown Improvement and Renovation Grant Program has a requirement that, in exchange for grants in excess of \$10,000, the business owner and any subsequent owner agree to not substantially change the use of the business for which the grant was received for a period of not less than three years. Failure to comply with the duration requirements results in the full repayment of grant funds to the Village. Staff recommends that a similar three-year time period be added to the DRBG Program. Please note that if applicant meets the minimum criteria of the DRBG, that request would still require the review by the EDCD and/or the Board of Trustees.

### ACTION REQUESTED

Staff requests that the Economic and Community Development Committee recommend amendments to the DRBG Program Policy to require grant recipients to authorize the Village to receive detailed sales tax collection information for the proposed business, prohibit retroactive grant applications, open the grant program to service businesses with a substantial retail component (as defined by having 25% of its gross income or gross floor area dedicated to retail sales activity), and require the use to be maintained for at least three years.

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MEMORANDUM

**TO:** Trustee Dana Moreau, Chairperson  
Economic and Community Development Committee

**FROM:** William J. Heniff, AICP, Director of Community Development

**DATE:** November 5, 2008

**SUBJECT:** Retail Grant Program Assessment

**BACKGROUND**

In the fall of 2005, the Village of Lombard created the Downtown Retail Business Grant Program (DRBG). The stated purpose of the DRBG is to increase the economic viability of Downtown Lombard by attracting targeted retail businesses and assisting existing businesses in the Downtown. Along with the 2005 Downtown Restaurant Forgivable Loan Program, the DRBG was intended to provide an incentive for businesses that would create additional foot traffic and add vitality to the downtown, particularly in the evening and weekend hours when office uses are generally closed.

**PROPOSED CHANGES**

At its September 3 meeting, the ECD/C recommended a number of changes to the DRBG Program Policy. These were considered at the September 18 Village Board meeting. The Village Board expressed support for the following proposed changes:

- All future grants shall be required to complete an Illinois sales tax release form; and
- Retroactive grant applications are not permitted. Once a Certificate of Occupancy has been issued for a business/property, the business is no longer eligible, unless the application is for a future modification to the building or use meeting the program criteria.

However, the Village Board remanded the changes back to the ECD/C for further discussion and clarification of the term "substantial retail component." This affects following proposed changes:

- "Service businesses with a substantial retail component" are now denoted as a type of business that is potentially eligible for a DRB Grant;
- The dollar amounts awarded to service businesses with a substantial retail component will be a function of the amount and nature of the retail component associated with the business;
- For service businesses with substantial retail components that were previously in operation, sales data shall accompany the application; and

Staff requests that the Economic and Community Development Committee recommend amendments to the DRBG Program Policy to require grant recipients to authorize the Village to receive detailed sales tax collection information for the proposed business, prohibit retroactive grant applications, open the grant program to service businesses with a substantial retail component, and require the use to be maintained for at least three years.

**ACTION REQUESTED**

Staff recommends that a similar three-year time period be added to the DRBG Program. Such a requirement creates the need for annual follow-up and enforcement. Service businesses with retail components that qualify based on their sales income will need to provide the Village with an annual financial statement to demonstrate their continued eligibility. The DRBG Program does not currently require grant recipients to remain in business for any length of time. The Downtown Restaurant Forgivable Loan Program has a 10-year scope, with one-tenth of the loan amount being forgiven each year for 10 years. The Downtown Improvement and Renovation Grant Program has a requirement that, in exchange for grants in excess of \$10,000, the business owner and any subsequent owner agree to not substantially change the use of the business for which the grant was received for a period of not less than three years. Failure to comply with the duration requirements results in the full repayment of grant funds to the Village. Staff recommends that a similar three-year time period be added to the DRBG Program.

To meet the Village Board's request for a definition of "substantial retail component," staff suggests adding a minimum threshold of 25 percent. To qualify, a service business would need to either devote a minimum of 25 percent of its gross floor area to retail sales or demonstrate that at least 25 percent of its gross income comes from sales tax-generating activities. (This 25 percent requirement is consistent with the Village's definition of ancillary uses as opposed to principal uses.)

**STAFF RECOMMENDATION**

- September 18, 2008 Village Board memo
- August 6, 2008 ECDC memo
- September 2005 DRBG Program Policy
- September 2008 DRBG Program Policy (proposed changes in **bold**, remanded changes on p.2)

For your reference, the following documents pertaining to the history of the DRBG revision are attached:

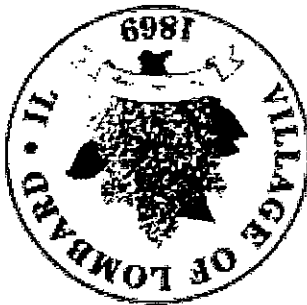
**SUPPORTING DOCUMENTS**

- For start-up new service businesses with **substantial retail components**, up to half of the eligible grant award (i.e., no more than \$10,000) can be awarded with the start-up of the business. Notwithstanding the item below, the applicant does have the ability to apply for an additional half of an award after a one year period of time, with the ECDC considering the retail sales tax figures as part of the application.

COPY

# Village of Lombard

Village Hall  
255 East Wilson Ave.  
Lombard, IL 60148  
[villageoflombard.org](http://villageoflombard.org)



## Meeting Minutes

Wednesday, November 5, 2008

7:00 PM

Village Hall

## Economic & Community Development Committee

Trustee Dana Moreau-Chairperson  
Trustee Greg Gron-Alternate Chairperson  
Dennis McNicholas,  
Jay Tovian, Frank Sibr, Martin Carroll & Garrick Nielsen  
Staff Liaison: Bill Heniff

**1.0 Call to Order and Roll Call**

The meeting was called to order by Chairperson Moreau at 7:04 p.m.

**Present:** Dana Moreau, Greg Gron, Frank Sibr, Dennis McNicholas, Jay Tovian and Garrick Nielsen

**Absent:** Martin Carroll

Also in attendance: William Heniff, AICP, Director of Community Development; Chris Stilling, Assistant Director of Community Development; Tim Sexton, Finance Director; Rick Soderstrom, Trustee District 6; Tom Masterson, Downtown Business Owner; and Thomas Knapp, Lombard Town Centre.

Chairperson Moreau called the order of the agenda.

**2.0**

**Public Participation**

Tom Masterson, a downtown business owner, was present and noted that he wanted to speak about the Downtown Retail Business Grant (DRBG) program.

**3.0**

**Approval of Minutes**

A motion was made by Mr. Tovian, seconded by Mr. Nielsen to approve the minutes from the September 3, 2008 meeting. The minutes were unanimously approved by the members present.

**4.0 Unfinished Business**

080458

**Downtown Retail Business Grant Program (DRBG) Assessment**

Remanded from the Board of Trustees for further discussion and clarification of the term "Substantial Retail Component". (DISTRICTS #1, #4 and #5)  
Chairperson Moreau opened discussions on the DRBG and gave an update as to where they left off.

Mr. Heniff summarized the staff memo. At its September 3 meeting, the ECDC recommended a number of changes to the DRBG Program Policy. These were considered at the September 18 Village Board meeting. The Village Board expressed support for sales tax release form and no retroactive grant applications. However, the Village Board remanded the changes back to the ECDC for further discussion and clarification of the term "substantial retail component."

Mr. Heniff then said to meet the Village Board's request for a definition of "substantial retail component," staff suggests adding a minimum threshold of 25 percent. To qualify, a service business would need to either devote a minimum of 25 percent of its gross floor area to retail sales or demonstrate that at least 25 percent of its gross income comes from sales tax-generating activities. (This 25 percent requirement is consistent with the Village's definition of ancillary uses as opposed to principal uses.)

Such a requirement creates the need for annual follow-up and enforcement. Service businesses with retail components that qualify based on their sales income will need to provide the Village with an annual financial statement to demonstrate their continued eligibility. The DRBG Program does not currently grant recipients to remain in business for any length of time. The Downtown Restaurant Forgivable Loan Program has a 10-year scope, with one-tenth of the loan amount being forgiven each year for 10

years. The Downtown Improvement and Renovation Grant Program (the Facade Grant Program) has a requirement that, in exchange for grants in excess of \$10,000, the business owner and any subsequent owner agree to not substantially change the use of the business for which the grant was received for a period of not less than three years. Failure to comply with the duration requirements results in the full repayment of grant funds to the Village. Staff recommends that a similar three-year time period be added to the DRBG Program.

Chairperson Moreau opened the meeting for discussions among the members as well as expressing a concern about using a percentage in retail sales to determine if a project qualifies for the grant and that they should consider total dollar amounts as well. Tom Masterson of Thomas J. Masterson Co., 128 W. St. Charles Road, expressed concerns about providing assistance to service businesses and indicated that many service businesses that open in the downtown stay there for a long time. He also noted that there is not a need to provide programs for service businesses. The members discussed the need to promote more retail and to attract businesses that create "foot traffic" for the downtown.

Trustee Soderstrom commented and provided background about the Board of Trustees recent discussion about the proposed changes to the program. He indicated that the Board approved this program as an effort to attract retail businesses, "foot traffic" in the downtown and revenue for the Village. In addition, he said that the Board was concerned about using the word "substantial" to define retail component and that the changes were ambiguous. He also noted that Lombard Town Centre is currently working on a market analysis for the downtown and LTC expects to have goals by December, 2008. He suggested that if the EDCD wants to make changes, they should wait until LTC presents its report.

The Committee discussed what the goals of the program should be and what type of businesses they would like to see to fill space in the downtown. Several members indicated that available spaces in the downtown need to be made larger and brought up to current codes. It was moved by McNicholas, seconded by Tovian, that this matter be tabled for consideration of the proposed changes to the DRBG program until after the LTC submits their report and the EDCD has time to review it. The motion carried by the following vote:

Aye: 4 - Sibr, McNicholas, Tovian and Nielsen

Absent: 1 - Carroll

Mr. Heniff stated that this review could occur at the January 7, 2008 meeting.

