



MEMORANDUM

TO: Trustee Johnston, Chairperson
Economic and Community Development Committee

FROM: Jennifer Ganser, Assistant Director of Community Development 

DATE: June 13, 2016

SUBJECT: Downtown Improvement & Renovation Grant Program, Downtown Retail Business Grant Program, and Downtown Restaurant Forgivable Loan Program

At the April 18, 2016 ECDC meeting, the idea of a time limit on the grant programs was discussed. Currently, none of the three grant program policies has a time limit for starting or completing the work. In the past, a time limit was sometimes added as a condition of approval.

Staff notes that commercial building permits for projects less than 100,000 square feet expire in one (1) year. Staff is able to grant two (2) time extensions of six (6) months each. Another comparable is zoning entitlements. For example, a business that has received a conditional use permit has one (1) year to establish, otherwise the petitioner needs to reapply for the entitlements. At the April 2016 ECDC meeting, member Garrick Nielson noted that banks usually give small businesses a time commitment for a loan, but that the applicant can reapply for the loan if the time expires.

Attached are the three policies with red-lined text. Staff proposes to allow a business twelve (12) to start the project and eighteen (18) months to complete the project. If the project is not started or completed in that time the business can withdraw their request, or must appear before the approval authority, either the ECDC or Village Board of Trustees depending on the dollar amount, for a time extension.

COMMITTEE ACTION REQUESTED

Staff recommends that the ECDC review and approve the changes in the policy for the Downtown Improvement & Renovation Grant Program, Downtown Retail Business Grant Program, and Downtown Restaurant Forgivable Loan Program.

DOWNTOWN IMPROVEMENT AND RENOVATION GRANT PROGRAM POLICY

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The purpose of the Downtown Improvement and Renovation Grant Program is to increase the economic viability of Downtown Lombard by improving the aesthetics of the buildings, improving signage, and increase the availability and ease of parking. The Downtown Improvement and Renovation Grant Program will offer a one-for-one matching grant for 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. The Downtown's image, appearance and environment are important factors in attracting shoppers and new businesses to the downtown. The Downtown 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.

Grant Eligibility

1. **Improvements.** Eligible storefront improvements may include façade renovation, lights, signs, graphics, windows, doors, window displays, awnings, landscapes, and parking improvements. Eligible structures must be at least twenty (20) 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.
2. **Amount.** 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. Requests for grants above \$50,000 will be considered on a case-by-case basis. For signage and awnings, 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.
3. **Ownership.** Eligible applicants include the owners of commercial or residential buildings or the owner of a commercial 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.

4. **Fees.** Professional, architectural, engineering, and Village 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 owes money to the Village all accounts must be current before any portion of the grant is disbursed.
5. **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.
6. **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. The Director of Community Development shall review the application and all supporting documentation. The applicant, or his/her designee, shall be present at the Economic and Community Development Committee meeting to make a brief presentation on the request.
- 6-7. **Timing.** If approved, the applicant has twelve (12) to start the project and eighteen (18) months to complete the project. If the project is not started within twelve (12) months or completed within the eighteen (18) months, the applicant must reapply to either the ECDC or Village Board for a time extension. If the applicant does not reapply, the grant will be withdrawn from the project.
- 7-8. **Appeals.** If the grant was disapproved by the 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. 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” is available at the Community Development Department and 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

An applicant must first meet with the Director of Community Development, or his/her designee. 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 not be eligible.

In exchange for grants 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):

1. Restaurants
2. Outdoor Cafes
3. New Retail shops

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

1. Second hand or Rummage stores
2. Sports Card shops
3. Pawn shops
4. 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
630-620-5749

