

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


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

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: William T. Lichter, Village Manager

DATE: April 13, 2005 (B of T) Date: April 21, 2005

TITLE: Restaurant Forgivable Loan Program

SUBMITTED BY: Department of Community Development 

BACKGROUND/POLICY IMPLICATIONS:

The Economic and Community Development Committee transmits for your consideration an ordinance Ordinance amending Title 3, Chapter 36 of the Lombard Village Code in regard to the establishment of a Downtown Restaurant Forgivable Loan Program and an Ordinance Adopting the Downtown Restaurant Forgivable Loan Program Policy. (DISTRICTS #1 and #4)

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

Please place this item on the April 21, 2005 Board of Trustees agenda.

Fiscal Impact/Funding Source:

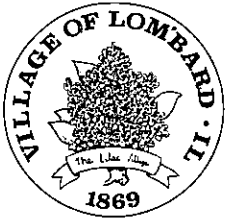
Review (as necessary):

Village Attorney X \_\_\_\_\_ Date \_\_\_\_\_

Finance Director X \_\_\_\_\_ Date \_\_\_\_\_

*W. Teng* Village Manager X  \_\_\_\_\_ Date 4/13/05

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:** William T. Lichter, Village Manager

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

**DATE:** April 7, 2005

**RE: THE DOWNTOWN LOMBARD IMPROVEMENT AND  
RENOVATION GRANT PROGRAM**

The Economic and Community Development Committee forwards the attached items as part of the Downtown Restaurant Forgivable Loan Program.

**Background:**

The purpose of the Downtown Improvement and Renovation Grant Program is to increase the economic viability of Downtown Lombard by encouraging more restaurants in the Downtown. The program would provide forgivable loans of up to one-third (1/3) of the total costs associated with the conversion of storefront or office space for use as a restaurant with a maximum loan amount of \$100,000. The funding would be made available from the Village's Tax Increment Financing District fund. Eligible businesses must provide sit-down food service and earn at least 65% of its gross income from food and beverage sales. Recipients of the loan are required to maintain the property as a sit down restaurant for a period of ten years, at which time the loan is forgiven. A lien is placed on the subject property as a guarantee for the loan. Eligible expenses for the program include: code required improvements; life/safety improvements; repair work to floors, walls, and ceilings; upgrading/retrofitting mechanical systems; demolition work/space reconfiguration; installation cost of permanent fixtures; finishing work (i.e. painting, coverings for ceilings, walls and floors), and soft costs (i.e. building permits, space/floor plans). The program does not cover costs associated with trade fixtures or equipment specific to the business.

**Recommendation:**

The Economic and Community Development Committee recommends approval of the attached ordinance outlining the Downtown Restaurant Forgivable Loan Program, ordinance approving the Downtown Restaurant Forgivable Loan Program Policy and requests that this item be placed on the April 7, 2005 Board of Trustees agenda.

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

**AN ORDINANCE AMENDING TITLE 3, CHAPTER 36 OF THE LOMBARD VILLAGE CODE IN REGARD TO THE ESTABLISHMENT OF A DOWNTOWN RESTAURANT FORGIVABLE LOAN 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, the Lombard Village Code is hereby amended by adding new sections 36.50 through 36.56 thereto, which shall be amended to read in their entirety as follows:

**Downtown Restaurant Forgivable Loan Program**

**§36.50 ESTABLISHMENT OF PROGRAM**

There shall be established in the Village of Lombard a Downtown Restaurant Forgivable Loan Program (the "Loan Program") which shall be administered by the Director of Community Development (the "Director") with approval from the Economic & Community Development Committee in accordance with the standards set forth in Sections 36.51 through Sections 36.56 below.

**§36.51 FUNDING**

Each fiscal year, commencing with the 2005-2006 fiscal year and continuing until the termination of the Lombard Downtown TIF District and the Lombard St. Charles TIF 1 West District (the "Eligible TIF Districts") or until debt instrument proceeds or incremental revenues in relation to said Eligible TIF Districts (hereinafter collectively referred to as "TIF Funds") are no longer available, the Village Board may, as part of the approved Village budget, allocate a certain amount from the TIF Funds to be expended in the form of forgivable loans to businesses and/or property owners who meet the eligibility standards for a storefront or office space renovation for use as a restaurant in the Eligible TIF Districts (the "Forgivable Loan"). Forgivable Loans may be granted in amounts up to one third (1/3) of the improvement cost to a maximum per project to be established yearly, based on the total TIF Funds available

**§36.52 APPLICATIONS FOR GRANTS**

- A. Any property owner or lessee of business who wishes to undertake storefront or office space renovation for use as a restaurant (hereinafter the "Project") may apply

for a Forgivable Loan 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 mix-use building tenant who has obtained the building owner's consent relative to the Project and application for the Forgivable Loan evidenced by the building owner's signature on the application form.
  3. The cost of the Project must be no less than five hundred and no/100 dollars (\$500.00); and
  4. The Project involves eligible improvements as determined by the Director of Community Development and as set forth in the Downtown Restaurant Forgivable Loan Program dated March, 2005 and approved by the Village Board of Trustees pursuant to a separate ordinance, and after a review of the application and proposed project.
- 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 restaurant; 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.