5.0 New Business

080678

Downtown Train Station Coffee Vendor RFP

Request to approve ranking criteria for the Downtown Lombard Train Station Vendor RFP responses. (DISTRICT #1)  
Mr. Heniff summarized the staff memo. On October 22, a Request for Proposals (RFP) for a train station coffee vendor was sent to all Food Handler License holders in the Downtown TIF.

Although prospective vendors have until November 17 to respond to the RFP, staff requests that the EDCD establish ranking criteria prior to the receipt of any responses.



This will establish a review process for when the responses are evaluated at the December 3 ECDC meeting.

Since the responses are likely to come in different forms that would make a numerical ranking system difficult to implement, staff recommends that a checklist be followed. Page 3 of the RFP could be used as such a checklist to ensure that all responses are complete and contain all necessary information for the ECDC to make an informed recommendation. Additional checklist items could include:

1. Days/hours of operation;
2. Plan for basic cleaning and maintenance;
3. Contingency plan in the event the vendor cannot fulfill obligations on a given day; and
4. Ability to obtain minimum required insurance.

Mr. Heniff further indicated that a walking tour of the proposed facility occurred on November 3, 2008 with two (2) prospective respondents to the RFP.

The members discussed the matter and suggested that a matrix system be created for each respondent as it relates to the parameters outlined in the RFP. Staff agreed to provide such matrix at the next meeting.

## 6.0 Other Business

There was no other business.

## 7.0 Information Only

### Finance Presentation

Mr. Sexton, the Village of Lombard's Finance Director, gave an overview of a number of the economic challenges facing both Village government as well as the community as a whole (see attached). Items covered included:

1. Decrease in revenue for sales tax, motor fuel tax and restaurant tax;
2. Unemployment rates;
3. Property taxes; and
4. TIF revenues

### Lombard Town Centre Report

Thomas Knapp from the LTC gave an overview on their recent initiatives. He indicated that the group is working on the market analysis previously discussed and that his committee (Design) is working closely with the LTC's Economic Revitalization committee. He also stressed the importance of TIF to help make structures more appealing as that will attract more businesses.

### Development Update

Mr. Heniff summarized a number of current construction projects, including the opening of the new Restaurant Depot. He also noted that the 621 Diner recently closed.

## 8.0 Adjournment

The meeting was adjourned at 9:05 p.m.

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MEMORANDUM

TO: David A. Huliseberg, AICP, ICMA-CM, Village Manager

FROM: William J. Heniff, AICP, Acting Director of Community Development

DATE: September 18, 2008

SUBJECT: Downtown Retail Business Grant Program Revision

At the September 3, 2008 Economic and Community Development Committee (E CDC) meeting, the above program was reviewed to consider amendments that would expand the types of business that may be considered under the Program. Please note that this program continues to be offered to businesses located in the Lombard Downtown TIF District or the Lombard St. Charles Road TIF I West District. The E CDC unanimously recommended approval of the following changes, all of which have been incorporated into the revised Program Policy:

- All future grants shall be required to complete an Illinois sales tax release form;
- "Service businesses with a substantial retail component" are now denoted as a type of business that is potentially eligible for a DRB Grant;
- The dollar amounts awarded to service businesses with a substantial retail component will be a function of the amount and nature of the retail component associated with the business;
- For service businesses with substantial retail components that were previously in operation, sales data shall accompany the application;
- For start-up new service businesses with substantial retail components, up to half of the eligible grant award (i.e., no more than \$10,000) or can be awarded with the start-up of the business. Notwithstanding the item below, the applicant does have the ability to apply for an additional half of an award after a one year period of time, with the E CDC considering the retail sales tax figures as part of the application; and
- Retroactive grant applications are not permitted. Once a Certificate of Occupancy has been issued for a business/property, the business is no longer eligible, unless the application is for a future modification to the building or use meeting the program criteria.

RECOMMENDATION

That the Village Board of Trustees at their September 18, 2008 meeting approve an Ordinance amending Title 3, Chapter 36 of the Lombard Village Code as well as an Ordinance adopting the revised Downtown Retail Business Grant Program Policy.



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MEMORANDUM

**TO:** Trustee Dana Moreau, Chairperson  
Economic and Community Development Committee

**FROM:** William J. Heniff, AICP, Acting Director of Community Development

**DATE:** August 6, 2008

**SUBJECT:** Retail Grant Program Assessment

**BACKGROUND**

In the fall of 2005, the Village of Lombard created the Downtown Retail Business Grant Program (DRBG). The stated purpose of the DRBG is to increase the economic viability of Downtown Lombard by attracting targeted retail businesses and assisting existing businesses in the Downtown. Along with the 2005 Downtown Restaurant Forgivable Loan Program, the DRBG was intended to provide an incentive for businesses that would create additional foot traffic and add vitality to the downtown, particularly in the evening and weekend hours when office uses are generally closed.

As stated in the September 2005 DRBG Program Policy, the program offers a 50% matching grant for eligible expenditures associated with helping the start-up of new businesses or the expansion of existing businesses in the Downtown. Priority is given to businesses that best complement the Downtown retail mix and help strengthen existing retail clusters. Grant monies derive from TIF funds, and therefore priority is given to businesses with projected tangible benefits to the TIF area. A copy of the Program Policy is attached.

The Program Policy elaborates further on the type of businesses that the DRBG was designed to attract, stating:

Priority will be given to retail businesses that best complement the Lombard downtown retail mix. A list of targeted retail categories is as follows: clothing stores, produce market, cd/music store, design/decoration/furniture, electronics, home improvement, specialty foods, crafts/toys/hobbies, custom jewelry, kitchen/home accessories, children's products, entertainment venues (which complement restaurants in the downtown), specialty retail, computer store, shoe store, and art shops/galleries. Resale stores and service businesses are not eligible for the Program. Other stores may be eligible for the Program, subject to review by the Economic and Community Development Committee.

**DRBG GRANTS ISSUED**

To date, there have been five approved DRBG applications:

Date	Business	Address	Improvement Type	Approved Amount
Oct-05	Brix Wood Fired Pizza	104 W. St. Charles Road	New	\$20,000
Oct-05	Southern Exposure	11 S. Park Ave	New	\$ 3,000
Jun-06	A La Mode	130 W. St. Charles Road	New	\$20,000
Mar-08	Dutch Liquors	20 W. St. Charles Road	Expansion	\$20,000
Jun-08	Yeager FotoGrafix	112 W. St. Charles Road	Expansion	\$10,000
<b>Program Total:</b>				<b>\$73,000</b>

Of these, Brix, A La Mode, and Dutch Liquors received the maximum approved reimbursement. Southern Exposure was not issued a reimbursement as it was unable to meet the minimum three-year lease term required by the program. Yeager FotoGrafix requested \$20,000 but was approved for a maximum reimbursement of \$10,000 in accordance with the mixed service/retail nature of the business. That reimbursement is pending a signed agreement from the business and property owners.

**RETAIL/OTHER GRANT PROGRAMS IN SURROUNDING COMMUNITIES**

At the request of the EDC, staff undertook a review of retail grant programs and other downtown grant programs that are offered by nearby municipalities. The communities surveyed (Downers Grove, Elmhurst, Glen Ellyn, Lisle, Naperville, and Wheaton) are commonly thought of as having "successful" downtowns. A table is attached that describes the programs in detail, and a summary of the financial program offerings in each community is provided below.

*Downers Grove*

Downers Grove does not currently have an active retail grant program. The village supports businesses in the downtown with a facade grant (supported by a TIF district) as well as through a sales tax rebate program. The Economic Development Corporation is looking to offer a sales tax rebate to cover utility expenses for commercial office space locating in the downtown. The facade grant is available for all business types. The total allocation for facade improvements is \$150,000 with each business eligible to receive up to \$10,000.

*Elmhurst*

Elmhurst offers a retail grant as well as a facade grant program. Participants of the retail grant program are eligible to receive 50% matching funds up to \$10,000. Preference shall be given to businesses that best complement the downtown retail mix. Preferred business types for enhancing current retail clusters would include: home improvement, specialty foods, jewelry, entertainment, crafts and hobbies. Diversity of the current retail mix might be achieved with the addition of teen apparel, a book or music shop, or a gourmet food store. Resale shops are not eligible for funding. Antique stores may be eligible subject to review by a committee. Allocation of retail grant funds shall be determined by the feasibility of the submitted business plan, the foreseeable benefits (annual sales, jobs created, etc.), and the extent to which participants follow the

application procedures. Elmhurst also has a facade improvement program available to all types of businesses covering 33.33% of costs up to \$20,000. The facade and retail grant programs are only available to properties located within the TIF district.

#### *Glen Ellyn*

The Village of Glen Ellyn does not currently operate any of its own internal business assistance programs. The Glen Ellyn Economic Development Corporation, which functions independently from the village, manages its own facade grant program for commercial properties. The EDC offers a 25% matching grant of up to \$5,000 for eligible properties. Eligible uses include service and retail commercial properties within village boundaries. For improvement costs exceeding \$20,000 participants may receive a 3% reduction of their costs if the loan is financed through a local bank participating in the program. Qualifying improvements include brick cleaning, tuck pointing, painting, facade repair and treatment, window frame replacement, doors, signs, awnings, exterior lighting, screening of utilities, landscaping in conjunction with aforementioned improvements, and other improvements consistent with the building's architecture.

#### *Lisle*

Lisle supports a retail grant, facade improvement grant, and demolition grant. The retail grant is primarily intended for retail businesses; however certain service businesses have qualified in the past by incorporating a retail component. One such example involved the expansion of a dance studio in the downtown. The studio received the retail grant for two retail related qualities that the business contributed to the downtown. For one the studio upgrade included the opening of a small dance clothing shop within the studio. Secondly, the studio was anticipated to have a residual impact on increasing pedestrian traffic in the downtown. There was an expectation that parents waiting for their children at the studio would likely patronize shops in the downtown. So, while the retail component does not constitute a majority of the business transactions, it contributes to the studio's residual effect of supporting retail in the downtown. The retail grant provides matching funds up to a maximum of \$10,000.