DOWNTOWN RESTAURANT FORGIVABLE LOAN PROGRAM POLICY

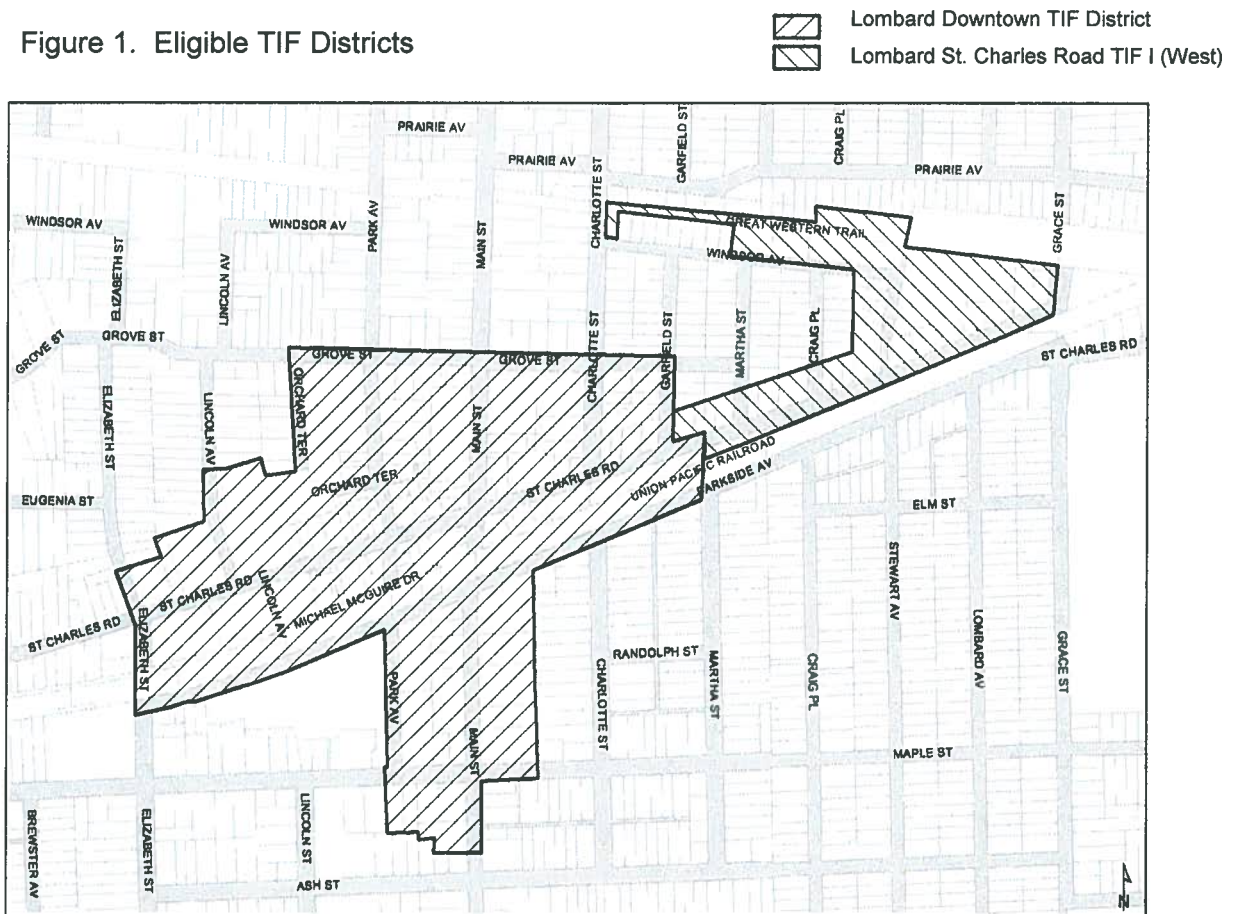
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The purpose of the Downtown Restaurant Forgivable Loan Program (hereinafter the “Program”) is to increase the economic viability of Downtown Lombard by encouraging more restaurants. The Program will offer a forgivable loan for up to one-third (1/3) 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. 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 in relation to buildings located within the Lombard Downtown TIF District or the Lombard St. Charles Road TIF 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



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; 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) can be approved by the Economic and Community Development Committee. All 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 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 buildings who have obtained the building owner’s consent relative to the Project application provided that the building is located within the Eligible TIF Districts.
4. **Businesses.** An eligible business must earn at least sixty-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 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 one thousand five hundred dollars (\$1,500), 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 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 is disbursed.
6. **Franchise store.** Special approval by the Economic and Community Development Committee is required for all freestanding 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 Town 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 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 Building Division. The Director of Community Development shall present the application to the Economic and Community Development Committee, along with a staff recommendation for a determination as to whether a Forgivable Loan should be approved. 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, who will then determine whether the Forgivable Loan should be approved.
- ~~9.10.~~ **Timing.** If approved, the applicant has twelve (12) to start the project and eighteen (18) months to complete the project. If the project is not started within twelve (12) months or completed within the eighteen (18) months, the applicant must reapply to either the ECDC or Village Board for a time extension. If the applicant does not reapply, the grant will be withdrawn from the project.
- ~~10.11.~~ **Appeals.** If the 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. The letter of appeal and supporting documents will then be forwarded to the Village Board. The Village Board will address the appeal at a Village Board meeting and make a final determination 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.