### **§36.53 FOGIVABLE LOAN APPROVAL**

Recipients of Forgivable Loans 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 in the Downtown Restaurant Forgivable Loan Program Policy dated March 2005 and approved by Village Board of Trustees pursuant to a separate ordinance.

### **§36.54 DISBURSEMENT OF FORGIVABLE LOAN FUNDS**

A minimum of three estimates must be submitted for the work to be performed. No Forgivable Loan funds shall be disbursed unless all building improvements are undertaken in compliance with all applicable provisions of the Village Code and until the Village receives an affidavit from the loan recipient containing his or her sworn statement

that he or she has paid at least two-thirds (2/3) of the approved cost of the Project. Original paid receipts from contractors amounting to at least two-thirds (2/3) of the approved Project cost must be attached to the affidavit and no disbursement of Forgivable Loan 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 Forgivable Loan, 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 Forgivable Loan shall be disbursed, and a lien shall be recorded against the property on which the Project was undertaken, in the amount of the Forgivable Loan.

### **§36.55 LIEN CONDITIONS**

- A. Upon approval of the Forgivable Loan, a lien is placed on the property on which the Project is to occur as a guarantee for the loan. Current or future owners or lessees of buildings which have been improved through use of funds obtained through this Loan Program shall not operate any business other than a restaurant for ten (10) years after completion of the improvements without written approval from the Director of Community Development.

The conditions associated with the lien on the property are as follows:

1. One-tenth (1/10) of the loan amount is forgiven for each full year after the recording of the lien that a restaurant is operated at the Project location.
  2. That at anytime a business other than a restaurant operates at the Project location, the lien becomes permanent (no more amortized "forgiveness") and the Village will record a document to this effect.
  3. In the event that any business other than a restaurant operates at the location of the Project, the balance of the loan must be repaid.
  4. The release of the lien will be recorded by the Village after ten (10) years from the date the agreement was executed provided that no business other than a restaurant has operated at the premises or after repayment of the remaining loan amount by the building owner.
- B. Conditions associated with the lien may be waived by the Village Board of Trustees after recommendation from the Economic and Community Development Committee.

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 \_\_\_\_\_, 2005.

First reading waived by action of the Board of Trustees this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

Passed on second reading this \_\_\_\_\_ day of \_\_\_\_\_, 2005, pursuant to a roll call vote as follows:

AYES : \_\_\_\_\_

NAYS : \_\_\_\_\_

ABSENT : \_\_\_\_\_

APPROVED by me this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

ATTEST:

\_\_\_\_\_  
Barbara A. Johnson  
Deputy Village Clerk

\_\_\_\_\_  
William J. Mueller  
Village President

Published by me in pamphlet form this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

\_\_\_\_\_  
Barbara A. Johnson  
Deputy Village Clerk

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

**AN ORDINANCE ADOPTING THE DOWNTOWN RESTAURANT FORGIVABLE  
LOAN PROGRAM POLICY**

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 36.50 through 36.56 of the Lombard Village Code for the establishment of a Downtown Restaurant Forgivable Loan Program; and

WHEREAS, the Downtown Restaurant Forgivable Loan Program must establish certain policies regarding the criteria and procedures for the disbursement of forgivable loans; and

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LOMBARD, DU PAGE COUNTY, ILLINOIS, AS FOLLOWS:

SECTION 1: That the Downtown Restaurant Forgivable Loan Program Policy, dated March, 2005 and attached hereto as Exhibit "A", is hereby adopted as the official program policy for the Downtown Restaurant Forgivable Loan 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 \_\_\_\_\_, 2005.

First reading waived by action of the Board of Trustees this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

Passed on second reading this \_\_\_\_\_ day of \_\_\_\_\_, 2005, pursuant to a roll call vote as follows:

AYES : \_\_\_\_\_

NAYS : \_\_\_\_\_

ABSENT : \_\_\_\_\_

APPROVED by me this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

ATTEST:

\_\_\_\_\_  
Barbara A. Johnson  
Deputy Village Clerk

\_\_\_\_\_  
William J. Mueller  
Village President

Published by me in pamphlet form this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

