

VILLAGE OF LOMBARD
 REQUEST FOR BOARD OF TRUSTEES ACTION

For Inclusion on Board Agenda

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

TO:

PRESIDENT AND BOARD OF TRUSTEES

FROM:

David A. Huliseberg, Village Manager

DATE:

June 11, 2008

(B of T) Date: June 19, 2008

TITLE:

Downtown Retail Business Grant - 112 W. St. Charles Road

SUBMITTED BY:

The Department of Community Development *MD*

BACKGROUND/POLICY IMPLICATIONS:

The Economic and Community Development Committee through the Department of Community Development transmits for your consideration a resolution authorizing signatures of the Village Manager and Village Clerk on an Agreement authorizing the disbursement of funds from the Downtown Retail Business Grant Program in an amount not to exceed \$10,000. (DISTRICT #1)

Although the applicant requested \$20,000, the EDCD recommended approval of \$10,000 with the conditions that they provide the necessary documentation before the funds are released as well as "rebrand" their storefront to reflect the "Y Gallery" art gallery business use.

Please place this item on the June 19, 2008 Board of Trustees agenda.

Fiscal Impact/Funding Source:

Review (as necessary):

Village Attorney X

Finance Director X

Village Manager X

David A. Huliseberg

Date _____

Date _____

Date _____

6/13/08

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, AICP, ICMA-CM, Village Manager

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

DATE: June 19, 2008

SUBJECT: Downtown Retail Business Grant; 112 W. St. Charles Road - Yeager Fotografix

BACKGROUND

The Community Development Department received an application for the Downtown Retail Business Grant Program for Yeager Fotografix, located at 112 W. St. Charles Road. Yeager Fotografix completed an extensive interior renovation to its tenant space in 2007 by the property owner and the tenant. This renovation involved the remodeling of the tenant space previously utilized by a semi-industrial use (Mahogany Forest) and HVAC improvement to provide for their business use.

The Economic and Community Development Committee (ECDC) reviewed this request at its June 4, 2008 meeting. A principal activity of the tenant's business use is for photographic services. Their business consists of off-site photography (i.e., photography services for weddings, corporate events, etc.), in-house photographic services and photograph processing. However, the applicant stated that between one-third and two-thirds of their storefront space is also used for art shop/gallery purposes and for general framing purposes. The applicant stated that about ten percent of their business activities are subject to retail sales tax provisions.

Staff noted to the petitioner prior to the filing that the use does not meet the criteria set forth for the grant program, but the applicant stated that they felt it met the intent of the program. The applicant noted that art galleries are noted within the grant program as a preferred use within the downtown area, and they argued that as a portion of their business includes this activity, they would be eligible for consideration of a grant. The ECDC recognized that the business does not meet the strict application of the retail grant program as it is currently constituted. However, they also recognized that a portion of the space and business has a retail component and contributes to the overall attraction and vitality of the downtown area. The ECDC also discussed ways in which the retail function of the business could be strengthened through re-branding efforts.

The applicant represented that \$42,208.60 was spent on making the space readily available for their use, which were incurred by the property owner and the grant applicant. The applicant submitted a request to receive up to \$20,000 from the Downtown Retail Business Grant program. However, the ECDC reviewed this request and unanimously recommended approval (4-0) of a \$10,000 grant at this time. They also noted that if the existing retail grant program were

modified in the future to accommodate more businesses with a service orientation, they could provide for additional grant funding, provided that the business remains in operation on the premises and operates in a manner consistent with the program objectives.

The recommendation also requires the applicant to provide necessary documentation (waivers of lien, final invoices, etc.) before the funds are released, as well as “rebrand” their storefront to reflect the “Y Gallery” art gallery business use. Per the applicant’s request and ECDC concurrence, the fund disbursement would be in the form of a two signature check to the petitioner and property owner.

ACTION REQUESTED

The Economic and Community Development Committee recommends that the Village Board approve a resolution authorizing signatures of the Village Manager and Village Clerk on an Agreement authorizing the disbursement of funds from the Downtown Retail Business Grant Program in an amount not to exceed \$10,000 for the property located at 112 W. St. Charles Road.

