




MEMORANDUM

TO: Trustee Bill Johnston, Chairperson
Economic and Community Development Committee

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

MEETING DATE: April 9, 2018

SUBJECT: **Downtown Area Improvement & Renovation Grant Program – Text Amendments to Chapter 36.30 and Companion Policy**

As part of the ongoing administration of the various Downtown Lombard Tax Increment Financing (TIF) programs, staff has undertaken a review of the Downtown Improvement and Renovation Grant Program also known as the Façade Grant Program. Through this review, staff has compiled a number of amendments to the Program for consideration by the Economic and Community Development Committee (ECDC). The proposed amendments fall into one of the following categories:

Consistency Items

The program is regulated through both Village Code (Chapter 36.30) as well as the Grant Program Policy. Within both documents are a series of amendments that are intended to add consistency to each document. The intent of the Ordinance provisions is to establish the mandated requirements, while the Policy document explains how the program should be administered.

Eligible Districts

With the creation of the Butterfield Yorktown TIF District, amendments are offered to specifically designate the three existing TIF Districts along St. Charles Road as being program eligible. Should there be a desire to add the aforementioned Butterfield Yorktown TIF District be sought to the eligible districts for such funding, that request could be brought forward to the ECDC and the Village Board at a later date.

Age of Structures

Currently the program is only available for buildings older than 20 years. The 20 year figure was arbitrarily set and does not have any nexus to TIF Statutes or any other program requirements. Staff surmises that the figure was established in order to avoid new construction activity from being TIF Grant eligible (which is in fact precluded by TIF Statute). However, structures less than 20 years of age in downtown Lombard could similarly benefit from the program as they would have much in common with some of the historic structures (i.e., need to enhance the exterior facades to meet current market conditions or otherwise enhance the economic viability

of a building). For reference, buildings less than 20 years of age in the downtown TIF District include:

Location	Year Constructed	Age
123 W. St. Charles Road	2000	18
105 W. St. Charles Road	2002	16
141 W. St. Charles Road	2004	14
130 S. Main Street	2005	13

Lastly, relaxing the 20 year requirement would allow for other improvements to be eligible that would benefit business activity, such as the accessibility amendment to be further described later. Staff recommends that the time provision for eligibility should be reduced from 20 years to 10 years.

Accessibility Enhancements

As we have heard from the public in the past, there is a desire to have more of our downtown businesses accessible, at least as it pertains to storefront access/egress. While the Illinois Accessibility Code (IAC) and the Americans with Disabilities Act (ADA) may trigger some improvements, if the improvements are not triggered by law, they are often not done or are otherwise deferred. To this end, staff is offering a series of amendments to enhance accessibility, as follows:

1. Specifically identifying exterior accessibility enhancements as a goal for the Program.
2. Existing grants are capped at \$50,000. Staff would like the ECDC to consider exempting exterior ADA improvements from the \$50,000 cap. This way, businesses do not have to make a choice between improvements to get their business open versus making ADA enhancements when not required by law.
3. To simplify applying for an exterior ADA improvement for smaller improvements, we could also include a provision that would allow the Village staff to waive the three bid requirement as part of a grant request. Keith Steiskal, Building Commission, is also identified by the State as our required ADA Coordinator. Using past downtown examples, if a business wanted to make a modification to their entranceway/doorway to bring it to code, securing 3 bids could be deemed cumbersome on a small project and it likely would not occur. However, if the Village simplifies the process, it might make it easier for them to apply for a grant. Staff can also use this simplification process as a marketing tool to existing properties as a means to draw additional traffic to their store. Of course, as the Village did with the 2016 4Paws Daycare and Boarding grant, staff can critically review the proposals to determine if they are reasonable – if not, they can submit additional bids or staff offers our concerns in the grant request report.

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4. The Village could also add a grant provision that improvements that aid accessibility outside an establishment, as determined by the Village's ADA Coordinator, could also be deemed grant eligible, even though it may not be required by federal law. For example, automatic opening doors for retail establishments and restaurants are not required by the ADA, though many people believe that to be the case. Visiting downtown, there are a number of smaller improvements that could be enhanced in this regard.