\_\_\_\_\_  
Barbara A. Johnson  
Deputy Village Clerk





# DOWNTOWN RESTAURANT FORGIVABLE LOAN PROGRAM POLICY MARCH, 2005

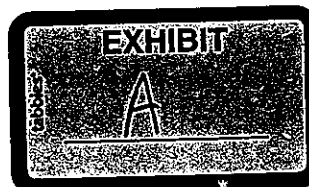
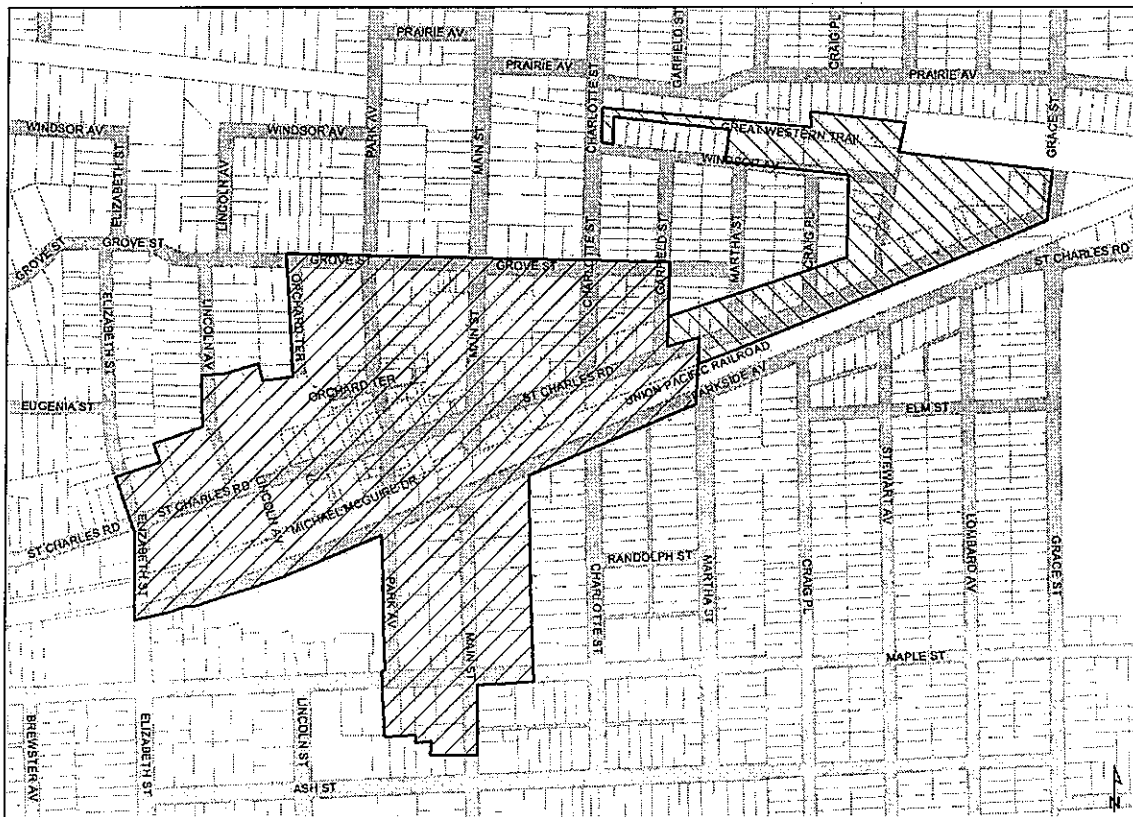
The purpose of the Downtown Restaurant Forgivable Loan Program (hereinafter the "Program") is to increase the economic viability of Downtown Lombard by encouraging more restaurants. The Program will offer a forgivable loan for up to one-third (1/3) of the costs associated with the renovation of storefront or office space for use as a sit down restaurant. This Program is intended to complement and support the Village's plans to maintain a quality Downtown. Restaurants are considered desirable uses for the downtown in that they can create more activity in the Downtown after business hours and bring more pedestrian traffic by other businesses in the Downtown. The intention of the Program is to create a more viable and attractive area through private/public partnership.

### Eligible TIF Districts

The Program will only be offered to buildings located within the Lombard Downtown TIF District or the Lombard St. Charles TIF 1 West District ("hereinafter the "Eligible TIF Districts"). The boundaries of the Eligible TIF Districts are shown on Figure 1 below.

Figure 1. Eligible TIF Districts

-  Lombard Downtown TIF
-  Lombard St. Charles TIF 1 West



### **Program Eligibility**

Eligibility requirements to receive a Forgivable Loan for the renovation of storefront or office space for use as a restaurant (the "Project") are as follows:

1. **Improvements.** Eligible improvements include code required improvements; life/safety improvements; repair work to floors, walls, and ceilings; upgrading/retrofitting mechanical systems; demolition of work and space reconfiguration; installation cost of permanent fixtures; finishing work (i.e. painting, coverings for ceilings, walls and floors), and soft costs (i.e. building permits, space/floor plans). The Program does not cover costs associated with trade fixtures or equipment specific to the business.
2. **Amount.** The cost of the Project must be no less than five hundred dollars (\$500.00) in order to be considered eligible for the Program. Approved applicants under the Program are eligible to receive a forgivable loan for up to one-third (1/3) of the cost for eligible improvements. Loans for up to \$10,000 can be approved by the Economic and Community Development Committee. All forgivable loans above \$10,000 must be approved by the Village Board, upon recommendation by the Economic and Community Development Committee. The maximum forgivable loan amount is \$100,000.
3. **Ownership.** Eligible applicants include the owners of commercial, office or mixed-use buildings or tenants of a commercial, office, or mixed use building who has obtained the building owner's consent relative to the Project application provided that the building is located within an Eligible TIF District.
4. **Businesses.** An eligible business must earn at least seventy percent (65%) of its gross income from food and beverage sales. Eligible businesses also must provide sit-down food service. Businesses offering exclusively carry-out and/or delivery service are not eligible. Existing restaurants may apply for a forgivable loan if they upgrade or expand their facilities pursuant to Program parameters.
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 \$1500, whichever is less, of architectural rendering fees prior to approval of the improvements. All requests for architectural rendering fees prior to approval must have proper documentation and invoices. There are no application fees to apply for the Program. However, if an applicant owes money to the Village all accounts must be brought current before any portion of the forgivable loan is disbursed.
6. **Franchise store.** Special approval by the Economic and Community Development Committee is required for all free-standing franchise stores. Franchise stores, which follow a company design policy, may apply on a case-by-case basis.

7. **Main Street Organization.** Recipients of a forgivable loan through the Program must maintain an active membership in the Lombard Towne Centre Organization.
8. **Conformance.** All improvements must conform to current building and zoning codes of the Village of Lombard. Any exterior improvements 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.
9. **Administration.** The Director of Community Development will administer the Program. The applicant must submit an application to the Community Development Department. A representative from the Community Development Department shall review the application and all supporting documentation. 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. The Director of Community Development shall present the application to the Economic and Community Development Committee for approval to disburse the forgivable loan. If the amount of the forgivable loan is less than ten thousand dollars (\$10,000) the Economic and Community Development Committee has the authority to approve the forgivable loan. If the amount of the forgivable loan is greater than ten thousand dollars (\$10,000) the Economic and Community Development Committee will forward a recommendation to the Village Board of Trustees, who will then vote on the approval to disburse the forgivable loan.
10. **Appeals.** If the grant was disapproved by 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 stating the reason for the appeal. If the requested loan was for an amount less than \$10,000, the letter of appeal and supporting documents will then be forwarded to the Economic and Community Development Committee. The Economic and Community Development Committee will review the appeal and make the final determination of the loan application. If the requested loan was for an amount greater than \$10,000, 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 loan application. If the application was denied, applicant may resubmit after addressing the concerns of either the Economic and Community Development Committee or the Village Board of Trustees.

### **Procedural Requirements**

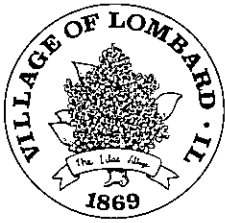
Participants in the Downtown Restaurant Forgivable Loan Program must accomplish the following steps:

1. An applicant must have a preliminary meeting with representatives from the Community Development Department to determine eligibility for this Program and for advice and technical assistance.
2. The owner and/or applicant shall submit the following documents to the Director of Community Development or a designated representative:
  - a. Pre-application form.
  - b. Preliminary plans and preliminary cost estimates.
  - c. Business plan
  - d. Details of signage and/or awning design.
  - e. Proof of ownership, lease, and/or owners approval.
3. After review by the Community Development Department, a “Certificate of Eligibility” will be forwarded to the owner/applicant.
4. Upon receipt of the “Certificate of Eligibility”, the owner and/or applicant should proceed as follows:
  - a. Submit final plans and cost estimates to the Department of Community Development and apply for proper building permits.
  - b. Submit three (3) contractor bids for the work outlined in the Downtown Improvement and Renovation Grant Program application. Also, indicate the preferred contractor.
5. A *final* “Notice to Proceed” letter and draft agreement to be executed between the owner/applicant and the Village of Lombard shall be forwarded to the owner/applicant by a representative of the Department of Community Development.
6. Improvements and renovations may start after the required building permits have been issued. All necessary inspections should be coordinated through the Bureau Inspectional Services (BIS).
7. The loan recipient must submit an affidavit containing his or her sworn statement that he or she has paid at least two-thirds (2/3) of the approved cost of the Project. Original paid receipts from contracts amounting to at least two-thirds (2/3) 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%) subject to approval by either the Economic and Community Development Committee or the Village Board of Trustees the approved Forgivable Loan.