11.12. 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) Pre-application form;
 - (ii) Preliminary plans and preliminary cost estimates;
 - (iii) Business plan;
 - (iv) Details of signage and/or awning design;
 - (v) Proof of ownership, lease, and/or owners approval;
- C. After review by the Economic and Community Development 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. Upon receipt of the "Certificate of Eligibility", the owner and/or applicant shall proceed as follows:
 - (i) Submit final plans and cost estimates to the Department of Community Development and apply for proper building permits; and
 - (ii) Submit three (3) contractor bids for the work outlined in the Downtown Improvement and Renovation Grant Program application. Also, indicate the preferred contractor; and
 - (iii) Submit a fully executed Forgivable Loan Agreement.
- E. Upon receipt of the items set forth in D above, a "Notice to Proceed" shall be forwarded to the owner/applicant by a representative of the Department of Community Development.

- F. 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.
- G. The 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%) of the Forgivable Loan funds.
- H. Upon completion of the Project and after all final inspection from the Building Division have passed, the building will be inspected by a representative of the Planning Services Division for conformance with the application.
- I. Upon determination of conformance and receipt of all required documents, the Village will process and disburse the remaining amount of the loan.
- J. The Village will record a lien on the property on which the Project has occurred as a guarantee for the Forgivable Loan.

~~12.13.~~ One-tenth (1/10) of the Forgivable Loan amount shall be forgiven for each full year after the recording of the lien that a restaurant is operated at the Project location. Release of the lien will be recorded by the Village 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 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 shall be immediately due and payable from the property owner and the recipient of the Forgivable Loan.

For further information or to set up an appointment, please contact:

Village of Lombard
Community Development Department
255 E. Wilson Ave., Lombard, IL 60148
(630) 620-5749
or

