

MEMORANDUM

TO: William T. Lichter, Village Manager

FROM: David A. Hulseberg, AICP,
Assistant Village Manager/Director of Community Development

DATE: September 21, 2006

**SUBJECT: Downtown Restaurant Forgivable Loan Program; The Grove
Restaurant, 2 W. St. Charles Road**

BACKGROUND

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. This Program, approved in 2005, is intended to support the Village's plans to maintain a quality downtown. Approved applications for the Downtown Restaurant Forgivable Loan Program are eligible to receive 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.

PROPOSAL

The new owners of The Grove submitted an application for the Downtown Restaurant Forgivable Loan Program which was reviewed at the September 5, 2006 meeting of the Economic and Community Development Committee. The proposed interior remodeling will include new restrooms on the ground level, windows, doors, and numerous other improvements that are either intended to improve the restaurant space or are required by current codes.

An estimated \$250,000 will be spent on eligible improvements to the tenant space. Based upon this estimate, the applicant is eligible to receive up to \$83,333.33 from the Downtown Restaurant Forgivable Loan Program. The maximum allowable Forgivable Loan amount is \$100,000. Because the request is over \$10,000, it will require approval from the Board of Trustees.

RECOMMENDATION

Since at least the 1988 Downtown Lombard Improvement Plan, the Village has proposed consolidating the parking lots on this block to achieve better traffic flow, design, screening, and pedestrian access. While the Village was able to consolidate parking on the west side of the block with the construction of the North Park public lot in 2000, the owners of the subject property were not interested in participating at that time.

Re: 2 W. St. Charles Road
September 21, 2006
Page 2

Staff has no objection to the proposed restaurant improvements. However, staff cannot support the use of Village funds for interior renovations unless the larger parking issue is addressed concurrently. Staff notes that parking lot improvements are eligible for 50% reimbursement through the Downtown Improvement and Renovation Grant Program.

Absent a companion proposal for parking lot improvements, the Economic and Community Development Committee voted that the Village Board deny the requested forgivable loan with a vote of 4-0-2 (four ayes and two abstentions).

H:\CD\WORDUSER\EDADM\ECDCMTE\Downtown Restaurant Forgivable Loan Program\2wStCharles\botmemo.doc