Of course, the ECDC and Board would still look at the applications on a case by case basis. Meanwhile, interior accessibility improvements can still be addressed through the other existing grant programs.

Other Amendments

There are a few minor housekeeping amendments we will want to correct/update in the grant program as well. These items include:

- Clarity on the submittal, review, approval and payout processes, as currently undertaken by the Village;
- Conformance provisions with the established TIF Documents;
- Business/property ownership language clarifications;
- Refined language on the appeals process; and
- Striking the preferred types of businesses, as that is covered in the other grant programs

COMMITTEE ACTION REQUESTED

This item is being placed on the April 9, 2018 ECDC agenda for consideration. Attached are the amended Policy and Ordinance documents, with the proposed additions and deletions offered for consideration. Staff intends to review the amendments in greater detail at the April 9 ECDC and will seek input and a recommendation from the ECDC to approve the Code amendments to Chapter 36.20 along with the amendments to the Downtown Area Renovation and Improvement Grant Program.

**DOWNTOWN AREA IMPROVEMENT AND RENOVATION
GRANT PROGRAM POLICY
20168**

The purpose of the Downtown Area Improvement and Renovation Grant Program is to increase the economic viability of Downtown Lombard area by improving the aesthetics of the buildings, improving signage, and increase the availability and ease of parking. The Downtown Area Improvement and Renovation Grant Program will offer a one-for-one matching grant for selected exterior facade improvements, signage improvements, and to increase the availability and ease of parking. This Program is intended to complement and support the Village's plans to maintain a quality downtown area. ~~The Downtown's image, appearance and environment are important factors in attracting shoppers and new businesses to the downtown.~~ The Downtown Area Improvement and Renovation Grant Program ~~provides an incentive to owners and tenants to improve the downtown.~~ The intention of the Program is to create a more attractive area through a private/public partnership.

The Program is administered through the Department of Community Development, with grant review and approval authority by the Economic and Community Development Committee (ECDC) and the Village Board.

Grant Eligibility

1. **Qualifications.** In order to Qualify for the Downtown Area Improvement and Renovation Grant Program, the building must be located within one of the following Tax Increment Financing Districts (TIF) in Lombard:
 - Lombard Downtown TIF District
 - Lombard St. Charles Road TIF 1- West District
 - Lombard St. Charles Road TIF 2- East District

2. **Improvements.** Eligible storefront improvements may include façade renovation, lights, signs, graphics, windows, doors, window displays, awnings, landscapes, exterior accessibility accommodations and parking improvements. Grant funds are available for improvements to existing buildings ~~Eligible structures must be~~ that are at least twenty ten (210) years old. Façade renovation of upper floors is also eligible if first floor improvements are approved simultaneously. The sides of commercial buildings which are highly visible from main shopping streets are also eligible. If a property receives notification from Code Administration on a potential violation, the ECDC has discretion to deem the proposed improvement eligible or not.

3. **Eligible Funding Amounts.** Approved applications for the ~~Downtown Improvement and Renovation Grant~~ Program are eligible to receive a fifty percent (50%) matching grant. Grants up to \$10,000 are approved by the ~~Economic and Community Development Committee.~~ All grants above \$10,000 must be approved by the Village Board. The maximum grant amount is \$50,000, ~~although requests.~~ Requests for grants above \$50,000 will be considered by the Village Board on a case-by-case basis if extraordinary conditions exist.

A. For sSignage and aAwnings: Applicants are allowed to apply more than once for the program at the same location. New applications are allowed seven (7) years after the initial request. Subsequent applications for signage and awnings at the same location, by the same applicant, will be eligible for the fifty percent (50%) grant as long as the contract price is \$2,000.00 or less. ~~The applicant should also demonstrate a long term commitment to the downtown and be the property owner or business owner for the previous five years of the location for the grant.~~ If a business relocates a signage or awning at the new location would be eligible for the 50% matching grant. If a new tenant or property owner acquires the property they would be eligible for a 50% matching grant for their first signage or awning request.