An applicant for the facade grant may receive 50% matching funds up to \$27,500 for eligible improvements. Eligible costs are estimated at \$500 per linear foot of a building's frontage, up to a maximum of 55 linear feet. When facade improvements are made to buildings with two or more floors, a maximum of \$5,000 will be considered to compensate for eligible facade improvements made above the first floor.

The demolition grant covers 100% of eligible demolition expenses up to \$27,500. Since Lisle does not have a TIF district, it uses its hotel/motel tax to fund the downtown grant programs.

#### *Naperville*

Naperville does not currently have any operational business assistance programs. The city is currently drafting a trial version of a facade grant program which will be fully implemented at a later date. The city is also nearing completion of a TIF district along Water Street, which is being considered as a funding source for the grant program.

The Village of Wheaton supports a facade grant, retail grant and sales tax rebate program. The retail grant is principally open to all retail businesses, but preference will be given to businesses that best compliment the downtown retail mix. Resale stores are not eligible and antique shops are eligible subject to review by the Selection Committee. Participants may receive grants up to \$10,000 covering 50% of eligible expenses. The total grant expenditure for the 2008-2009 fiscal year shall not exceed \$100,000. The facade grant is available to any property within the downtown, including residential and other non-commercial properties. An initial grant of up to \$1,000 is available for architects' conceptual drawings. Participants may be reimbursed for 50% of improvement costs up to a maximum grant of \$2,500 per storefront (25 feet of street frontage). Only businesses located within the TIF district are eligible to receive grant funding.

**LOMBARD AND SURROUNDING COMMUNITIES**

Lombard is extremely competitive in terms of its downtown business assistance programs. Lombard's retail and facade grant programs match or surpass the offerings of similar programs in neighboring communities. For its retail program the Village offers a 50% matching grant up to \$20,000 for eligible applicants. The facade program provides a matching grant up to \$50,000 for eligible improvements to commercial or residential properties. The following table summarizes retail and facade grant programs offered:

Municipality	TIF District	Retail Business Grants	Facade Grants
Downers Grove	Yes	None - sales tax rebates available	Pending, up to \$10,000
Elmhurst	Yes	Yes, up to \$10,000	Yes, up to \$50,000
Glen Ellyn	No	No	Yes (from EDC, up to \$5,000)
Lisle	No	Yes, up to \$10,000	Yes, up to \$27,500
Lombard	Yes	Yes, up to \$20,000	Yes, up to \$50,000
Naperville	Pending	No	No
Wheaton	Yes	Yes, up to \$2,500	Yes, up to \$10,000

**EXPANDING THE DRBG ELIGIBILITY CRITERIA**

Any changes to the DRBG eligibility criteria should take into consideration the tangible benefits of a targeted retail assistance program. Retail establishments play an important role in the economic health of the downtown, not only as a generator of sales tax revenue, but also as a draw for pedestrian traffic.

Currently, the DRBG is offered to individuals planning to open new or expand existing retail establishments in the downtown. The Zoning Ordinance narrowly defines a retail commercial establishment as "any establishment wherein the primary occupation is the sale or rental of merchandise for use or consumption by the immediate purchaser." One way to expand the grant criteria would be to include businesses that are primarily service

businesses but include some retail component. For instance, Lisle's downtown dance studio was a service business that adopted an ancillary retail component to offer dance clothing and accessories, thereby making a favorable contribution to the downtown retail environment. Grants for these types of service businesses with ancillary retail components could be made in smaller amounts than the full \$20,000 available to traditional retail establishments. This change to the Program Policy would still allow many service businesses to be considered for a grant while ensuring that the goal of the program remains the attraction of new retail to the downtown.

Whether or not the eligibility criteria are expanded, staff recommends a change to the Program Policy that would require all grant recipients to authorize the Village to collect detailed past and future sales tax information on their businesses. This information would be kept confidential and could not be released to the public, but could be reported in aggregate. Knowing the additional sales tax generated would provide a measurable indicator of the impact that Lombard's grant programs are having on the downtown.

### **ACTION REQUESTED**

1. Staff requests that the Economic and Community Development Committee provide direction on whether or not the DRBG eligibility criteria should be expanded to include service businesses with a retail component.

2. Staff requests that the Economic and Community Development Committee recommend an amendment to the DRBG Program Policy to require grant recipients to authorize the Village to receive detailed sales tax collection information for the proposed business.





Downtown Grant Programs Offered by Nearby Municipalities

COPY

Community	TIF?	Downtown Grant Assistance	Assistance Criteria / Eligibility / Preference
Downers Grove	Yes	<p><b>Facade grant program</b></p> <ul style="list-style-type: none"> <li>- Plan is near final approval</li> <li>- Total allocation of \$150,000</li> <li>- Up to \$10,000 per grant</li> </ul> <p><b>Conduit Financing supported by the Downers Grove EDC (Only non-profits are eligible)</b></p> <p><b>Tax Increment Financing</b></p> <p><b>County, state, fed assistance</b></p>	<p><b>Facade Grant</b></p> <ul style="list-style-type: none"> <li>- Available strictly to retail businesses</li> </ul> <p><b>TIF</b></p> <ul style="list-style-type: none"> <li>- TIF eligible activities include site acquisition and preparation, professional services, relocation, job training, and financing costs.</li> </ul> <p><b>Sales Tax Rebate Program</b></p> <ul style="list-style-type: none"> <li>- Available to retail businesses</li> <li>- Staff is looking to possibly offer a sales tax rebate on utility expenses for commercial office space locating in the downtown</li> </ul>
Elmhurst	Yes	<p><b>CBD Retail Business Grant</b></p> <ul style="list-style-type: none"> <li>- Supports strictly retail purposes only</li> <li>- Eligible to receive up to \$10,000 with reimbursements up to 50% of eligible expenses</li> <li>- The city's full expenditure shall not exceed \$50,000 for the 2006-2007 funding year</li> <li>- To strengthen and grow retail clusters</li> <li>- Reviews shall be conducted by the selection committee</li> </ul> <p><b>Facade Improvement Program</b></p> <ul style="list-style-type: none"> <li>- Available to all types of businesses</li> <li>- 33.33% of costs up to \$20,000</li> <li>- 50% of costs up to \$50,000 if all of the following are covered: Maintenance, canopies / awnings, signage, screening of unsightly utilities, life safety / sprinkler / fire alarm safety, accessibility</li> <li>- 50% of costs up to \$50,000 for demolition and new construction.</li> </ul>	<p><b>CBD Retail Grant</b></p> <ul style="list-style-type: none"> <li>- Preference given to businesses that complement the downtown retail mix</li> <li>- Resale stores are not eligible</li> <li>- Antique stores may be eligible, subject to committee review</li> <li>- Only businesses residing within the TIF 1 boundary are eligible</li> <li>- Business must have a minimum 3 year lease in a first floor retail location</li> <li>- Feasibility of the business plan</li> <li>- Participants follow application procedures</li> <li>- Applications must list anticipated benefits (annual sales, jobs created, etc.)</li> <li>- Acceptable Expenditures: Build out of space, first three months of rent, signage, visual merchandising, retail consulting, and licensed space designer</li> </ul> <p><b>Facade Improvement Program</b></p> <ul style="list-style-type: none"> <li>- Eligible Expenses: building exteriors, landscape design, signage, life safety, exterior lighting, accessibility and professional architectural services.</li> <li>- Available only to those in the TIF district</li> <li>- Participants follow application procedures</li> <li>- For eligibility info: 630-530-3030</li> </ul>