Lombard Town Centre
2 S. Park Avenue, Lombard, IL 60148
(630) 620-8063

DOWNTOWN RETAIL BUSINESS GRANT PROGRAM POLICY

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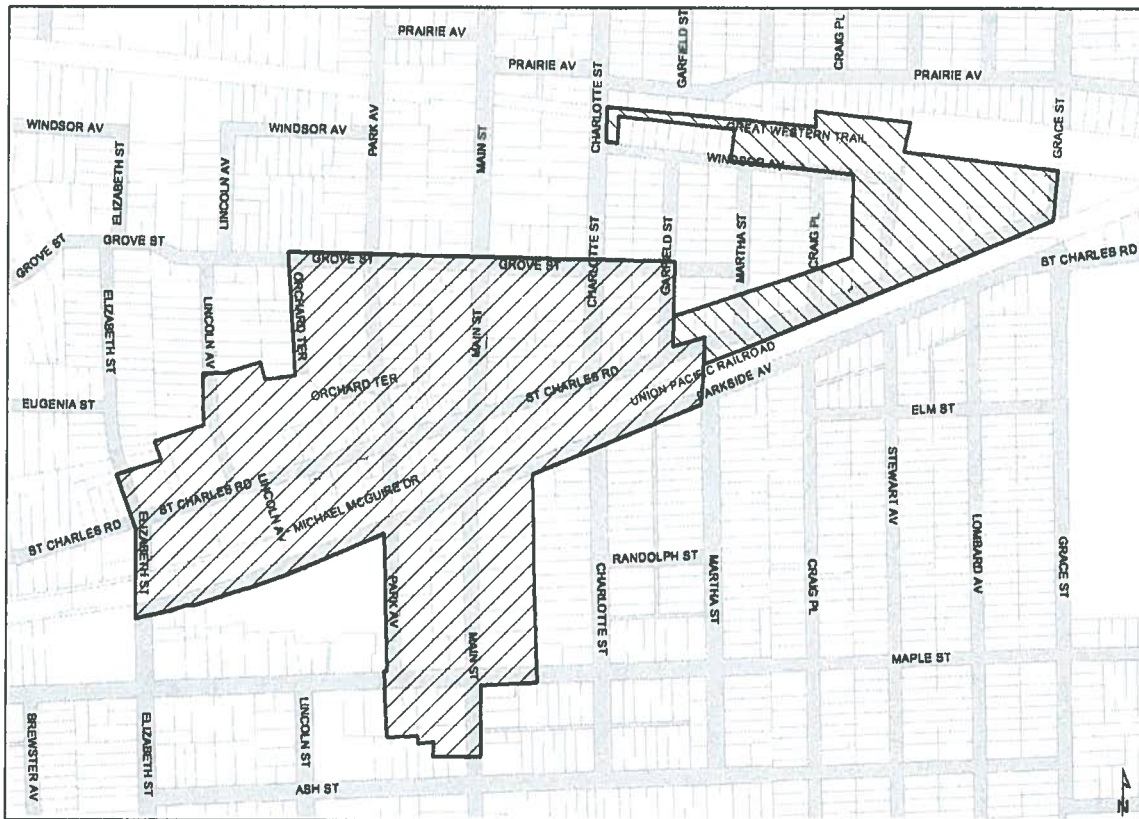
The purpose of the Downtown Retail Business Grant Program (hereinafter the “Program”) is to increase the economic viability of Downtown Lombard by attracting targeted retail businesses and assisting existing businesses in the Eligible TIF Districts. The program will offer a 50% matching grant for eligible expenditures associated with helping the start-up of new retail businesses or the expansion of existing retail businesses. Priority will be given to businesses that best complement the Eligible TIF Districts’ retail mix and help strengthen existing retail clusters. Grant monies derive from TIF funds, and therefore priority will be given to businesses with projected tangible benefits to the TIF area.

Eligible TIF Districts

The Program will only be offered to businesses located within the Lombard Downtown TIF District or the Lombard St. Charles Road TIF District I (West) (“hereinafter the “Eligible TIF Districts”). The boundaries of the Eligible TIF Districts are shown on Figure 1 below. An existing business in Lombard that is outside of the TIF boundaries would not be eligible for funds unless it opens an additional location within the boundaries of the Eligible TIF Districts.

Figure 1. Eligible TIF Districts

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



Program Eligibility

Eligibility requirements are as follows:

1. **Expenditures.** The following items shall be considered eligible expenditures:

Capital Costs- Those costs associated with improvements which are permanently affixed to the building, which are not specific to the use, and which do not restrict the future use of the building. Some examples include, but are not limited to: life safety and Americans with Disabilities Act accessibility code requirements, repair/replacement of roof, floors or structural walls; repair/replacement of electrical, plumbing, heating or cooling system; and installation of an elevator, sprinkler and fire or smoke alarm system.

Soft Costs- For purposes of this Program, the following items shall be considered soft costs and may be eligible for the Program: first three (3) months of rent (existing business must move into a new space in the Eligible TIF Districts or expand their existing space), signage, moving expenses, visual merchandising, retail consulting, and licensed space designer (ASID). Soft costs shall not exceed twenty-five percent (25%) of the total eligible expenditures.

****The Program does not cover costs associated with production equipment, media marketing/advertising, payroll, day-to-day operational costs (e.g. utilities, taxes, or maintenance), refuse, or product.**

2. **Expansion.** If a business is seeking a Retail Business Grant for an expansion, a minimum investment of ten thousand and no/100 dollars (\$10,000) is required. If the expansion is associated with a service business with a substantial retail component, twenty-five percent (25%) of the total leasable floor area shall be dedicated to the new retail component, and only those costs associated with the expansion of the retail area shall be eligible. All expanding businesses shall provide financial statements for the past three (3) years demonstrating revenue from both retail and service activities.
3. **Amount.** Participants will be eligible for up to twenty thousand and no/100 dollars (\$20,000). Participants must expend verified funds and then will be reimbursed for eligible expenditures up to, but not exceeding, fifty percent (50%) of eligible expenditures. The Program shall not exceed twenty thousand and no/100 dollars (\$20,000) per participant. All Retail Business Grant requests shall require Village Board approval.
4. **Ownership/Lease.** Applicants must either own or have a minimum three (3) year lease in a first floor retail location along a public street. In some instances, approval may be contingent upon receipt of a copy of a written lease between a landlord and the applicant.
5. **Occupancy-** Businesses who receive Retail Business Grant money shall remain open at the location identified in their grant application for at least five (5) years from the date of the original Retail Business Grant disbursement. The Village shall be reimbursed by the applicant for any fees, including but not limited to attorney's fees associated with enforcement of this Program.