B. Accessibility Improvements: Exterior accessibility improvements that meet the provisions of the Illinois Accessibility Code (IAC) or the Americans with Disabilities Act (ADA), whichever regulation is applicable, are exempt from the \$50,000 cap on improvements, but are still subject to Village review and approval on a case by case basis. Exterior accessibility enhancements that are not required by applicable codes but enhance accessibility, as determined by the Village's Accessibility Coordinator, may be also eligible for grant funding, subject to final review and approval by the ECDC and/or Village Board.

4. Ownership. Eligible applicants include:

- ~~A. property~~ the owners of commercial, office, or residential or mixed-use buildings or property (excluding single-family residences); or
- B. business the owners of a commercial or office business, located within the tax increment financing (TIF) district. Business owners who are tenants of commercial buildings must provide written consent form the building owner for all proposed improvements.

3.5. Fees. Professional, architectural, engineering, and Village building permit fees may be included in the total improvement costs. The Downtown Improvement and Renovation Grant Program will fund up to twenty-five percent (25%) or \$1,500, whichever is less, ~~of architectural rendering fees prior to approval must have proper documentation and invoices.~~ If the submitted architectural rendering plans are approved the applicant is eligible to receive the full fifty percent (50%) matching grant amount. There are no application fees to apply for the grant program. However, if a business or ~~tenant~~ property owner owes money to the Village, all accounts must be current before any portion of the grant is disbursed.

4.6. Conformance. All improvements must conform to current building and zoning codes of the Village of Lombard and to *minimum design criteria* developed for the Downtown Improvement and Renovation Grant Program as outlined in the "Downtown Lombard Improvement Plan" dated March 26, 1987 as well as the Downtown Lombard Revitalization Guidebook, dated May 23, 2011. The property owner or representative must complete the pre-application, and must be prepared to comply with all federal and local laws, ordinances, and regulations.

~~5.7.~~ **Process.** The applicant must submit an application for the ~~Downtown Improvement and Renovation~~ Program to the Community of Development Department. A separate request for a building permit, an electrical permit and/or other permits and licenses shall be submitted to the ~~Bureau of Inspectional Services~~ Community Development Department. The Director of Community Development ~~or his/her designees~~, shall review the application and all supporting documentation. The applicant, or his/her designee, shall be present at the ~~Economic and Community Development Committee~~ ECDC meeting to make a brief presentation on the request.

~~6.8.~~ **Timing.** If approved, the applicant has twelve (12) months from the date of the final grant approval by the ~~Economic and Community Development Committee~~ ECDC or the Village Board, whichever is applicable, to start the project and eighteen (18) months from the grant approval date to complete the project. If the project has not started within twelve (12) months or completed within the eighteen (18) months from the approval of the grant, the applicant must reapply to either the ECDC or Village Board (whichever entity provided approval) for a time extension. If the applicant does not reapply, the grant approval shall automatically expire.

~~7.9.~~ **Appeals.** If the grant was ~~disapproved~~ denied by the ~~ECDC~~ Director of Community Development, the applicant may resubmit the application after addressing the application deficiencies or appeal the decision. If the applicant chooses to appeal the decision, a letter of appeal and supporting documentation must be sent to the Director of Community Development stating the reason for the appeal. The letter of appeal and supporting documents will then be forwarded to the Village Board. The Village Board will review the appeal and make the final determination of the grant application.

If the application was denied by the Village Board, the applicant may resubmit after addressing the concerns of the Board.

Design and Selection Process Criteria

The design and selection process will follow the recommendations of the “Downtown Lombard Improvement Plan” dated March 26, 1987 as well as the Downtown Lombard Revitalization Guidebook, dated March 23, 2011. The improvement plan provides recommendations for the enhancement of building facades, efficient and appropriate land use, parking, and traffic circulation. A copy of the ~~“Downtown Lombard Improvement Plan”~~ “aforementioned documents” ~~is~~ available at the Community Development Department and on the Village’s website online.