**Downtown Grant Programs Offered by Nearby Municipalities**

<b>Community</b>	<b>TIF?</b>	<b>Downtown Grant Assistance</b>	<b>Assistance Criteria / Eligibility / Preference</b>
Glen Ellyn	No	<p><b>EDC Grant for facade improvements</b></p> <ul style="list-style-type: none"> <li>- 25% matching grant up to \$5,000</li> <li>- For improvement costs exceeding \$20,000 participants may receive a 3% reduction of their costs if the loan is financed through a local bank participating in the program.</li> </ul> <p><i>Note: The village does not offer its own business assistance programs</i></p> <p><b>Downtown Façade Grant Program</b></p> <ul style="list-style-type: none"> <li>- An initial grant of up to \$1,000 is available for architects' conceptual drawings</li> <li>- Participants may be reimbursed for 50% of improvement costs up to a maximum grant of \$2,500 per storefront (25 feet of frontage)</li> <li>- 50% of the cost of a new awning may be covered in a grant of up to \$2,500</li> </ul> <p><b>Downtown Retail Grant Program</b></p> <ul style="list-style-type: none"> <li>- Participants may receive grants up to \$10,000 covering 50% of eligible expenses</li> <li>- The total grant expenditure for the 2008-2009 fiscal year shall not exceed \$100,000</li> </ul> <p><b>Sales Tax Rebates</b></p>	<p><b>Property Criteria</b></p> <ul style="list-style-type: none"> <li>- Properties must be zoned commercial or planned for commercial use</li> <li>- Located within the corporate limits of Glen Ellyn</li> <li>- Exterior of the property meets requirement of GE Building Code</li> </ul> <p><b>Eligible Improvements</b></p> <ul style="list-style-type: none"> <li>- Exterior improvements visible from the public right-of-way</li> <li>- Participants must make at least \$1,000 worth of improvements</li> <li>- Qualifying improvements: brick cleaning, tuck pointing, painting, facade repair and treatment, window frame replacement, doors, signs, awnings, exterior lighting, screening of utilities, landscaping in conjunction with aforementioned improvements, and other improvements consistent with the building's architecture</li> </ul>
Wheaton	Yes	<p><b>Façade Grant Program</b></p> <ul style="list-style-type: none"> <li>- Available to any property in the downtown, not just businesses</li> <li>- Business must be located in the CBD</li> <li>- Exterior must meet city building codes</li> <li>- Improvements should abide by the awning design guidelines</li> <li>- Approval shall be based on: the condition of the existing structure, the value of the completed improvements and the quality of the proposed design</li> <li>- Approval process (bottom): <a href="http://www.wheaton.il.us/WorkArea/showcontent.aspx?id=1658">http://www.wheaton.il.us/WorkArea/showcontent.aspx?id=1658</a></li> </ul> <p><b>Retail Grant</b></p> <ul style="list-style-type: none"> <li>- Preference given to businesses that complement the existing retail mix</li> <li>- Resale stores are not eligible</li> <li>- Antique shops shall be eligible subject to Selection Committee review</li> <li>- Only businesses located within the TIF district are eligible</li> <li>- Contribution to the city's tax base</li> <li>- Completion and submission of a business plan</li> <li>- Minimum three year lease in a first floor retail location</li> </ul> <p><b>Sales Tax Rebates</b></p> <ul style="list-style-type: none"> <li>- Businesses must disclose their sales</li> <li>- Property owner must enter a formal agreement with the city which must be approved by the City Council</li> </ul>	<p><b>Façade Grant</b></p> <ul style="list-style-type: none"> <li>- Available to any property in the downtown, not just businesses</li> <li>- Business must be located in the CBD</li> <li>- Exterior must meet city building codes</li> <li>- Improvements should abide by the awning design guidelines</li> <li>- Approval shall be based on: the condition of the existing structure, the value of the completed improvements and the quality of the proposed design</li> <li>- Approval process (bottom): <a href="http://www.wheaton.il.us/WorkArea/showcontent.aspx?id=1658">http://www.wheaton.il.us/WorkArea/showcontent.aspx?id=1658</a></li> </ul> <p><b>Retail Grant</b></p> <ul style="list-style-type: none"> <li>- Preference given to businesses that complement the existing retail mix</li> <li>- Resale stores are not eligible</li> <li>- Antique shops shall be eligible subject to Selection Committee review</li> <li>- Only businesses located within the TIF district are eligible</li> <li>- Contribution to the city's tax base</li> <li>- Completion and submission of a business plan</li> <li>- Minimum three year lease in a first floor retail location</li> </ul> <p><b>Sales Tax Rebates</b></p> <ul style="list-style-type: none"> <li>- Businesses must disclose their sales</li> <li>- Property owner must enter a formal agreement with the city which must be approved by the City Council</li> </ul>

**Downtown Grant Programs Offered by Nearby Municipalities**

<b>Community</b>	<b>TIF?</b>	<b>Downtown Grant Assistance</b>	<b>Assistance Criteria / Eligibility / Preference</b>
Naperville	Currently under consideration	Naperville only offers grants to not-for-profit organizations	
Lisle	No	<p><b>Downtown Redevelopment Grant Programs</b></p> <ul style="list-style-type: none"> <li>- Architectural services will be considered for reimbursement separately from the project's costs and are reimbursed at 100% of costs up to \$4,000.</li> <li>- <b>Facade Improvement Grant</b> Considered for 50% of the eligible costs of facade improvements up to \$27,500 per building. Eligible costs are estimated at \$500 per linear foot of a building's frontage, up to a maximum of 55 linear feet. When facade improvements are made to buildings with two or more floors, a maximum of \$5,000 will be considered to compensate for eligible facade improvements made above the first floor.</li> <li>- <b>Demolition Grant</b> Considered for 100% of a building's demolition costs up to \$27,500.</li> <li>- <b>Retail Grant</b> provides matching funds up to a maximum of \$10,000</li> </ul>	<p><b>Downtown Redevelopment Grant Program</b></p> <ul style="list-style-type: none"> <li>- Business/property owners of commercial and mixed use buildings located in the Downtown Lisle B-3 Central Business District</li> <li>- Residential / Industrial buildings are eligible if they are being converted into retail uses</li> <li>- If a property received the maximum award, it will not be eligible to participate in the program for 5 years. However, if the applicant spends less than the maximum amount in one year, he/she may apply for funding for new projects in subsequent years.</li> <li>- Applicants must be current in all mortgage, tax, land contract and lease payments. All improvements must meet current building and zoning codes. Violations must be corrected before funds are dispersed.</li> <li>- Tenants must provide written consent from building owner for improvements.</li> <li>- To qualify for the demolition grant, the demolition must occur within six months of grant approval and plans for a new development on the site must be submitted at the same time. If a Demolition Grant is chosen, the applicant is not eligible for the Facade Improvement Grant.</li> <li>- All business types are eligible to receive the facade grant.</li> <li>- Some service industries may be eligible for the retail grant if it includes a substantial retail component.</li> <li>- See link for detailed criteria on the retail grant: <a href="http://www.villageoflisle.org/docs/dtr-retail_program_brochure.pdf">http://www.villageoflisle.org/docs/dtr-retail_program_brochure.pdf</a></li> </ul>



COPY

**DOWNTOWN RETAIL BUSINESS GRANT PROGRAM**

**SEPTEMBER 6, 2005**

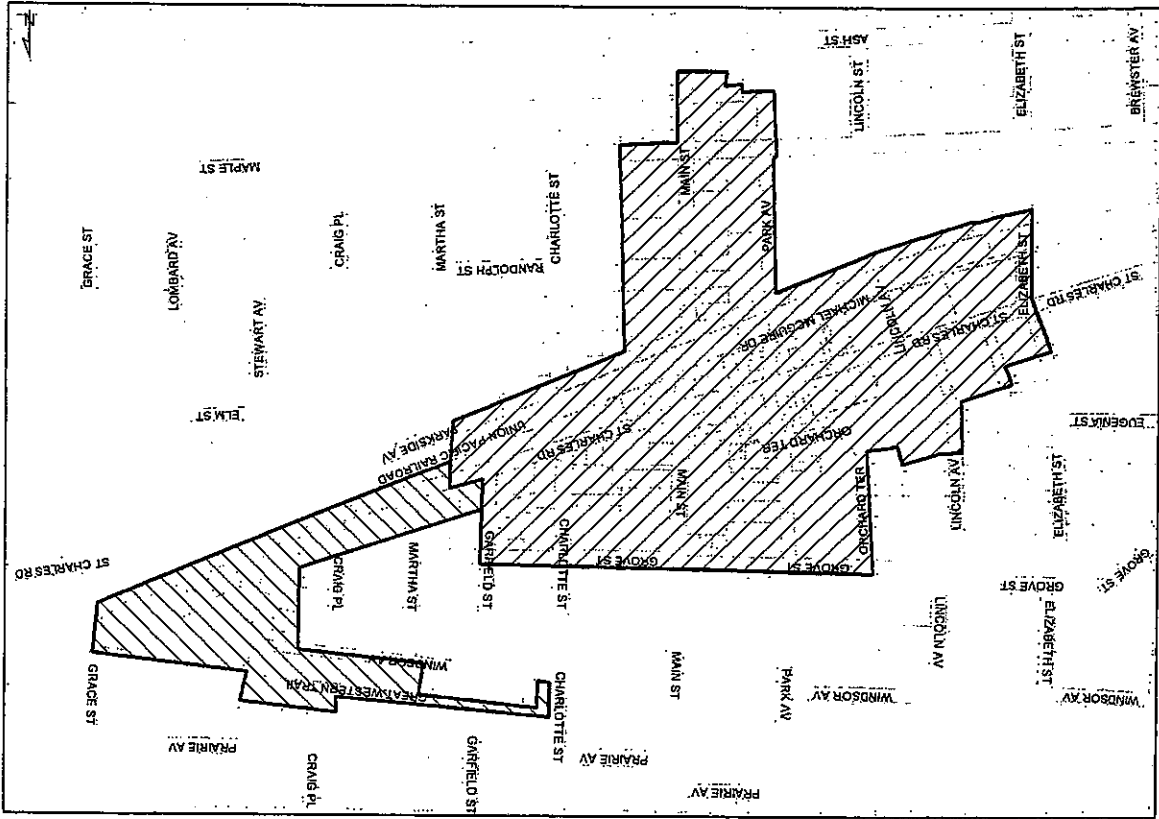
The purpose of the Downtown Retail Business Grant Program (hereinafter the "Program") is to increase the economic viability of Downtown Lombard by attracting targeted retail businesses and assisting existing businesses in the Downtown. The program will offer a 50% matching grant for eligible expenditures associated with helping the start-up of new businesses or the expansion of existing businesses in the Downtown. Priority will be given to businesses that best complement the Lombard Downtown retail mix and help strengthen existing retail clusters. Grant monies derive from TIF funds, and therefore priority will be given to businesses with projected tangible benefits to the TIF area.

**Eligible TIF Districts**

The Program will only be offered to businesses located within the Lombard Downtown TIF District or the Lombard St. Charles Road TIF District I (West) ("hereinafter the "Eligible TIF Districts"). The boundaries of the Eligible TIF Districts are shown on Figure 1 below. An existing business in Lombard that is outside of the TIF boundaries would not be eligible for funds unless it opens an additional location within the boundaries of the Eligible TIF Districts.

▨ Lombard Downtown TIF District  
▨ Lombard St. Charles Road TIF I (West)

Figure 1. Eligible TIF Districts



**Program Eligibility**

Eligibility requirements are as follows:

1. **Expenditures.** Eligible expenditures include build-out of space, first three months of rent (existing business must move into a new space in the TIF area or expand their existing space), signage, moving expenses, visual merchandising, retail consulting, and licensed space designer (ASID). The program does not cover costs associated with production equipment, media marketing/advertising, payroll, day-to-day operational costs (e.g. utilities, taxes, maintenance), refuse, or product.

2. **Amount:** Participants will be eligible for up to \$20,000. Participants must expend verified funds and then will be reimbursed for qualified expenditures up to but not exceeding 50% of acceptable expenditures. The Retail Business Grant Program shall not exceed \$20,000 per participant. The Economic and Community Development Committee may recommend amounts of less than \$10,000. Grants exceeding that amount will require Village Board approval.