6. **Eligible Businesses.**

- A. Priority will be given to retail businesses that best complement the Lombard downtown retail mix. A list of targeted retail categories is as follows: clothing stores, produce market, cd/music store, design/decoration/furniture, electronics, home improvement, specialty foods, crafts/toys/hobbies, custom jewelry, kitchen/home accessories, children's products, entertainment venues (which complement restaurants in the downtown), specialty retail, computer store, shoe store, and art shops/galleries. Other stores may be eligible for the Program, subject to review by the Economic and Community Development Committee (the "ECDC").
 - B. Service businesses with a substantial retail component, as defined by having twenty-five percent (25%) of its gross income and gross floor area, open to public and dedicated to retail sales activity, are potentially eligible for the Program. The dollar amounts awarded to service businesses with a substantial retail component will be a function of the amount and nature of the retail component associated with the business. For service businesses with substantial retail components that were previously in operation, sales data shall accompany the application. For start-up new service businesses with substantial retail components, up to half of the maximum possible Retail Business Grant award (i.e., no more than ten thousand and no/100 dollars (\$10,000)) can be awarded with the start-up of the business. Notwithstanding the procedural requirement that prohibits applications after a Certificate of Occupancy has been issued, a start-up new service business applicant who is granted half of an award has the ability to make a second application for an additional half of an award (i.e., no more than ten thousand and no/100 dollars (\$10,000)) after a one (1) year period of time, with the ECDC considering the retail sales tax figures as part of the second application.
 - C. Resale store and service businesses without a substantial retail component are not eligible for the Program.
7. **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 one thousand five hundred and no/100 dollars (\$1,500), 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 associated with the Program. However, if an applicant owes money to the Village, all accounts must be brought current before any portion of the Retail Business Grant is disbursed.
8. **Main Street Organization.** Recipients of a Retail Business Grant through the Program must maintain an active membership in the Lombard Town Centre organization.
9. **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.

10. **Administration.** The program will be jointly administered by the Department of Community Development and Lombard Town Centre. All applications will be reviewed by the ECDC. The ECDC will forward a recommendation to the Village Board, who will then determine whether the Retail Business Grant should be approved. A separate request for a building permit, an electrical permit, and/or other permits and licenses shall be submitted to the Building Division.

11. **Evaluation.** The ECDC will review all applications on an as-needed basis. Proposals shall be evaluated on their viability, their contributions to the Eligible TIF Districts’ retail mix, their support to the Village tax base and their completeness and eligibility. An applicant may be required to submit a personal financial statement. A successful business plan will convey the most promising combination of financial feasibility, product and market knowledge, growth potential, job creation and financial need.

~~11.12.~~ **Timing.** If approved, the applicant has twelve (12) to start the project and eighteen (18) months to complete the project. If the project is not started within twelve (12) months or completed within the eighteen (18) months, the applicant must reapply to either the ECDC or Village Board for a time extension. If the applicant does not reapply, the grant will be withdrawn from the project.

~~12.13.~~ **Appeals.** If the application is rejected by the ECDC, 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. The letter of appeal and supporting documents will then be forwarded to the Village Board. The Village Board will address the appeal at a Village Board meeting and make a final determination relative to the application. The denial of the appeal by the Village Board shall not preclude an applicant from submitting a new application for the Program. The Village Board has the right to amend or waive Program terms and conditions to accommodate special circumstances.