Federal and Local Requirements

~~In order to qualify for the Downtown Improvement and Renovation Program, the building must be located within one of the three TIF Districts in Lombard. The property owner or representative must complete the pre-application, and must be prepared to comply with all federal and local laws, ordinances, and regulations. The Director of Community Development will administer the Downtown Improvement and Renovation Grant Program.~~

Procedural Requirements

Participants in the Program must accomplish the following steps:

1. A. —An applicant must first meet with the Director of Community Development, or his/her designee to review the proposal. Upon completion of the initial review, the applicant shall submit the following documents to the Community Development Department:
 - a. A completed application form;
 - b. Preliminary renovation and improvement plans (the Village reserves the right to request additional plans, drawings or exhibits that may be necessary in order to process the request);
 - c. Three detailed and uniformly quoted contractor cost estimates (if the request is exclusively for an accessibility enhancement and the grant request does not exceed \$1,000.00, the need for two additional quotes may be waived by the Director);
 - d. Proof of ownership, lease, and/or owner's approval.
 2. After review and approval by the ECDC and/or Village Board, the applicant shall proceed as follows:
 - a. Submit final plans and cost estimates to the Department of Community Development and apply for proper building permits;
 - b. Upon receipt of the plans and a review and approval by the Community Development Department for compliance with code and consistency with the approved grant request, a "Notice to Proceed" shall be forwarded to the applicant by the Department of Community Development.
 - c. 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 Building Division.
 - d. Upon completion of the project and after all final inspections have been approved, the eligible and approved grant elements will be inspected by the Village for conformance with the grant application. The applicant shall provide the Village with a copy of final receipt(s) showing that the approved grant project was paid in full, a waiver of lien from the contractor(s), and a completed Internal Revenue Service (IRS) W-9 form. Upon receipt and final review, the Village shall issue a reimbursement check in an amount not to exceed the approved grant request.
- ~~1. The applicant will submit a pre-application form accompanied by renovation plan, including sample materials, color samples, and detailed cost estimates of the improvement or renovation. All improvements and renovation plans must follow~~

current code requirements. Improvements made and expenses incurred prior to approval of the application and execution of the agreement ~~may~~ are not be eligible.

In exchange for a grants approval in excess of \$10,000, the Business Owner and any subsequent owner agrees to maintain the business in accordance with local codes, and agrees not to substantially change the use of the building for three (3) years after completion of the improvements without written approval from the Director.

~~The following types of businesses are encouraged in the downtown (the list is not all inclusive):~~

~~Restaurants
Outdoor Cafes
New Retail shops~~

~~The following types of businesses are discouraged in the downtown (the list is not all inclusive):~~

~~Second hand or Rummage stores
Sports Card shops
Pawn shops
Currency Exchanges~~

Failure to maintain the business in accordance with local codes or negatively changes the use of the Business or interior space will require full repayment of grant funds to the Village of Lombard. This requirement may be waived by the Director of Community Development on a case-by-case basis.

Please call 630-620-5749 for further information or to set up an appointment.

Village of Lombard
Community Development Department
255 E. Wilson Avenue, Lombard, IL 60148

PROPOSED TEXT AMENDMENTS TO VILLAGE CODE

ARTICLE IV. - DOWNTOWN AREA IMPROVEMENT AND RENOVATION GRANT PROGRAM

§ 36.30 - Definition.

There shall be established in the Village of Lombard a Downtown Area Improvement and Renovation Grant Program (the "Grant Program") which shall be administered by the Director of Community Development (the "Director" with approval from the Economic & Community Development Committee (ECDC)) in accordance with the standards set forth in this Chapter.

§ 36.31 - Funding.