3. **Ownership/Lease.** Applicants to the Retail Business Grant Program must either own or have a minimum three-year lease in a first floor retail location along a public street. In some instances, approval may be contingent upon a written lease from a landlord and the applicant.

4. **Businesses.** Priority will be given to retail businesses that best complement the Lombard downtown retail mix. A list of targeted retail categories is as follows: clothing stores, produce market, cd/music store, design/decoration/furniture, electronics, home improvement, specialty foods, crafts/toys/hobbies, custom jewelry, kitchen/home accessories, children's products, entertainment venues (which complement restaurants in the downtown), specialty retail, computer store, shoe store, and art shops/galleries. Resale stores and service businesses are not eligible for the Program. Other stores may be eligible for the Program, subject to review by the Economic and Community Development Committee.

5. **Fees.** Professional, architectural, engineering, and Village permit fees may be included in the total improvement costs. The Program will fund up to twenty-five percent (25%) or one thousand five hundred dollars (\$1500), whichever is less, of architectural rendering fees prior to Project approval of the improvements. All requests for architectural rendering fees prior to approval must have proper documentation and invoices. There are no application fees associated with the Program. However, if an applicant owes money to the Village all accounts must be brought current before any portion of the Grant is disbursed.

6. **Main Street Organization.** Recipients of a Grant through the Program must maintain an active membership in the Lombard Towne Centre Organization.

7. **Conformance.** All improvements must conform to current building and zoning codes of the Village of Lombard. Any exterior improvements completed in the Lombard Downtown TIF District must conform to the *minimum design criteria* outlined in the "Downtown Lombard Improvement Plan" dated March 26, 1987. The business owner must maintain the property in compliance with all federal and local laws, ordinances, and regulations.

8. **Administration.** The program will be jointly administered by the Department of Community Development and the Lombard Towne Centre. All Applications will be reviewed by the Economic and Community Development Committee. If the amount of the grant is less than ten thousand dollars (\$10,000) or less, the Economic and Community Development Committee has the authority to approve the grant. If the amount of the grant is greater than ten thousand dollars (\$10,000), the Economic and Community Development Committee will forward a recommendation to the Village Board, who will then determine whether the grant should be approved. 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.

9. **Evaluation.** The Economic and Community Development Committee will review all applications on an as-needed basis. Proposals shall be evaluated on their viability, their contributions to the TIF districts retail mix, their support to the Village tax base and their completeness and eligibility. An applicant may be required to submit a personal financial statement. A successful business plan will be the one that conveys the most promising combination of financial feasibility, product and market knowledge, growth potential, job creation and financial need.

10. **Appeals.** If the application is rejected by the Economic and Community Development Committee, 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 within ten (10) days of the rejection with said letter 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 address the appeal at a Village Board meeting and make a final determination relative to the application. The denial of the appeal by the Village Board shall not preclude an applicant from submitting a new application for the Program. The Village Board has the right to amend or waive program terms and conditions to accommodate special circumstances.

11. **Business Plan.** Business plans should not exceed sixteen (16) double-spaced pages including exhibits and should include as many of the following as possible:

- A. Description of your business and industry
  - 1. Your business



2. The industry and its history

B. Features and advantages of your product  
1. Description  
2. Competitive advantage  
3. Proprietary position  
4. Future potential

C. Market research and analysis  
1. Definition of your customers and markets  
2. Market size and trends  
3. Competition

D. Estimated market share and sales  
1. Market plan  
2. Market strategy  
3. Pricing  
4. Sales tactics  
5. Service and warranty policies  
6. Advertising, public relations and promotions

E. Design and development plans  
1. Development status and tasks  
2. Difficulties and risks  
3. Costs

F. Operation plans  
1. Business location  
2. Facilities and improvements  
3. Strategy and plans  
4. Labor force

G. Management Team  
1. Key management personnel (credentials/resume)  
2. Management assistance and training needs

H. Overall Schedule  
1. Timing of critical activities before opening (e.g. company incorporation, signed lease, suppliers ordered, employees hired, opening date)  
2. Timing of critical activities after opening, (e.g. expansion, product/service extension

I. Critical risks and problems (how will you respond?)  
1. Price cutting by competitors

- 2. Unfavorable industry-wide trends
  - 3. Operating cost overestimates
  - 4. Low sales
  - 5. Difficulties obtaining inventory or supplies
  - 6. Difficulty in obtaining credit
  - 7. Lack of trained labor
- J. Financial Plan
- 1. Profit and loss forecasts for 3 years (first year monthly)
  - 2. Cash flow projections for 3 years
  - 3. Performance balance sheet at start-up, semi-annually in the first year and at the end of 3 years
12. **Procedural Requirements.** Participants in the Program must accomplish the following steps:
- A. Candidates for the Retail Business Grant Program should contact the Department of Community Development or Lombard Town Centre for applications. Applications may be obtained from and submitted to either:
 

Dept. of Community Development 225 E. Wilson Avenue Lombard, IL 60148 630.620.5749	Lombard Town Centre 102 W. St. Charles Rd., Ste 2 Lombard, IL 60148 630.620.8063
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  - B. Candidates shall submit the following documents
    - 1. Application form;
    - 2. Preliminary plans and preliminary cost estimates;
    - 3. Business plan;
    - 4. Details of signage and/or awning design;
    - 5. Proof of ownership, lease, and/or owners approval;
  - C. After review by the Economic and Community Development Committee, and approval of the grant by either the Economic and Community Development Committee or the Village Board, depending upon the amount of the Grant, a "Certificate of Eligibility" will be forwarded to the owner/applicant.
  - D. Upon receipt of the "Certificate of Eligibility", the owner and/or applicant shall proceed as follows:
    - 1. Submit final plans and cost estimates to the Department of Community Development and apply for proper building permits.
    - 2. Submit three (3) contractor bids for the work outlined in the application. Also, indicate the preferred contractor.
    - 3. Submit a fully executed Grant Agreement.

Lombard Town Centre  
(630) 620-8063

or

Village of Lombard  
Community Development Department  
255 E. Wilson Ave., Lombard, IL 60148  
(630) 620-5749

**For further information contact:**

- E. Upon receipt of the items set forth above, a "Notice to Proceed" shall be forwarded to the owner/applicant by a representative of the Department of Community Development.
- F. Upon issuance of the Notice to Proceed, improvements and renovations may start after the required building permits have been issued. All necessary inspections should be coordinated through the Village's Bureau of Inspectional Services (BIS).
- G. The applicant must submit an affidavit containing his or her sworn statement that he or she has paid at least one-half (1/2) of the approved cost of the Project. Original paid receipts from contracts amounting to at least one-half (1/2) of the approved Project cost must be attached to the affidavit. Upon verification of the affidavit and receipts, the Village will release fifty percent (50%) of the grant funds.
- H. Upon completion of the Project and after all final inspection from the Bureau of Inspectional Services have passed, the building will be inspected by a representative of the Community Development representative for conformance with the application.
- I. Upon determination of conformance, and receipt of the affidavit, the Village will process and disburse the remaining amount of the loan.
- J. All eligible expenditures will be matched by the Village of Lombard at 50% of costs as designated by an appropriate receipt or invoice. Overall costs may be submitted up to \$40,000 within twelve months after registering the business with the Village of Lombard or applicant approval of the Retail Business Grant Program if the business is already registered.
- K. All businesses must submit applications and complete review by the EDC prior to the opening of the business in the TIF area. A new or expanding business either must open for business or have expanded their business within nine months from the date of grant approval.

COPY

# DOWNTOWN RETAIL BUSINESS GRANT PROGRAM

SEPTEMBER 3, 2008

Revised March 4, 2008

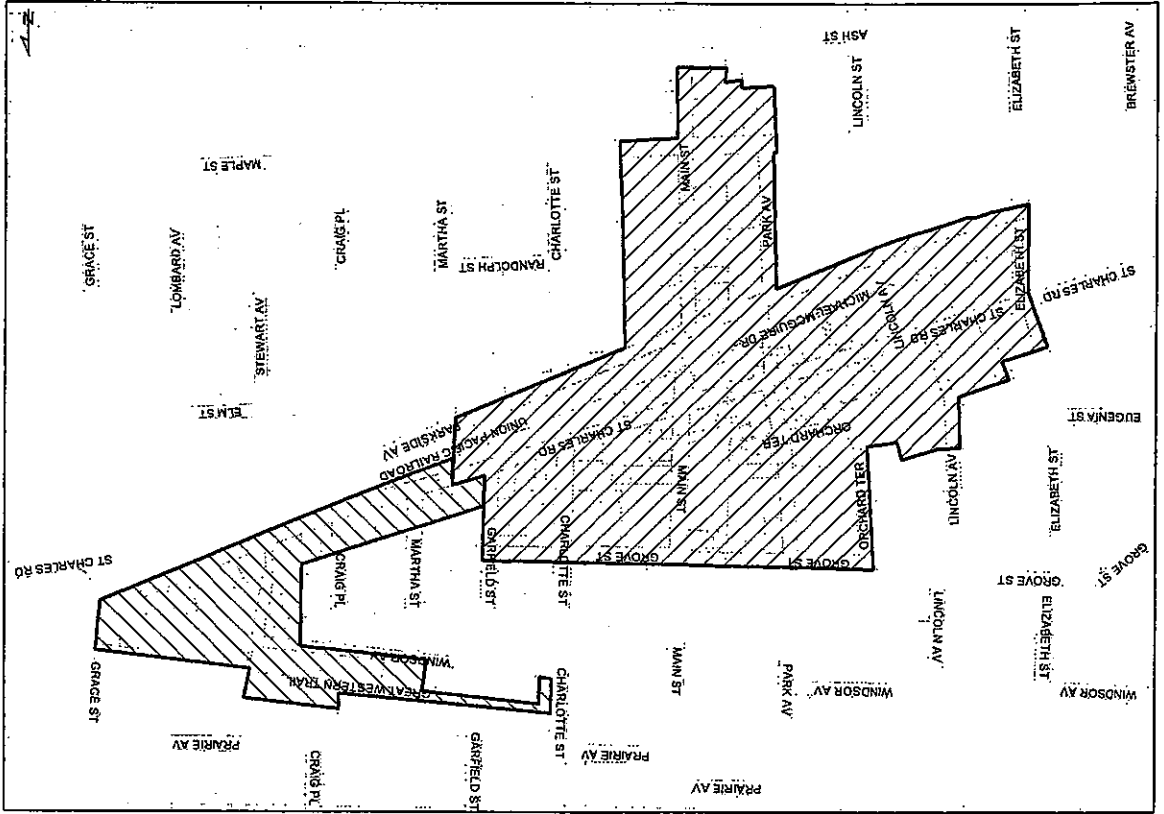
The purpose of the Downtown Retail Business Grant Program (hereinafter the "Program") is to increase the economic viability of Downtown Lombard by attracting targeted retail businesses and assisting existing businesses in the Downtown. The program will offer a 50% matching grant for eligible expenditures associated with helping the start-up of new businesses or the expansion of existing businesses in the Downtown. Priority will be given to businesses that best complement the Lombard Downtown retail mix and help strengthen existing retail clusters. Grant monies derive from TIF funds, and therefore priority will be given to businesses with projected tangible benefits to the TIF area.