**A RESOLUTION AUTHORIZING SIGNATURES OF THE VILLAGE
MANAGER AND VILLAGE CLERK ON AN AGREEMENT AUTHORIZING
THE REIMBURSEMENT OF FUNDS FOR A DOWNTOWN RETAIL BUSINESS
GRANT FOR THE PROPERTY LOCATED AT 112 W. ST. CHARLES ROAD**

RESOLUTION _____ 09

WHEREAS, the Village is an agent for disbursement of funds for the Downtown
Downtown Retail Business Grant Program under the authority granted by the Village
Board and will provide monetary grants to qualified property owners in the Lombard
Downtown Tax Increment Financing (TIF) District and the Lombard St. Charles TIF 1
West District to increase the economic viability of Downtown Lombard by attracting
targeted retail businesses and assisting existing businesses (hereinafter referred to as the
"Program"); and,

WHEREAS, Christine Yeager (hereinafter referred to as "Applicant"), wishes to
participate in the Program for renovation of the tenant space located at 112 W. St.
Charles Road, Lombard, Illinois as Yeager Fotografix (hereinafter referred to as the
"Project"); and,

WHEREAS, _____ (hereinafter referred to as "Owner"), is
the Owner of the Subject Property located at 112 W. St. Charles Road, Lombard, Illinois;
and,

WHEREAS, the Project will complement and support the Village's plans to
maintain a quality Downtown;

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD
OF TRUSTEES OF THE VILLAGE OF LOMBARD, DUPAGE COUNTY, ILLINOIS,
as follows:

SECTION 1: That the Village shall provide Applicant and Owner with a grant in
an amount not to exceed \$10,000 pursuant to the Program (hereinafter referred to as the
"Grant"), with said Grant to be administered in accordance with the terms and conditions
of the Agreement Concerning Participating in the Downtown Retail Business Program

attached hereto as Exhibit A and made part hereof (hereinafter referred to as the "Agreement"); said Agreement being hereby approved on behalf of the Village.

SECTION 2: That the Village Manager and Village Clerk are hereby authorized and directed to execute the Agreement on behalf of the Village.

SECTION 3: That this Resolution shall be in full force and effect from and after its adoption and approval as required by law.

Adopted this _____ day of _____, 2008 pursuant to a roll call vote as follows:

Ayes: _____

Nays: _____

Absent: _____

Approved by me this _____ day of _____, 2008.

William J. Mueller
Village President

ATTEST:

Briditte O'Brien
Village Clerk

e. The applicant shall "rebrand" the exterior of their storefront, denoting the Y Gallery business use and the retail functions that are available within the premises.

SECTION 4: The Business Owner and Property Owner agree to maintain the business at 112 W. St. Charles Road in accordance with all Village codes and ordinances and agrees not to substantially change the use of the interior space of the building for which this Grant was received for a period of not less than three (3) years from the date of this Agreement.

SECTION 5: The Owner agrees that this Agreement may be duly recorded against the property located at 112 W. St. Charles Road to serve notice upon future purchasers, assigns, estate representatives, successors, mortgages, and all other interested persons of the conditions outlined in this Agreement.

SECTION 6: The Village may suspend or terminate this Agreement if the Business Owner and/or Property Owner fails to comply with any of the terms of this Agreement. In the event of suspension or termination, the Business Owner and/or Property Owner shall be required to repay any amount of the grant disbursed.

VILLAGE OF LOMBARD

By: Village Manager

Attest: Village Clerk

**AGREEMENT CONCERNING PARTICIPATING IN THE
DOWNTOWN RETAIL BUSINESS PROGRAM**

This Agreement, entered into this 19th day of June, 2008, by and between the Village of Lombard, Illinois, (the "Village"),
(hereinafter referred to as "Property Owner") and _____
(hereinafter referred to as "Business Owner"), doing business as a retail business at 112 W. St. Charles Road, Lombard, Illinois (said business location being legally described on Exhibit 1 attached hereto and made part hereof – hereinafter referred to as the "Subject Property"), with personal property being secured at 112 W. St. Charles Road, Lombard, Illinois.

