



MEMORANDUM

TO: Peter Breen, Chairperson
Economic and Community Development Committee

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

DATE: November 12, 2012

SUBJECT: Lombard Town Centre 2013 Funding request

On January 19, 2012, the Village Board approved funding in the amount of \$38,500 to Lombard Town Centre (LTC) for their activities for the 2012 calendar year. This expenditure was to be used by the LTC to fund the part-time Executive Director position through the end of the 2012 calendar year. The Lombard Town Centre (LTC) has made their formal funding request for 2013. As proposed, the LTC is requesting \$50,000 for the Village's fiscal year 2013. Attached are the following documents prepared by the LTC:

1. Introduction/President's Letter
2. List of Board Members
3. Annual Report
4. Executive Director Report
5. Downtown Plan Implementation
6. 2013 Goals
7. 2013 Budget
8. 2012 Calendar of Events
9. Passport Participation List
10. Exhibits

As outlined in their materials, the LTC indicates that \$42,500 would go to fund the part-time (30 hours/week) Executive Director (ED) position. This number includes the ED's salary and all employer taxes (paid by the LTC). The remaining \$7,500 is to cover the LTC's other expenses such as rent, utilities and other promotional expenses. According to the LTC, they have approximately \$7,000 in reserves. Last year, they had approximately \$15-20,000 in reserves.

Funding History

Lombard Town Centre was initially established in 2005 to be a grass-roots organization that would follow the program elements established and set forth through the National Trust for Historic Preservation's Main Street and the Illinois Main Street programs. Approved Main Street programs establish four core areas as part of the requisite organizational framework, including design, organization, promotion and economic restructuring elements. To date, funding for the LTC has been approved as follows:

Year	Amount
2005	\$75,000
2006	\$75,000
2007	\$75,000
2008	\$75,000
2009	\$75,000
2010	\$35,000
2011	\$14,292*
2012	\$38,500**
Total	\$462,791

*Partial funding for 6 months to allow their reserves to be drawn down

** Actual amount reduced because there was no ED for a few months

The following is a summary of the percentage of Village funding compared to the overall LTC revenues:

Year	LTC Fundraising/ Memberships	Actual Village Funding	Total LTC Revenue	Percentage of Village Funding
2011*	\$6,691	\$28,771	\$35,462	81%
2012	\$8,316	\$32,968	\$41,284	80%
Proposed 2013	\$14,055	\$50,000	\$64,055	78%

*This includes both the funding that carried over because the Village's fiscal year ended in June, 2011 and the approved partial funding for the last 6 months of 2011.

TIF Status

Earlier this year, the Village, along with the other taxing bodies, agreed to amend the existing Inter-Governmental Agreement (IGA) to provide for an additional revenue stream for the TIF in order to further the objectives of the adopted Downtown Revitalization Guidebook. Based upon preliminary estimates, it is estimated that the IGA amendment will result in an additional \$4.5 to \$6.5 million in revenues that will be made available to the TIF over the remaining life of the TIF, subject to market factors and property valuations, after the remaining annual declared surplus is redistributed to the taxing bodies.

Items for Consideration

The ECDC is asked to make a recommendation to the Village Board regarding future Village funding and roles and responsibilities for the LTC. In consideration of this funding request, the ECDC should review the documents submitted by the LTC and make a determination as to what appropriate future funding levels would provide the Village with an appropriate return on its fiscal investment. As with past funding requests, the ECDC and ultimately the Village Board has the following options to consider:

1. Approve funding in the requested amount of \$50,000.
2. Limit funding to the exact amount of the LTC's ED salary (\$42,500) and allocate additional funding (up to \$7,500) for specific projects or events. Should this option be considered, staff would recommend that the requested expenses be used for TIF

eligible items such as marketing, promotions, events, etc. The ECDC can be the approving body once the LTC makes a specific request. This is similar to how we manage the Retail Business and Façade Grants programs.

3. Approve funding only for the ED position. This could be between \$38,500 or \$42,500 depending on whether or not the funding should cover the additional employer portion of taxes.
4. Do not approve funding to the LTC for the 2013 fiscal year.

Recommendation

The ECDC should review the materials provided by the LTC and staff and make a recommendation to the Village Board on what level of funding should be provided to the LTC for 2013.