

## MEMORANDUM

**To:** William T. Lichter, Village Manager

**From:** David A. Hulseberg, AICP, Director of Community Development

**Date:** November 22, 2005

**Subject:** **LOMBARD BUSINESS DISTRICT NO. 1 – SALES TAX**

The Department of Community Development transmits for your consideration an Ordinance Imposing a Business District Retailers' Occupation Tax and a Business District Service Occupation Tax within the Boundaries of Lombard Business District No. 1.

This one percent (1%) business district retailers occupation tax and business district service occupation tax within the boundaries of Lombard Business District No. 1 will exist for a period of 23 years. The purpose of this tax is to assist in developing funds to provide reimbursement for approved extraordinary development costs associated with the redevelopment of Lombard Business District No. 1.

### **Background:**

The Village Board of Trustees at their November 17, 2005 meeting approved two ordinances - one allowing the creation of business districts within the Village of Lombard and the second in creating in Business District No. 1. Prior to that time period, the Village did approve an inducement resolution so that the potential restaurant sites could begin construction prior to the final approvals of Lombard Business District No. 1.

At some point in the future, the developer of Lombard Business District No. 1 will present for consideration a redevelopment agreement with the Village of Lombard in which reimbursement could be made by the Village of Lombard to the developer for approved extraordinary costs associated with the redevelopment as provided for in said future agreement. The above-mentioned taxes will provide funds that could provide reimbursement to the Village of Lombard for expenditures that it has made or will make in the future as part of the redevelopment of this area as well.

### **Recommendation:**

Staff recommends that the Village Board of Trustees approve an Ordinance Imposing Business District Retailers' Occupation Tax and a Business District Service Occupation Tax of one percent (1%) within the Boundaries of Lombard Business District No. 1.