8. Upon completion of the Project and after all final inspection from the Bureau of Inspectional Services have passed, the site will be inspected by the Community Development representative for conformance with the Downtown Restaurant Forgivable Loan Program application.
8. When the Program Checklist is completed and presented to the Director of Community Development, the Village of Lombard will process and disburse the remaining amount of the loan.
9. The Village of Lombard will place a lien on the property on which the Project has occurred as a guarantee for the loan.
10. One-tenth (1/10) of the loan amount is forgiven for each full year after the recording of the lien that a restaurant is operated at the Project location. The release of the lien will be recorded by the Village after ten (10) years from the date the agreement was executed provided that no business other than a restaurant has operated at the premises. Anytime a business other than a restaurant operates at the Project location, the lien becomes permanent (no more amortized "forgiveness") and the Village will record a document to this effect. In the event that any business other than a restaurant operates at the location of the Project, the balance of the loan must be repaid.

Please call (630) 620-5746 for further information or to set up an appointment.

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

ML  
4/28/05

## MEMORANDUM

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

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

**DATE:** May 5, 2005

**RE: DOWNTOWN RESTAURANT FORGIVABLE LOAN PROGRAM**

Counsel has recently submitted minor changes to staff regarding the Downtown Restaurant Forgivable Loan Program Policy and the Ordinance establishing the Downtown Restaurant Forgivable Loan Program. These changes relate to language and grammar and do not affect the nature or intent of the program. Staff would like these changes noted as the Downtown Restaurant Forgivable Loan Program goes for second reading before the Board. Please find copies showing the tracked changes as well of clean copies of the Downtown Restaurant Forgivable Loan Program Policy and the Ordinance establishing the Downtown Restaurant Forgivable Loan Program. There are no changes being made to the Ordinance approving the Downtown Restaurant Forgivable Loan Program Policy.



# DOWNTOWN RESTAURANT FORGIVABLE LOAN PROGRAM POLICY MARCH, 2005

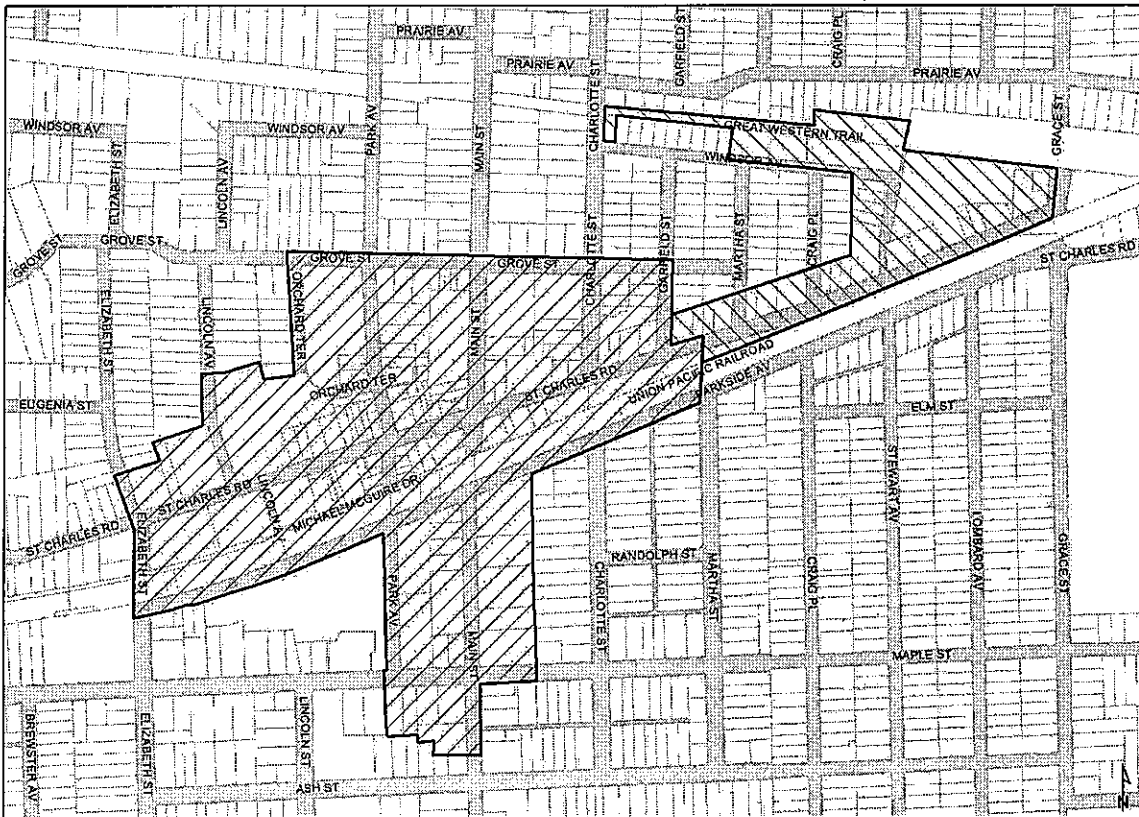
The purpose of the Downtown Restaurant Forgivable Loan Program (hereinafter the "Program") is to increase the economic viability of Downtown Lombard by encouraging more restaurants. The Program will offer a forgivable loan for up to one-third (1/3) of the costs associated with the renovation of storefront or office space for use as a sit down restaurant. (hereinafter the "Forgivable Loan"). This Program is intended to complement and support the Village's plans to maintain a quality ~~Downtown~~downtown. Restaurants are considered desirable uses for the downtown in that they can create more activity in the ~~Downtown~~downtown after business hours and bring more pedestrian traffic by other businesses in the ~~Downtown~~downtown. The intention of the Program is to create a more viable and attractive area through private/public partnership.