Each year, commencing in 1998 and continuing until the termination of the existence of the Tax Increment Financing District established by the village in 1989 (the 'TIF District') pursuant to the Tax Increment Allocation Financing Act (the 'Act') or until sufficient funds obtained from the sale of bonds pursuant to the Act (the 'Bond Proceeds') or tax revenues accumulated pursuant to the Act that are available for such purposes ('Incremental Property Tax Revenues') are no longer available, the village shall, pursuant to the approved village budget, allocate a certain amount from the Bond Proceeds or available Incremental Property Tax Revenues to be expended in the form of matching, reimbursement grants to business and/or property owners who meet the eligibility standards for improving the facades of their buildings in the TIF District. Funds shall be granted for amounts up to 50 percent of the improvement cost to a maximum per project to be established yearly, based on the total funds available.

(Ord. 4159, passed 4/25/96, Ord 4509, passed 7/23/98)

§ 36.32 - Applications for grants.

(A) Any property owner or lessee of business or residential property who wishes to undertake façade improvements, improve signage, or improve existing parking to facilitate additional use of same for the village may apply for a matching, reimbursement grant under this Chapter by completing an application supplied by the Director provided that the principal structure located on the property is at least ~~20~~ ten (10) years old. Applications shall be eligible for acceptance if received by a date established by the Director and if they meet the following eligibility criteria:

- 1) The building or property must be located within the limits of the following TIF Districts:-
 - a. Lombard Downtown TIF District
 - b. Lombard St. Charles Road TIF 1-West District
 - c. Lombard St. Charles Road TIF 2-East District

1)2) The applicant is either a commercial, office, residential or mixed-use building or property owner (excluding single-family residences) or a commercial or office, or residential tenant which has obtained consent of the building's owner to the project as evidenced by the building owner's signature on the application form.

2) The cost of the project is at least \$500.00.

3) _____

4)3) The improvements involve certain exterior renovation and/or restoration projects as determined by the Economic and Community Development Committee ECDC and listed in the informational packet supplied with the application. General maintenance items are not eligible.

(B) Applications shall contain at least the following information: an estimate of the project costs, a detailed description of the project, a description of the subject property building involved including ownership information and market value, lease information, if applicable, names and addresses of the applicants, names and addresses of the architect and/or contractor involved and three detailed and uniformly quoted contractor cost estimates the estimated amount of the repair, renovation, and/or restoration. If the request is exclusively for an accessibility enhancement and the grant request does not exceed \$1,000.00, the need for two additional quotes may be waived by the Director.

§ 36.33 - Requirements for grant application approval.

Recipients of grants shall be chosen from eligible applicants based on the characteristics of the project as described in the grant application and materials submitted therewith. The ~~Economic and Community Development Committee (ECDC)~~ shall have the authority to approve grant applications, as provided for within §§ 36.30 to 36.36 of this Code, in an amount of less than \$10,000.00. The Board of Trustees has the authority to approve grant requests of \$10,000.00 or greater.

(Ord. 6725, passed 5/17/12)

§ 36.34 - Disbursement of grant funds.

~~A minimum of three estimates must be submitted for the work to be performed. No grant funds shall be disbursed unless all building improvements are undertaken in compliance with all applicable provisions of the Village Code, the adopted Grant Program Policy and any conditions of approval of the grant award. 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 50 percent of the approved cost of the project. Original paid receipts from contractors amounting to at least 50 percent 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. The village will then release 50 percent of the approved grant with proper documentation. No further disbursement shall be made thereafter until an affidavit containing a sworn statement that the project is complete is received together with~~

~~attached paid receipts for the remaining project costs. Upon filing of such affidavit and receipts, the grant percentage of the amounts which will result in payment of no more than the originally approved grant amount shall be disbursed.~~

§ 36.35 - Restrictions.

Current or future owners or lessees of buildings which have been improved through use of funds obtained through this Grant Program shall not alter the facade or substantially change the use of the building for three years after completion of the improvements without written approval from the Director.

§ 36.36 - Penalty.

Any person, firm or corporation who or which shall violate [§ 36.35](#) of this Chapter shall be subject to a fine upon conviction thereof of not less than \$100.00 nor more than \$750.00, and each day such violation is permitted to continue shall constitute a separate offense.

(Ord. 4020, passed 5/18/95)