~~13.14.~~ **Payments and Reimbursement.** Grants shall be paid out as follows:

A. Retail Businesses and service businesses with a substantial retail component, shall only be eligible to receive a maximum of fifty percent (50%) of the approved Retail Business Grant amount upfront (maximum of ten thousand and no/100 dollars (\$10,000)), after the improvements have been completed, all final inspections have been completed, and a Final Certificate of Occupancy has been issued. Retail businesses who receive Retail Business Grant dollars upfront shall be subject to a lien on the property in an amount equal to their proportionate share of capital costs paid upfront by the Village. The remaining fifty percent (50%) of any Retail Business Grant (maximum of ten thousand and no/100 dollars (\$10,000)) shall be reimbursed

to the business over a five (5) year period starting from the time the improvements have been completed, all final inspections have been completed, and a Final Certificate of Occupancy has been issued. For every full year the business is in operation, twenty percent (20%) of the remaining amount of the Retail Business Grant shall be paid to that business. In the event the business closes within the five (5) years, the Village shall have no obligation to payout any remaining portion of the Retail Business Grant. *For example, if a Retail Business Grant were approved for a new retail business in an amount of \$20,000, the businesses owner could get the first \$10,000 upon issuance of the Final Certificate of Occupancy. The remaining \$10,000 would be provided over a 5 year period (\$2,500/year) for every full year the business is in operation.*

- B. All restaurants shall be eligible to receive the maximum grant amount of twenty thousand and no/100 dollars (\$20,000) upfront after the improvements have been completed and all final inspections have been completed.

14.15. Property Lien. All businesses and properties, except restaurants, who receive upfront Retail Business Grant money shall be subject to a lien to be recorded against title to the property, with the property owners written consent, to cover the pro rata share of capital costs paid upfront. One-fifth (1/5) of the lien shall be forgiven for each full year that the business operates at the project location. Release of the lien will be recorded by the Village five (5) years after the recording of the lien, or earlier if repayment of the upfront Retail Business Grant amount (or applicable portion thereof) is made to the Village. In the event that a business receiving an upfront Retail Business Grant were to close within the time period that the lien is in effect, the property owner shall have a maximum of ten (10) years from the time the upfront Retail Business Grant amount was paid or until December 31, 2023, whichever occurs first, or immediately upon the sale or transfer of the property, to repay the Village any remaining balance of the lien. If the space is legally occupied with a new tenant (retail or service), each remaining year(s) left on the lien shall be forgiven for each full year that the new business(es) remain open. In the event that after the ten (10) years or on December 31, 2023, whichever occurs first, the property owner was unable to successfully lease the space to a new tenant(s) for not less than a combined five (5) years, the balance of the Retail Business Grant shall be paid to the Village. In unique situations a business may request a waiver of the lien provision. Staff will meet with the business to review and discuss various items with the business. The waiver of the lien provision is subject to review by the ECDC with ultimate approval or denial by the Village Board of Trustees.

15.16. Business Plan. Business plans should not exceed sixteen (16) double-spaced pages including exhibits. All business plans shall be reviewed by the College of DuPage Small Business Development Center (SBDC) prior to submitting same to the Village. The SBDC review requirement may be waived by the Director of Community Development. The business plan should include as many of the following as possible:

- A. Description of your business and industry
 - 1. Your business
 - 2. The industry and its history

- B. Features and advantages of your product
 - 1. Description
 - 2. Competitive advantage
 - 3. Proprietary position
 - 4. Future potential

- C. Market research and analysis
 - 1. Definition of your customers and markets
 - 2. Market size and trends
 - 3. Competition

- D. Estimated market share and sales
 - 1. Market plan
 - 2. Market strategy
 - 3. Pricing
 - 4. Sales tactics
 - 5. Service and warranty policies
 - 6. Advertising, public relations and promotions

- E. Design and development plans
 - 1. Development status and tasks
 - 2. Difficulties and risks
 - 3. Costs

- F. Operation plans
 - 1. Business location
 - 2. Facilities and improvements
 - 3. Strategy and plans
 - 4. Labor force

- G. Management Team
 - 1. Key management personnel (credentials/resume)
 - 2. Management assistance and training needs

- H. Overall Schedule
 - 1. Timing of critical activities before opening (e.g. company incorporation, signed lease, suppliers ordered, employees hired, opening date)
 - 2. Timing of critical activities after opening, (e.g. expansion, product/service extension)

- I. Critical risks and problems (how will you respond?)
 - 1. Price cutting by competitors
 - 2. Unfavorable industry-wide trends
 - 3. Operating cost overestimates
 - 4. Low sales
 - 5. Difficulties obtaining inventory or supplies