### Eligible TIF Districts

The Program will only be offered in relation to buildings located within the Lombard Downtown TIF District or the Lombard St. Charles Road TIF West District I (West) ("hereinafter the "Eligible TIF Districts"). The boundaries of the Eligible TIF Districts are shown on Figure 1 below.

Figure 1. Eligible TIF Districts

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



### **Program Eligibility**

Eligibility requirements to receive a Forgivable Loan for the renovation of storefront or office space for use as a restaurant (the "Project") are as follows:

- 1. Improvements.** Eligible improvements include code required improvements; life/safety improvements; repair work to floors, walls, and ceilings; upgrading/retrofitting mechanical systems; ~~demolition of work and demolition;~~ space reconfiguration; installation cost of permanent fixtures (except as noted below); finishing work (i.e. painting, coverings for ceilings, walls and floors), and soft costs (i.e. building permits, space/floor plans). The Program does not cover costs associated with trade fixtures or equipment specific to the business.
- 2. Amount.** The cost of the Project must be no less than five hundred dollars (\$500.00) in order to be considered eligible for the Program. Approved applicants under the Program are eligible to receive a forgivable loan for up to one-third (1/3) of the cost for eligible improvements. Loans for up to ten thousand dollars \$10,000(\$10,000) can be approved by the Economic and Community Development Committee. ~~All forgivable loans above \$10,000~~Forgivable Loans above ten thousand dollars (\$10,000) must be approved by the Village Board, upon recommendation by the Economic and Community Development Committee. The maximum forgivable loan amount is one \$100,000-hundred thousand dollars (\$100,000).
- 3. Ownership.** Eligible applicants include the owners of commercial, office or mixed-use buildings or tenants of a commercial, office, or mixed use building who ~~has~~have obtained the building owner's consent relative to the Project application provided that the building is located within ~~an~~the Eligible TIF Districts.
- 4. Businesses.** An eligible business must earn at least ~~seventysixty-five~~ percent (65%) of its gross income from food and beverage sales. Eligible businesses also must provide sit-down food service. Businesses offering exclusively carry-out and/or delivery service are not eligible. Existing restaurants may apply for a ~~forgivable loan~~Forgivable Loan if they upgrade or expand their facilities pursuant to the Program parameters.
- 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 ~~\$1500,~~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 ~~to apply for~~associated with the Program. However, if an applicant owes money to the Village all accounts must be brought current before any portion of the ~~forgivable loan~~Forgivable Loan is disbursed.



6. **Franchise store.** Special approval by the Economic and Community Development Committee is required for all free-standing franchise stores. Franchise stores, which follow a company design policy, may apply on a case-by-case basis.
7. **Main Street Organization.** Recipients of a ~~forgivable loan~~Forgivable Loan through the Program must maintain an active membership in the Lombard Towne Centre Organization.
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.
9. **Administration.** The Director of Community Development will administer the Program. The applicant must submit an application to the Community Development Department. A representative from the Community Development Department ~~shall~~will review the application and all supporting documentation. 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. The Director of Community Development shall present the application to the Economic and Community Development Committee, along with a staff recommendation for a Committee for approval to disburse the forgivable loan.~~determination as to whether a Forgivable Loan should be approved.~~ If the amount of the ~~forgivable loan~~Forgivable Loan is less than ten thousand dollars (\$10,000) or less, the Economic and Community Development Committee has the authority to approve the forgivable loan. If the amount of the forgivable loan is greater than ten thousand dollars (\$10,000), the Economic and Community Development Committee will forward a recommendation to the Village ~~Board of Trustees, who will then vote on the approval to disburse the forgivable loan.~~Board, who will then determine whether the Forgivable Loan should be approved.
10. **Appeals.** If the ~~grant was disapproved by~~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.~~If the requested loan was for an amount less than \$10,000, the letter of appeal and supporting documents will then be forwarded to the Economic and Community Development Committee. The Economic and Community Development Committee will review the appeal and make the final determination of the loan application. If the requested loan was for an amount greater than \$10,000, the~~

letter of appeal and supporting documents will then be forwarded to the Village Board. The Village Board will ~~review~~address the appeal at a Village Board meeting and make ~~the~~ final determination of the loan relative to the application. The denial of the appeal by the Village Board shall not preclude an applicant from submitting a new application for a Forgivable Loan.  
application. If the application was denied, applicant may resubmit after addressing the concerns of ~~the either the Economic and Community Development Committee or the Village Board of Trustees.~~