## Eligible TIF Districts

The Program will only be offered to businesses located within the Lombard Downtown TIF District or the Lombard St. Charles Road TIF District I (West) ("hereinafter the "Eligible TIF Districts"). The boundaries of the Eligible TIF Districts are shown on Figure 1 below. An existing business in Lombard that is outside of the TIF boundaries would not be eligible for funds unless it opens an additional location within the boundaries of the Eligible TIF Districts.

Figure 1. Eligible TIF Districts

▨ Lombard Downtown TIF District  
▨ Lombard St. Charles Road TIF I (West)



**Program Eligibility**

Eligibility requirements are as follows:

1. **Expenditures.** Eligible expenditures include build-out of space, first three months of rent (existing business must move into a new space in the TIF area or expand their existing space), signage, moving expenses, visual merchandising, retail consulting, and licensed space designer (ASID). The program does not cover costs associated with production equipment, media marketing/advertising, payroll, day-to-day operational costs (e.g. utilities, taxes, maintenance), refuse, or product.

2. **Amount.** Participants will be eligible for up to \$20,000. Participants must expend verified funds and then will be reimbursed for qualified expenditures up to but not exceeding 50% of acceptable expenditures. The Retail Business Grant Program shall not exceed \$20,000 per participant. The Economic and Community Development Committee may recommend amounts of less than \$10,000. Grants exceeding that amount will require Village Board approval.

3. **Ownership/Lease.** Applicants to the Retail Business Grant Program must either own or have a minimum three-year lease in a first floor retail location along a public street. In some instances, approval may be contingent upon a written lease from a landlord and the applicant.

4. **Eligible Businesses.**

- A. Priority will be given to retail businesses that best complement the Lombard downtown retail mix. A list of targeted retail categories is as follows: clothing stores, produce market, cd/music store, design/decoration/furniture, electronics, home improvement, specialty foods, crafts/toys/hobbies, custom jewelry, kitchen/home accessories, children's products, entertainment venues (which complement restaurants in the downtown), specialty retail, computer store, shoe store, and art shops/galleries. Other stores may be eligible for the Program, subject to review by the Economic and Community Development Committee.

- B. **Service businesses with a substantial retail component, as defined by having 25% of its gross income or gross floor area dedicated to retail sales activity, are potentially eligible for the Program. The dollar amounts awarded to service businesses with a substantial retail component will be a function of the amount and nature of the retail component associated with the business. For service businesses with substantial retail components that were previously in operation, sales data shall accompany the application. For start-up new service businesses with substantial retail components, up to half of the maximum possible grant award (i.e., no more than \$10,000) of can be awarded with the start-up of the business. Notwithstanding the procedural requirement that prohibits applications after a Certificate of Occupancy has been issued, a start-up new service business applicant who is granted half of an award has the ability to make a second application for an additional half of an award (i.e., no more than**

**\$10,000) after a one year period of time, with the EDC considering the retail sales tax figures as part of the second application.**

- C. Resale stores and service businesses without a substantial retail component are not eligible for the Program.
5. **Fees.** Professional, architectural, engineering, and Village permit fees may be included in the total improvement costs. The Program will fund up to twenty-five percent (25%) or one thousand five hundred dollars (\$1500), whichever is less, of architectural rendering fees prior to Project approval of the improvements. All requests for architectural rendering fees prior to approval must have proper documentation and invoices. There are no application fees associated with the Program. However, if an applicant owes money to the Village all accounts must be brought current before any portion of the Grant is disbursed.
6. **Main Street Organization.** Recipients of a Grant through the Program must maintain an active membership in the Lombard Town Centre Organization.
7. **Conformance.** All improvements must conform to current building and zoning codes of the Village of Lombard. Any exterior improvements completed in the Lombard Downtown TIF District must conform to the *minimum design criteria* outlined in the “Downtown Lombard Improvement Plan” dated March 26, 1987. The business owner must maintain the property in compliance with all federal and local laws, ordinances, and regulations.
8. **Administration.** The program will be jointly administered by the Department of Community Development and the Lombard Towne Centre. All Applications will be reviewed by the Economic and Community Development Committee. If the amount of the grant is less than ten thousand dollars (\$10,000) or less, the Economic and Community Development Committee has the authority to approve the grant. If the amount of the grant is greater than ten thousand dollars (\$10,000), the Economic and Community Development Committee will forward a recommendation to the Village Board, who will then determine whether the grant should be approved. 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.
9. **Evaluation.** The Economic and Community Development Committee will review all applications on an as-needed basis. Proposals shall be evaluated on their viability, their contributions to the TIF districts retail mix, their support to the Village tax base and their completeness and eligibility. An applicant may be required to submit a personal financial statement. A successful business plan will be the one that conveys the most promising combination of financial feasibility, product and market knowledge, growth potential, job creation and financial need.
10. **Appeals.** If the application is rejected by the Economic and Community Development Committee, 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 within ten (10) days of the rejection with said letter 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 address the appeal at a Village Board meeting and make a final determination relative to the application. The denial of the appeal by the Village Board shall not preclude an applicant from submitting a new application for the Program. The Village Board has the right to amend or waive program terms and conditions to accommodate special circumstances.

11. **Business Plan.** Business plans should not exceed sixteen (16) double-spaced pages including exhibits and should include as many of the following as possible:

- A. Description of your business and industry
  - 1. Your business
  - 2. The industry and its history
- B. Features and advantages of your product
  - 1. Description
  - 2. Competitive advantage
  - 3. Proprietary position
  - 4. Future potential
- C. Market research and analysis
  - 1. Definition of your customers and markets
  - 2. Market size and trends
  - 3. Competition
- D. Estimated market share and sales
  - 1. Market plan
  - 2. Market strategy
  - 3. Pricing
  - 4. Sales tactics
  - 5. Service and warranty policies
  - 6. Advertising, public relations and promotions
- E. Design and development plans
  - 1. Development status and tasks
  - 2. Difficulties and risks
  - 3. Costs
- F. Operation plans
  - 1. Business location
  - 2. Facilities and improvements
  - 3. Strategy and plans
  - 4. Labor force
- G. Management Team

C. After review by the Economic and Community Development Committee, and approval of the grant by either the Economic and Community Development Committee or the Village Board, depending upon the amount of the Grant, a "Certificate of Eligibility" will be forwarded to the owner/applicant.

- 1. Application form;
- 2. Preliminary plans and preliminary cost estimates;
- 3. Business plan;
- 4. Details of signage and/or awning design; and
- 5. Proof of ownership, lease, and/or owners approval.

B. Candidates shall submit the following documents

Dept. of Community Development  
 225 E. Wilson Avenue  
 Lombard, IL 60148  
 630.620.5749

Lombard Town Centre  
 102 W. St. Charles Rd., Ste 2  
 Lombard, IL 60148  
 630.620.8063

A. Candidates for the Retail Business Grant Program should contact the Department of Community Development or Lombard Town Centre for applications. Applications may be obtained from and submitted to either:

12. Procedural Requirements. Participants in the Program must accomplish the following steps:

- I. Financial Plan
  - 1. Profit and loss forecasts for 3 years (first year monthly)
  - 2. Cash flow projections for 3 years
  - 3. Performance balance sheet at start-up, semi-annually in the first year and at the end of 3 years

- I. Critical risks and problems (how will you respond?)
  - 1. Price cutting by competitors
  - 2. Unfavorable industry-wide trends
  - 3. Operating cost overestimates
  - 4. Low sales
  - 5. Difficulties obtaining inventory or supplies
  - 6. Difficulty in obtaining credit
  - 7. Lack of trained labor

- H. Overall Schedule
  - 1. Timing of critical activities before opening (e.g. company incorporation, signed lease, suppliers ordered, employees hired, opening date)
  - 2. Timing of critical activities after opening, (e.g. expansion, product/service extension)

- 1. Key management personnel (credentials/resume)
- 2. Management assistance and training needs



meeting the Program criteria. A new or expanding business either must open the Retail Business Grant Program unless the application is for an expansion has been issued for a business, the business is no longer eligible to apply to

L. All businesses must submit applications and complete review by the EDC prior to the opening of the business in the TIF area. Once a Certificate of Occupancy All businesses must submit applications and complete review by the EDC prior to the opening of the business in the TIF area. Once a Certificate of Occupancy

K. All eligible expenditures will be matched by the Village of Lombard at 50% of costs as designated by an appropriate receipt or invoice. Overall costs may be submitted up to \$40,000 within twelve months after registering the business with the Village of Lombard or applicant approval of the Retail Business Grant Program if the business is already registered.