WITNESSETH

WHEREAS, the Village, pursuant to Sections 36.70 through 36.74 of the Lombard Village Code, has established a Downtown Retail Business Grant Program (hereinafter referred to as the "Program") and, as such, will provide monetary grants to qualified business owners and property owners in the Eligible TIF Districts (as said term is defined in Section 36.71 of the Lombard Village Code) for the start-up of new businesses or the expansion of existing businesses in the Downtown; and

WHEREAS, this program will compliment and support the Village's plans to maintain a quality Central Business District; and

WHEREAS, certain retail businesses are desirable uses within the Central Business District and contribute to an economically strong Central Business District; a commercial area where the image, appearance, and environment encourage the attraction of shoppers; and

WHEREAS, the Business Owner wishes to participate in this program for a service business but with a retail component located at 112 W. St. Charles Road, Lombard, Illinois.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the receipt of which is hereby acknowledged by the parties hereto, the parties agree as follows:

SECTION 1: The Village shall grant up to \$10,000 for which Business Owner qualifies pursuant to the Downtown Retail Business Grant Program. Such loan shall be available to Business Owner and Property Owner upon the authorization of the Village's Director of Community Development, after receipt of satisfactory evidence that the project has been completed and Business Owner and Property Owner have paid all invoices for labor and materials in connection therewith. The maximum amounts of the loan identified in this paragraph are based upon the Business Owner's and/or Property Owner's expending for the projects no less than the estimated costs of \$40,000. In the event that Business Owner's and/or Property Owner's expenditures for the project are less than said estimate, the loan shall be reduced by the same percentage as Business Owner's and/or Property Owner's actual costs are less than the estimate.

SECTION 2: The Business Owner and Property Owner agree that the project will be performed in accordance with the application approved by the Director of Community Development of the Village of Lombard, and attached hereto as Exhibit 2 and incorporated in this agreement.

SECTION 3: The Business Owner and Property Owner will perform the following obligations in connection with the project:

- a. Comply with all regulations and standards of the Village of Lombard Retail Business Grant Program and all applicable building codes.
- b. Take all reasonable action to assure completion of the project within six months from the date of execution of this agreement. Failure to complete the project within six months from loan and termination of this agreement.
- b. Allow inspection of the project by authorized employees of the Village to assure compliance with federal, state, and local regulations related to the loan, as well as compliance with applicable building codes.
- c. Maintain and allow access to the financial records that pertain to the project by authorized employees of the Village. At a minimum, all contracts, change orders, bills, invoices, receipts, canceled checks and partial and final waivers of liens shall be kept.
- d. Submit copies of all final waivers of lien, canceled checks, and invoices related to the project to the Department of Community Development.

e. The applicant shall "rebrand" the exterior of their storefront, denoting the Y Gallery business use and the retail functions that are available within the premises.

SECTION 4: The Business Owner and Property Owner agree to maintain the business at 112 W. St. Charles Road in accordance with all Village codes and ordinances and agrees not to substantially change the use of the interior space of the building for which this Grant was received for a period of not less than three (3) years from the date of this Agreement.

SECTION 5: The Owner agrees that this Agreement may be duly recorded against the property located at 112 W. St. Charles Road to serve notice upon future purchasers, assigns, estate representatives, successors, mortgages, and all other interested persons of the conditions outlined in this Agreement.

SECTION 6: The Village may suspend or terminate this Agreement if the Business Owner and/or Property Owner fails to comply with any of the terms of this Agreement. In the event of suspension or termination, the Business Owner and/or Property Owner shall be required to repay any amount of the grant disbursed.

VILLAGE OF LOMBARD

By: Village Manager

Attest: Village Clerk

BUSINESS OWNER
(Lessee)

By: _____

Address _____

City, State _____

PROPERTY OWNER

By: _____

Address _____

City, State _____

PROPERTY OWNER

By: _____

Address _____

City, State _____

STATE OF ILLINOIS

)

)SS

COUNTY OF DUPAGE

)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO

HEREBY CERTIFY that David A. Huliseberg, personally known to me to be the Village

Manager of the Village of Lombard, and Brigitte O'Brien, personally known to me to be the

Village Clerk of said municipal corporation, and personally known to me to be the same persons

whose names are subscribed to the foregoing instrument, appeared before me this day in person

and severally acknowledged that as such President and Village Clerk, they signed and delivered

the said instrument and caused the corporate seal of said municipal corporation to be affixed

thereto, pursuant to authority given by the Board of Trustees of said municipal corporation, as

their free and voluntary act, and as the free and voluntary act and deed of said municipal

corporation, for the uses and purposes therein set forth.