#### Procedural Requirements

11. **Procedural Requirements.** Participants in the Downtown Restaurant Forgivable Loan Program must accomplish the following steps:

- A. An applicant must have a preliminary meeting with representatives from the Community Development Department to determine eligibility for this Program and for advice and technical assistance.
- B. The owner and/or applicant shall submit the following documents to the Director of Community Development or a designated representative:
  - (i) ~~a. Pre-application form.~~ Pre-application form;
  - (ii) ~~b. Preliminary plans and preliminary cost estimates.~~ estimates;
  - (iii) ~~c. Business plan.~~ Business plan;
  - (iv) ~~d. Details of signage and/or awning design.~~ design;
  - (v) ~~e. Proof of ownership, lease, and/or owners approval.~~ approval;
- C. ~~3. —~~After review by the Economic and Community Development Department, a “Certificate Committee, and approval of the Forgivable Loan by either the Economic and Community Development Committee or the Village Board, depending upon the amount of the Forgivable Loan, a Certificate of Eligibility” will be forwarded to the owner/applicant.
- D. ~~4. —~~Upon receipt of the “Certificate of Eligibility”, the owner and/or applicant ~~should~~shall proceed as follows:
  - (i) ~~a. —~~Submit final plans and cost estimates to the Department of Community Development and apply for proper building ~~permits.~~ permits; and

(ii) ~~b.~~ Submit three (3) contractor bids for the work outlined in the Downtown Improvement and Renovation Grant Program application. Also, indicate the preferred ~~contractor.~~contractor; and

(iii) Submit a fully executed Forgivable Loan Agreement.

E. ~~5.~~ ~~A~~final Upon receipt of the items set forth in D above, a "Notice to Proceed" letter and ~~draft agreement to be executed between the owner/applicant and the Village of Lombard shall be forwarded to the owner/applicant by a representative of the Department of Community Development.~~

~~6.F.~~ Improvements 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).

~~7.G.~~ The loan Forgivable Loan recipient must submit an affidavit containing his or her sworn statement that he or she has paid at least two-thirds (2/3) of the approved cost of the Project. Original paid receipts from contracts amounting to at least two-thirds (2/3) 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%) ~~subject to approval by either the Economic and Community Development Committee or the Village Board of Trustees~~ the approved Forgivable Loan funds.

~~8.H.~~ Upon completion of the Project and after all final inspection from the Bureau of Inspectional Services have passed, the ~~site~~ building will be inspected by a representative of the Community Development representative for conformance with the Downtown Restaurant Forgivable Loan Program application. ~~application.~~

~~8.I.~~ When the Program Checklist is completed and presented to the Director of Community Development, the Village of Lombard Upon determination of conformance, and receipt of the Village will process and disburse the remaining amount of the loan.

~~9.J.~~ The Village of Lombard will place will record a lien on the property on which the Project has occurred as a guarantee for the ~~loan.~~ Forgivable Loan.

~~10.8.~~ One-tenth (1/10) of the loan Forgivable Loan amount ~~is~~ shall be forgiven for each full year after the recording of the lien that a restaurant is operated at the

Project location. ~~The release~~Release of the lien will be recorded by the Village ~~after~~ ten (10) years after the recording of the lien, or earlier if repayment of the Forgivable Loan (or applicable portion thereof) is made to the Village. from the date the agreement was executed provided that no business other than a restaurant has operated at the premises. Anytime a business other than a restaurant operates at the Project location, the lien ~~becomes~~balance shall become permanent (no more amortized "forgiveness") and the Village will record a document to this effect. In the event that any business other than a restaurant operates at the location of the Project, the balance of the loan ~~must be repaid.~~shall be immediately due and payable from the property owner and the recipient of the Forgivable Loan.

Please call (630) 620-5746 for further information or to set up an appointment.

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

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

**AN ORDINANCE AMENDING TITLE 3, CHAPTER 36 OF THE LOMBARD VILLAGE CODE IN REGARD TO THE ESTABLISHMENT OF A DOWNTOWN RESTAURANT FORGIVABLE LOAN 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, the Lombard Village Code is hereby amended by adding new sections 36.50 through 36.56 thereto, which shall be amended to read in their entirety as follows:

**Downtown Restaurant Forgivable Loan Program**

**§36.50 ESTABLISHMENT OF PROGRAM**

There shall be established in the Village of Lombard a Downtown Restaurant Forgivable Loan Program (the "Loan Program") which shall be administered by the Director of Community Development (the "Director") with approval from the Economic & Community Development Committee in accordance with the standards set forth in Sections 36.51 through Sections 36.56 below.