J. Upon determination of conformance, and receipt of the affidavit, the Village will process and disburse the remaining amount of the loan.

I. Upon completion of the Project and after all final inspection from the Bureau of Inspectional Services have passed, the building will be inspected by a representative of the Community Development representative for conformance with the application.

H. The applicant must submit an affidavit containing his or her sworn statement that he or she has paid at least one-half (1/2) of the approved cost of the Project. Original paid receipts from contracts amounting to at least one-half (1/2) of the approved Project cost must be attached to the affidavit. Upon verification of the affidavit and receipts, the Village will release fifty percent (50%) of the grant funds.

G. Prior to the issuance of any grant funds, the applicant must submit to the Village a completed Illinois sales tax release form.

F. Upon issuance of the Notice to Proceed, improvements and renovations may start after the required building permits have been issued. All necessary inspections should be coordinated through the Village's Bureau Inspectional Services (BIS).

E. Upon receipt of the items set forth above, a "Notice to Proceed" shall be forwarded to the owner/applicant by a representative of the Department of Community Development.

D. Upon receipt of the "Certificate of Eligibility", the owner and/or applicant shall proceed as follows:

1. Submit final plans and cost estimates to the Department of Community Development and apply for proper building permits.
2. Submit three (3) contractor bids for the work outlined in the application. Also, indicate the preferred contractor.
3. Submit a fully executed Grant Agreement.

Upon receipt of the items set forth above, a "Notice to Proceed" shall be forwarded to the owner/applicant by a representative of the Department of Community Development.

grant approval, or all grant funds shall be forfeited.

For further information contact:

**Village of Lombard  
Community Development Department  
255 E. Wilson Ave., Lombard, IL 60148  
(630) 620-5749**

or

**Lombard Town Centre  
102 W. St. Charles Rd., Ste 2, Lombard, IL 60148  
(630) 620-8063**



**AN ORDINANCE AMENDING TITLE 3, CHAPTER 36 OF THE LOMBARD VILLAGE CODE IN REGARD TO AMENDMENTS TO THE DOWNTOWN RETAIL BUSINESS GRANT 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, Section 36.72-36.74 of the Lombard Village

Code are hereby to read in their entirety as follows:

**§36.72 APPLICATIONS FOR GRANTS**

A. Any property owner or business operator within the Eligible TIF Districts who wishes to start a new business or expand an existing business (hereinafter the "Project") may apply for a Grant 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 mixed-use building tenant who has obtained the building owner's consent relative to the Project and application for the Grant evidenced by the building owner's signature on the application form; and
3. The Project involves eligible improvements as determined by the Director of Community Development and as set forth in the Downtown Retail Business Grant Program Policy dated May 21, 2009 and approved by the Village Board Ordinance No. \_\_\_\_\_, adopted \_\_\_\_\_, 2009 (hereinafter "the Program 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 business; 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 names and addresses of the architect and/or contractor being used in relation to the proposed project.

**§36.73 GRANT APPROVAL**

Recipients of Grants 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 Grant Eligibility are established by and set forth in the Program Policy, as amended from time to time by the Village Board.

**§36.74 DISBURSEMENT OF GRANT FUNDS**

No Grant funds shall be disbursed unless all Project-related activities are undertaken in compliance with all applicable provisions of both the Program Policy and Village Code and until the Village receives an affidavit from the Grant recipient containing his or her sworn statement that he or she has paid at least one-half (1/2) of the approved cost of the Project. Original paid receipts amounting to at least one-half (1/2) of the approved Project cost must be attached to the affidavit and no disbursement of Grant 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 Grant, 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 Grant shall be disbursed.

**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 \_\_\_\_\_, 2009.

Passed on second reading this \_\_\_\_\_ day of \_\_\_\_\_, 2009, pursuant to a roll call vote as follows:

AYES :

NAYS :

ABSENT :

APPROVED by me this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

ATTEST:

Brigitte O'Brien  
Village Clerk

Published by me in pamphlet form this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

William J. Mueller  
Village President

Brigitte O'Brien  
Village Clerk



**AN ORDINANCE ADOPTING THE DOWNTOWN RETAIL BUSINESS GRANT PROGRAM POLICY**

ORDINANCE NO. \_\_\_\_\_

WHEREAS, the Village of Lombard recognizes the importance of downtown Lombard as it relates to the economic health and quality of life of the community; and

WHEREAS, the President and Board of Trustees of the Village of Lombard, pursuant to

the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) have amended Title 3, Chapter 36, Sections 70 through 74 of the Lombard Village Code for the establishment of a Downtown Retail Business Grant Program; and

WHEREAS, the Downtown Retail Business Grant Program must establish certain

policies regarding the criteria and procedures for the disbursement of grants.

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND

BOARD OF TRUSTEES OF THE VILLAGE OF LOMBARD, DUPAGE COUNTY,

ILLINOIS, AS FOLLOWS:

SECTION 1: That the Downtown Retail Business Grant Program Policy, dated May 21, 2009 and attached hereto as Exhibit "A", is hereby adopted as the official program policy for the Downtown Retail Business Grant 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 \_\_\_\_\_, 2009.

First reading waived by action of the Board of Trustees this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

Passed on second reading this \_\_\_\_\_ day of \_\_\_\_\_, 2009, pursuant to a roll call vote as follows:

AYES :

NAYS :

ABSENT :



Published by me in pamphlet form this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

Brigitte O'Brien  
Village Clerk

William J. Mueller  
Village President

Brigitte O'Brien  
Village Clerk

APPROVED by me this \_\_\_\_\_ day of \_\_\_\_\_, 2009.  
ATTEST:

# DOWNTOWN RETAIL BUSINESS GRANT PROGRAM

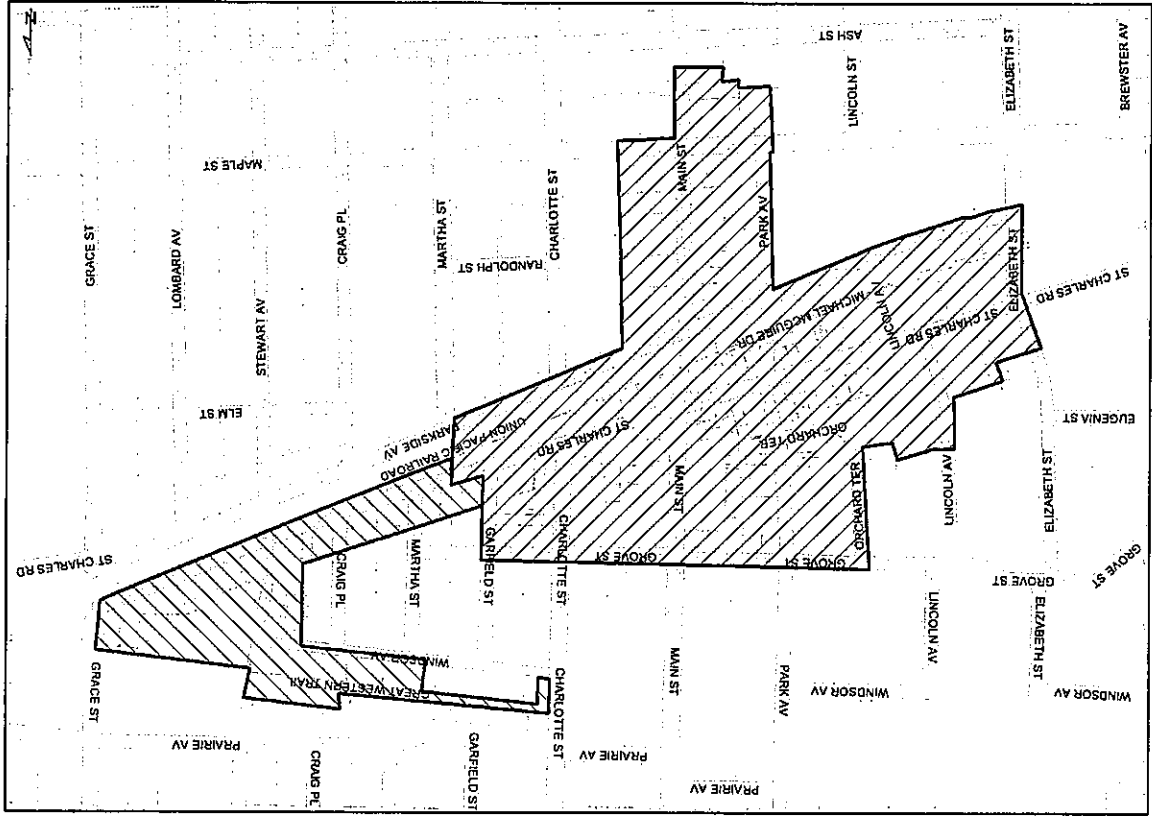
May 21, 2009

The purpose of the Downtown Retail Business Grant Program (hereinafter the "Program") is to increase the economic viability of Downtown Lombard by attracting targeted retail businesses and assisting existing businesses in the Downtown. The program will offer a 50% matching grant for eligible expenditures associated with helping the start-up of new businesses or the expansion of existing businesses in the Downtown. Priority will be given to businesses that best complement the Lombard Downtown retail mix and help strengthen existing retail clusters. Grant monies derive from TIF funds, and therefore priority will be given to businesses with projected tangible benefits to the TIF area.

## Eligible TIF Districts

The Program will only be offered to businesses located within the Lombard Downtown TIF District or the Lombard St. Charles Road TIF District I (West) ("hereinafter the "Eligible TIF Districts"). The boundaries of the Eligible TIF Districts are shown on Figure 1 below. An existing business in Lombard that is outside of the TIF boundaries would not be eligible for funds unless it opens an additional location within the boundaries of the Eligible TIF Districts.