GIVEN under my hand and official seal, this _____ day of _____, 2008.

Commission expires _____, 20_____.

Notary Public

STATE OF ILLINOIS)
)
) SS
)
COUNTY OF DUPAGE)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO

HEREBY CERTIFY that _____, personally known to me to be

the business owner of Yeager Fotografix, and personally known to me to be the same person

whose name is subscribed to the foregoing instrument, appeared before me this day in person and

severally acknowledged that as such business owner, she signed and delivered the said

instrument, as her free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and official seal, this _____ day of _____, 2008.

Commission expires _____, 20_____.

Notary Public

STATE OF ILLINOIS)
)
(SS)
COUNTY OF DUPAGE)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that _____, personally known to me to be the property owner of 112 W. St. Charles Road and personally known to me to be the same person and whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such property owner, he signed and delivered the said instrument, as his free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and official seal, this _____ day of _____, 2008.
Commission expires _____, 20_____.

Notary Public

EXHIBIT 1

Legal Description

Lot 7 (except the East 125 feet thereof) in Block 11 in the Town of Lombard, being a subdivision in the northeast quarter of the northeast quarter of Section 7, Township 39 North, Range 11, East of the Third Principal Meridian, in DuPage County, Illinois.

PIN 06-07-204-028

EXHIBIT 2

Application

Proposed Improvements associated with the project. Previous to a month before taking possession, 112 - 116 W Saint Charles Rd was used as a wood working studio. The majority of the expenses incurred were to revitalize walls, roofing and air conditioning and heating elements allowing the space to be used as a gallery/studio. Due to the nature of the industrial purpose, heating and air conditioning units would not maintain proper temperatures for clientele. Walls had not been maintained and leaks in the ceiling were repaired to provide the quality required for clientele to visit. A simple, clean look was achieved through refurbishing walls and restrooms. Simple shelving was added for the display of albums and framing. Large tables were built to display items on.

Description of Business: Yeager FotoGrafix is a photography studio that specializes in wedding, portrait and commercial photography. Other services and products offered are book making, printing, custom and out of the box frames, scanning and retouching and design services. The studio features a gallery of non commissioned art, training services, viewing and consultation areas, playroom and offices. Yeager FotoGrafix was formed in 1999 and has been in downtown Lombard since July 1, 2005.

1. A. Building Address: 112 - 116 W Saint Charles Road, Lombard, IL 60148
B. Property Identification Number: 0607204028
2. A. Business Owners Name: Christine and Alton "Biff" Yeager
B. Business Owners Address: 337 S Finley Rd., Lombard, IL 60148
C. Business Owners Phone (daytime): 630.889.9500 or 773.710.0995
3. A. Property Owners Name: Arado Realty, LLC Timothy Arado
B. Property Owners Address: 5765 N Lincoln Ave., Suite 20, Chicago, IL 60659-4730
C. Property Owners Phone: 773.456.4140
A. Lease Term: July 1, 2007 to June 30, 2013

DOWNTOWN RETAIL BUSINESS GRANT PROGRAM APPLICATION

Village of Lombard
Community Development Department
255 E Wilson Ave., Lombard, IL 60148
630.620.5746

Return Application to:

Business Owners Signature _____ Date 5/21/08

Property Owners Signature *Timothy J. Grady* _____ Date 5/21/08

6. No plans were made since the improvements were to existing walls.
7. Statement of Understanding:
 - a. The applicant (undersigned) agrees to comply with the guidelines and procedures of the Downtown Retail Grant Program and the specific design recommendations of the Director of Community Development.
 - b. The applicant must submit detailed cost documentation, copied of building permits, and all contractors waivers of lien upon completion of work.
 - c. The applicant, owners, and all contractors must comply with all federal and local regulations (see attached list).