6. Difficulty in obtaining credit
7. Lack of trained labor

J. Financial Plan

1. Profit and loss forecasts for 3 years (first year monthly)
2. Cash flow projections for 3 years
3. Performance balance sheet at start-up, semi-annually in the first year and at the end of 3 years

16.17. Procedural Requirements. Participants in the Program must accomplish the following steps:

- A. Applicants for the Program should contact the Department of Community Development or Lombard Town Centre for applications. Applications may be obtained from and submitted to either:

Dept. of Community Development
225 E. Wilson Avenue
Lombard, IL 60148
630.620.5749

Lombard Town Centre
2 S. Park Avenue
Lombard, IL 60148
630.620.8063

- B. Candidates shall submit the following documents

1. Application form;
2. Preliminary plans and preliminary cost estimates;
3. Business plan;
4. Details of signage and/or awning design; and
5. Proof of ownership, lease, and/or owner's approval.

- C. The Community Development Department shall review the completed applications to ensure all required items have been submitted prior to scheduling the item for review by the ECDC. Incomplete applications will not be processed until all items have submitted. The Director of Community Development may waive certain items if deemed necessary.

- D. After review by the Economic and Community Development Committee, and approval of the Retail Business Grant by either the Economic and Community Development Committee or the Village Board, depending upon the amount of the Retail Business Grant, a "Certificate of Eligibility" will be forwarded to the owner/applicant.

- E. Upon receipt of the "Certificate of Eligibility", the owner and/or applicant shall proceed as follows:

1. Submit final plans and cost estimates to the Department of Community Development and apply for proper building permits.
2. Submit three (3) contractor bids for the work outlined in the application. Also, indicate the preferred contractor.

3. Submit a fully executed Grant Agreement.

- F. Upon receipt of the items set forth above, a “Notice to Proceed” shall be forwarded to the owner/applicant by a representative of the Department of Community Development.
- G. 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.
- H. Prior to the issuance of any Retail Business Grant funds, the applicant must submit to the Village a completed Illinois sales tax release form.
- I. No Retail Business Grant funds shall be disbursed unless all Project-related activities are undertaken in compliance with all applicable provisions of both the Program Policy and Village Code and until the Village receives an affidavit from the Retail Business Grant recipient containing his or her sworn statement that he or she has paid the approved cost of the Project. Original paid receipts and final waivers of lien must be attached to the affidavit. Upon receipt of the approved affidavit, receipts, and final waiver of liens the Village will release Grant funds in accordance with the Program, subject to proper documentation.
- J. Upon completion of the project and after all final inspection from the Building Division have passed, the building will be inspected by a representative of the Planning Services Division for conformance with the application.
- K. All eligible expenditures will be matched by the Village of Lombard at fifty percent (50%) of costs as designated by an appropriate receipt or invoice. Overall costs may be submitted up to forty thousand and no/100 dollars (\$40,000) within twelve months after registering the business with the Village of Lombard or applicant approval of the Program if the business is already registered.
- L. All businesses must submit applications and complete review by the ECDC prior to the opening of the business in the Eligible TIF Districts. Once a Certificate of Occupancy has been issued for a business, the business is no longer eligible to apply to the Program unless the application is for an expansion meeting the Program criteria. A new or expanding business either must open for business or have expanded their business within nine months from the date of grant approval, or all grant funds shall be forfeited.
- M. Capital costs associated with eligible expenditures made to a tenant space, prior to an eligible business and/or property owner making a formal Retail Business Grant request relative to said tenant space, may be included in the formal Retail Business Grant request, provided:
 - 1. The expenditures were made within the eighteen (18) month period immediately preceding the formal Retail Business Grant request; and

2. Prior to proceeding with said expenditures, the applicant for the Retail Business Grant advised the Village staff of said proposed expenditures, and received the approval of the ECDC and the Village Board relative to said expenditures being eligible expenditures if a formal Retail Business Grant request were to be filed and approved, and Retail Business Grant funds are still available.

For further information contact:

**Village of Lombard
Community Development Department
255 E. Wilson Ave., Lombard, IL 60148
(630) 620-5749**

or

**Lombard Town Centre
2 S. Park Avenue, Lombard, IL 60148
(630) 620-8063**