**§36.51 FUNDING**

Each fiscal year, commencing with the 2005-2006 fiscal year and continuing until the termination of the Lombard Downtown TIF District and the Lombard St. Charles Road TIF West District I (West) (the "Eligible TIF Districts") or until debt instrument proceeds or incremental revenues in relation to said Eligible TIF Districts (hereinafter collectively referred to as "TIF Funds") are no longer available, the Village Board may, as part of the approved Village budget, allocate a certain amount from the TIF Funds to be expended in the form of forgivable loans to businesses and/or property owners who meet the eligibility standards for a storefront or office space renovation for use as a restaurant in the Eligible TIF Districts (the "Forgivable Loan"). Forgivable Loans may be granted in amounts up to one third (1/3) of the improvement cost to a maximum per project to be established yearly, based on the total TIF Funds available

**§36.52 APPLICATIONS FOR GRANTS**

- A. Any property owner or lessee of business operator within the Eligible TIF Districts who wishes to undertake storefront or office space renovation for use as

a restaurant (hereinafter the "Project") may apply for a Forgivable Loan 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~~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 mix-use building tenant who has obtained the building owner's consent, relative to the Project and application for the Forgivable Loan, evidenced by the building owner's signature on the application form.
3. The cost of the Project must be no less than five hundred and no/100 dollars (\$500.00); and
4. The Project ~~involves~~must involve eligible improvements as determined by the Director of ~~Community Development~~ and as set forth in the Downtown Restaurant Forgivable Loan Program Policy, dated March, 2005 and approved by the Village Board of Trustees ~~pursuant to a separate ordinance, and after a review of the application and proposed project.~~Ordinance No. \_\_\_\_\_, adopted \_\_\_\_\_, 2005. (hereinafter the "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 restaurant; 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 applicants; and the names and addresses of the architect and/or contractor being used in relation to the proposed~~ Project.

### **§36.53 FORGIVABLE LOAN APPROVAL**

Recipients of Forgivable Loans 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~~Forgivable Loan Eligibility are established ~~in the Downtown Restaurant Forgivable Loan by, and set forth in the Policy, as Program Policy dated March 2005 and approved by Village Board of Trustees pursuant to a separate ordinance.~~amended from time to time by the Village Board.

### **§36.54 DISBURSEMENT OF FORGIVABLE LOAN FUNDS**

A minimum of three (3) estimates must be submitted for the ~~work to be performed.~~Project. No Forgivable Loan funds shall be disbursed unless all building

improvements are undertaken in compliance with all applicable provisions of the Village Code and until the Village receives an affidavit from the loan recipient containing his or her sworn statement that he or she has paid at least two-thirds (2/3) of the approved cost of the Project. Original paid receipts from contractors amounting to at least two-thirds (2/3) of the approved Project cost must be attached to the affidavit and no disbursement of Forgivable Loan ~~Funds~~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 Forgivable Loan fund, 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 Forgivable Loan funds shall be disbursed, and a lien shall be recorded against the property on which the Project was undertaken, in the amount of the Forgivable Loan.

### §36.55 LIEN CONDITIONS

A. ~~Upon approval of the Forgivable Loan, a lien is~~final payment of Forgivable Loan funds, lien shall be placed on the property on which the Project is to occur as a guarantee for the loan. Current or future owners or lessees of buildings which have been improved through use of funds obtained through this Loan Program shall not operate any business other than a restaurant, within the building area improved by the Project, for ten (10) years after completion of the improvements~~Project without written approval from the Director of Community Development.~~Director.

B. The conditions associated with the lien on the property are as follows:

1. One-tenth (1/10) of the ~~loan~~Forgivable Loan amount is forgiven for each full year after the recording of the lien that a restaurant is operated at the Project location.
2. That at anytime a business other than a restaurant operates at the Project location, the lien becomes permanent (no more amortized "forgiveness") and the Village will record a document to this effect.
3. In the event that any business other than a restaurant operates at the location of the Project, the balance of the loan must be ~~repaid~~immediately repaid by the recipient or the property owner.
4. The release of the lien will be recorded by the Village after ten (10) years from the date the ~~agreement was executed provided that~~lien was recorded no business other than a restaurant has operated at the premises or after repayment of the remaining loan amount by the ~~building~~recipient or the property owner.

~~B-C.~~ Conditions associated with the lien may be waived in whole or in part by the Village Board of Trustees ~~after~~ upon a recommendation to do so from the Economic and Community Development Committee.

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 \_\_\_\_\_, 2005.

First reading waived by action of the Board of Trustees this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

Passed on second reading this \_\_\_\_\_ day of \_\_\_\_\_, 2005, pursuant to a roll call vote as follows:

AYES : \_\_\_\_\_

NAYS : \_\_\_\_\_

ABSENT : \_\_\_\_\_

APPROVED by me this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

ATTEST:

~~Barbara A. Johnson~~ Brigette O'Brien  
~~Deputy Village Clerk~~ Village Clerk

\_\_\_\_\_  
William J. Mueller  
Village President

Published by me in pamphlet form this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

\_\_\_\_\_  
Barbara A. Johnson  
~~Deputy Village Clerk~~ Brigette O'Brien  
Village Clerk