



## MEMORANDUM

**TO:** William “Bill” Ware, Chairperson  
Economic and Community Development Committee

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

**DATE:** April 6, 2011

**SUBJECT: Resale Shops**

At the February 16, 2011 ECDC meeting, the committee continued the discussion related to amending the Downtown Retail Business Grant (DRBG) program to include Resale Shops as an eligible business. At that meeting, the ECDC requested that staff review the City of Elgin’s downtown grant provisions. The following is a summary of staff’s findings.

### **City of Elgin Findings**

The City of Elgin offers several different grants within their downtown City Center and periphery. The following is a brief overview of each grant program:

- Façade Improvement Program - A 35% rebate on exterior renovation projects to restore the original architectural integrity of the façade.
- State St. Façade Improvement Program – This is a more aggressive façade program allowing for up to a dollar-for-dollar rebate for exterior façade improvement projects in a specific area.
- eElgin Incentive Program - Up to 50% contribution for technology infrastructure improvements for downtown-based businesses
- Special Loan Program for Building Improvements - Interest on loans made for improvements to commercial buildings may be subsidized by the City of Elgin.
- Grease Trap Incentive Program - Rebate of up to 50% of the cost of the grease trap for restaurant facilities served by combined sewers.
- Business Improvement Program - Up to 50% matching funds for improvements to store fronts and building façades or grounds, including landscaping, signs, lighting, and parking lot improvements to properties located outside the City Center. This is essentially the same program as their Façade Improvement Program, however it is for properties located on the periphery of the City Center.

The City of Elgin and their Main Street Organization does not offer a retail grant program like the Village of Lombard. However, they have entered into individual Redevelopment Agreements on a case by case basis offering assistance above and beyond what their grant programs allow. Although the City of Elgin does have many grant programs, most of them cover improvements already included in the Village’s DRBG or Façade Grant programs.

While the Village of Lombard uses TIF dollars to fund our grant programs, the City of Elgin uses revenue collected from the Riverboat Casinos. Recent debates in Elgin have been ongoing as to whether or not they should use TIF dollars for grants. Currently, the City of Elgin's policy is to only use TIF dollars on public improvements and infrastructure. With declining casino revenues, the City is considering expanding their use of TIF funds for their grant programs. To date, no decision has been made.

**Summary of Staff's findings**

At the last ECDC meeting, staff noted other communities that do not consider Resale Shops as eligible businesses for their grant programs (Wheaton & Glen Ellyn). They either are specifically prohibited or do not meet their required retail mix. Staff recently had discussion with the Village of Tinley Park related to downtown activities. Although they are not geographically close to Lombard, their downtown area does have many similarities to Lombard. According to Tinley Park's Zoning Ordinance, Resale Shops are not a permitted use within their downtown area.

When compared to our neighboring communities, Lombard is extremely competitive in terms of its downtown business assistance programs. Lombard's retail and façade grant programs match and even surpass the offerings of similar programs in neighboring communities. Additionally, the Village does allow façade grant dollars for resale shops, to be used for exterior improvements (signage, awnings, lighting, etc). Furthermore, in September 2008, the DRBG program was expanded to include service businesses with a retail component further creating more opportunities to businesses within the downtown.

**Recommendation**

As previously mentioned, staff does not support an amendment allowing resale shops as an eligible business for the DRBG program.