Figure 1. Eligible TIF Districts



**Program Eligibility**

Eligibility requirements are as follows:

1. **Expenditures.** Eligible expenditures include build-out of space, first three months of rent (existing business must move into a new space in the TIF area or expand their existing space), signage, moving expenses, visual merchandising, retail consulting, and licensed space designer (ASID). The program does not cover costs associated with production equipment, media marketing/advertising, payroll, day-to-day operational costs (e.g. utilities, taxes, maintenance), refuse, or product.

2. **Amount.** Participants will be eligible for up to \$20,000. Participants must expend verified funds and then will be reimbursed for qualified expenditures up to but not exceeding 50% of acceptable expenditures. The Retail Business Grant Program shall not exceed \$20,000 per participant. The Economic and Community Development Committee may recommend amounts of less than \$10,000. Grants exceeding that amount will require Village Board approval.

3. **Ownership/Lease.** Applicants to the Retail Business Grant Program must either own or have a minimum three-year lease in a first floor retail location along a public street. In some instances, approval may be contingent upon a written lease from a landlord and the applicant.

4. **Occupancy - Businesses who receive grant money shall remain open at the location identified in their grant application for at least three (3) years from the date of the original grant disbursement. The Village shall be reimbursed for any fees including but not limited to attorney's fees associated with enforcement of this provision.**

5. **Eligible Businesses.**

- A. Priority will be given to retail businesses that best complement the Lombard downtown retail mix. A list of targeted retail categories is as follows: clothing stores, produce market, cd/music store, design/decoration/furniture, electronics, home improvement, specialty foods, crafts/toys/hobbies, custom jewelry, kitchen/home accessories, children's products, entertainment venues (which complement restaurants in the downtown), specialty retail, computer store, shoe store, and art shops/galleries. Other stores may be eligible for the Program, subject to review by the Economic and Community Development Committee.

- B. **Service businesses with a substantial retail component, as defined by having 25% of its gross income or gross floor area dedicated to retail sales activity, are potentially eligible for the Program. The dollar amounts awarded to service businesses with a substantial retail component will be a function of the amount and nature of the retail component associated with the business. For service businesses with substantial retail components that were previously in operation, sales data shall accompany the application. For start-up new service businesses with substantial retail components, up to half of the maximum possible grant award (i.e., no more than \$10,000) or can be awarded with the start-up of the**

creation and financial need. combination of financial feasibility, product and market knowledge, growth potential, job statement. A successful business plan will be the one that conveys the most promising completeness and eligibility. An applicant may be required to submit a personal financial contributions to the TIF districts retail mix, their support to the Village tax base and their applications on an as-needed basis. Proposals shall be evaluated on their viability, their **Evaluation.** The Economic and Community Development Committee will review all

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be submitted to the Bureau of Inspectional Services. request for a building permit, an electrical permit and/or other permits and licenses shall Board, who will then determine whether the grant should be approved. A separate Community Development Committee will forward a recommendation to the Village amount of the grant is greater than ten thousand dollars (\$10,000), the Economic and Community Development Committee has the authority to approve the grant. If the the grant is less than ten thousand dollars (\$10,000) or less, the Economic and Community Development Committee will be jointly administered by the Department of Community Development and the Lombard Towne Centre. All Applications will be reviewed by the Economic and Community Development Committee. If the amount of

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regulations. must maintain the property in compliance with all federal and local laws, ordinances, and “Downtown Lombard Improvement Plan” dated March 26, 1987. The business owner Downtown TIF District must conform to the *minimum design criteria* outlined in the the Village of Lombard. Any exterior improvements completed in the Lombard **Conformance.** All improvements must conform to current building and zoning codes of

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active membership in the Lombard Town Centre Organization. **Main Street Organization.** Recipients of a Grant through the Program must maintain an

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portion of the Grant is disbursed. applicant owes money to the Village all accounts must be brought current before any invoices. There are no application fees associated with the Program. However, if an architectural rendering fees prior to approval must have proper documentation and rendering fees prior to Project approval of the improvements. All requests for or one thousand five hundred dollars (\$1500), whichever is less, of architectural in the total improvement costs. The Program will fund up to twenty-five percent (25%) **Fees.** Professional, architectural, engineering, and Village permit fees may be included

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C. Resale stores and service businesses without a substantial retail component are not eligible for the Program.

business. Notwithstanding the procedural requirement that prohibits applications after a Certificate of Occupancy has been issued, a start-up new service business applicant who is granted half of an award has the ability to make a second application for an additional half of an award (i.e., no more than \$10,000) after a one year period of time, with the EDC considering the retail sales tax figures as part of the second application.

11. **Appeals.** If the application is rejected by the Economic and Community Development Committee, 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 within ten (10) days of the rejection with said letter 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 address the appeal at a Village Board meeting and make a final determination relative to the application. The denial of the appeal by the Village Board shall not preclude an applicant from submitting a new application for the Program. The Village Board has the right to amend or waive program terms and conditions to accommodate special circumstances.
12. **Business Plan.** Business plans should not exceed sixteen (16) double-spaced pages including exhibits and should include as many of the following as possible:

- A. Description of your business and industry
  - 1. Your business
  - 2. The industry and its history
- B. Features and advantages of your product
  - 1. Description
  - 2. Competitive advantage
  - 3. Proprietary position
  - 4. Future potential
- C. Market research and analysis
  - 1. Definition of your customers and markets
  - 2. Market size and trends
  - 3. Competition
- D. Estimated market share and sales
  - 1. Market plan
  - 2. Market strategy
  - 3. Pricing
  - 4. Sales tactics
  - 5. Service and warranty policies
  - 6. Advertising, public relations and promotions
- E. Design and development plans
  - 1. Development status and tasks
  - 2. Difficulties and risks
  - 3. Costs
- F. Operation plans
  - 1. Business location
  - 2. Facilities and improvements

13. **Procedural Requirements.** Participants in the Program must accomplish the following steps:
- A. Candidates for the Retail Business Grant Program should contact the Department of Community Development or Lombard Town Centre for applications. Applications may be obtained from and submitted to either:
    - Dept. of Community Development  
225 E. Wilson Avenue  
Lombard, IL 60148  
630.620.5749
    - Lombard Town Centre  
102 W. St. Charles Rd., Ste 2  
Lombard, IL 60148  
630.620.8063
  - B. Candidates shall submit the following documents
    - 1. Application form;
    - 2. Preliminary plans and preliminary cost estimates;
    - 3. Business plan;
    - 4. Details of signage and/or awning design; and
    - 5. Proof of ownership, lease, and/or owners approval.
  - G. **Management Team**
    - 1. Key management personnel (credentials/resume)
    - 2. Management assistance and training needs
  - H. **Overall Schedule**
    - 1. Timing of critical activities before opening (e.g. company incorporation, signed lease, suppliers ordered, employees hired, opening date)
    - 2. Timing of critical activities after opening, (e.g. expansion, product/service extension)
  - I. **Critical risks and problems (how will you respond?)**
    - 1. Price cutting by competitors
    - 2. Unfavorable industry-wide trends
    - 3. Operating cost overestimates
    - 4. Low sales
    - 5. Difficulties obtaining inventory or supplies
    - 6. Difficulty in obtaining credit
    - 7. Lack of trained labor
  - J. **Financial Plan**
    - 1. Profit and loss forecasts for 3 years (first year monthly)
    - 2. Cash flow projections for 3 years
    - 3. Performance balance sheet at start-up, semi-annually in the first year and at the end of 3 years

- C. After review by the Economic and Community Development Committee, and approval of the grant by either the Economic and Community Development Committee or the Village Board, depending upon the amount of the Grant, a "Certificate of Eligibility" will be forwarded to the owner/applicant.
- D. Upon receipt of the "Certificate of Eligibility", the owner and/or applicant shall proceed as follows:
1. Submit final plans and cost estimates to the Department of Community Development and apply for proper building permits.
  2. Submit three (3) contractor bids for the work outlined in the application. Also, indicate the preferred contractor.
  3. Submit a fully executed Grant Agreement.
- E. Upon receipt of the items set forth above, a "Notice to Proceed" shall be forwarded to the owner/applicant by a representative of the Department of Community Development.
- F. Upon issuance of the Notice to Proceed, improvements and renovations may start after the required building permits have been issued. All necessary inspections should be coordinated through the Village's Bureau Inspectional Services (BIS).
- G. Prior to the issuance of any grant funds, the applicant must submit to the Village a completed Illinois sales tax release form.
- H. The applicant must submit an affidavit containing his or her sworn statement that he or she has paid at least one-half (1/2) of the approved cost of the Project. Original paid receipts from contracts amounting to at least one-half (1/2) of the approved Project cost must be attached to the affidavit. Upon verification of the affidavit and receipts, the Village will release fifty percent (50%) of the grant funds.
- I. Upon completion of the Project and after all final inspection from the Bureau of Inspectional Services have passed, the building will be inspected by a representative of the Community Development representative for conformance with the application.
- J. Upon determination of conformance, and receipt of the affidavit, the Village will process and disburse the remaining amount of the loan.
- K. All eligible expenditures will be matched by the Village of Lombard at 50% of costs as designated by an appropriate receipt or invoice. Overall costs may be submitted up to \$40,000 within twelve months after registering the business with the Village of Lombard or applicant approval of the Retail Business Grant Program if the business is already registered.
- L. All businesses must submit applications and complete review by the EDC prior to the opening of the business in the TIF area. Once a Certificate of Occupancy

has been issued for a business, the business is no longer eligible to apply to the Retail Business Grant Program unless the application is for an expansion meeting the Program criteria. A new or expanding business either must open for business or have expanded their business within nine months from the date of grant approval, or all grant funds shall be forfeited.

**For further information contact:**

**Village of Lombard  
Community Development Department  
255 E. Wilson Ave., Lombard, IL 60148  
(630) 620-5749**

**or**

**Lombard Town Centre  
102 W. St. Charles Rd., Ste 2, Lombard, IL 60148  
(630) 620-8063**