

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: September 7, 2005 (B of T) Date: September 15, 2005

TITLE: Downtown Retail Business Grant Program

SUBMITTED BY: Department of Community Development *DLT*

BACKGROUND/POLICY IMPLICATIONS:

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

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

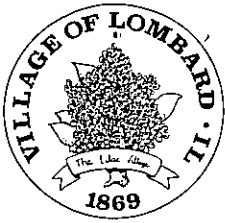
Please place this item on the September 15, 2005 Board of Trustees agenda.

Fiscal Impact/Funding Source:

Review (as necessary):

Village Attorney X _____ Date _____
Finance Director X _____ Date _____
Village Manager X *W. T. Lichter* _____ Date *9/8/05*

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, Director of Community Development *D.A.H.*

DATE: September 7, 2005

SUBJECT: Downtown Retail Business Grant Program

At the September 6, 2005 Economic and Community Development meeting, the above program was reviewed by both the Economic and Community Development Committee (ECDC) as well as the Lombard Towne Centre organization. The ECDC unanimously recommended approval and Lombard Towne Centre gave their endorsement of the program. Please note that this program would be offered to businesses located in the Lombard Downtown TIF District or the Lombard St. Charles Road TIF I West District.

RECOMMENDATION:

That the Village Board of Trustees at their September 15, 2005 meeting approve an Ordinance amending Title 3, Chapter 36 of the Lombard Village Code as well as an Ordinance adopting the Downtown Retail Business Grant Program Policy.

ORDINANCE NO. _____

AN ORDINANCE AMENDING TITLE 3, CHAPTER 36 OF THE LOMBARD VILLAGE CODE IN REGARD TO THE ESTABLISHMENT OF A DOWNTOWN RETAIL BUSINESS GRANT 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 36.70 through 36.74 thereto, which shall be amended to read in their entirety as follows:

Downtown Retail Business Grant Program

§36.70 ESTABLISHMENT OF PROGRAM

There shall be established in the Village of Lombard a Downtown Retail Business Grant Program (the "Grant 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 36.70 through Sections 36.74 below.

§36.71 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 grants to businesses and/or property owners who meet the eligibility standards for a business in the Eligible TIF Districts (the "Grant"). A Grant may be awarded in amounts up to one half (1/2) of the improvement cost to a maximum per project to be established yearly, based on the total TIF Funds available.

§36.72 APPLICATIONS FOR GRANTS

- A. Any property owner or business operator within the Eligible TIF Districts who wishes to start a new business or expand an existing business (hereinafter the "Project") may apply for a Grant 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 mixed-use building tenant who has obtained the building owner's consent relative to the Project and application for the Grant evidenced by the building owner's signature on the application form; and
 3. The Project involves eligible improvements as determined by the Director of Community Development and as set forth in the Downtown Retail Business Grant Program Policy dated September 6, 2005 and approved by the Village Board 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 business; 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.

§36.73 GRANT APPROVAL

Recipients of Grants 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 by and set forth in the Policy, as amended from time to time by the Village Board.

§36.74 DISBURSEMENT OF GRANT FUNDS

No Grant funds shall be disbursed unless all Project-related activities are undertaken in compliance with all applicable provisions of the Village Code and until the Village receives an affidavit from the Grant recipient containing his or her sworn statement that he or she has paid at least one-half (1/2) of the approved cost of the Project. Original paid receipts amounting to at least one-half (1/2) of the approved Project cost must be attached to the affidavit and no disbursement of Grant 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 Grant, 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 Grant shall be disbursed.

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.

Brigitte O'Brien
Village Clerk

ORDINANCE NO. _____

AN ORDINANCE ADOPTING THE DOWNTOWN RETAIL BUSINESS GRANT 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 70 through 74 of the Lombard Village Code for the establishment of a Downtown Retail Business Grant Program; and

WHEREAS, the Downtown Retail Business Grant Program must establish certain policies regarding the criteria and procedures for the disbursement of grants.

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

SECTION 1: That the Downtown Retail Business Grant Program Policy, dated September 6, 2005 and attached hereto as Exhibit "A", is hereby adopted as the official program policy for the Downtown Retail Business Grant 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:

Brigitte O'Brien
Village Clerk

William J. Mueller
Village President

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

Brigitte O'Brien
Village Clerk



DOWNTOWN RETAIL BUSINESS GRANT PROGRAM SEPTEMBER 6, 2005

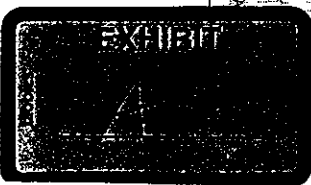
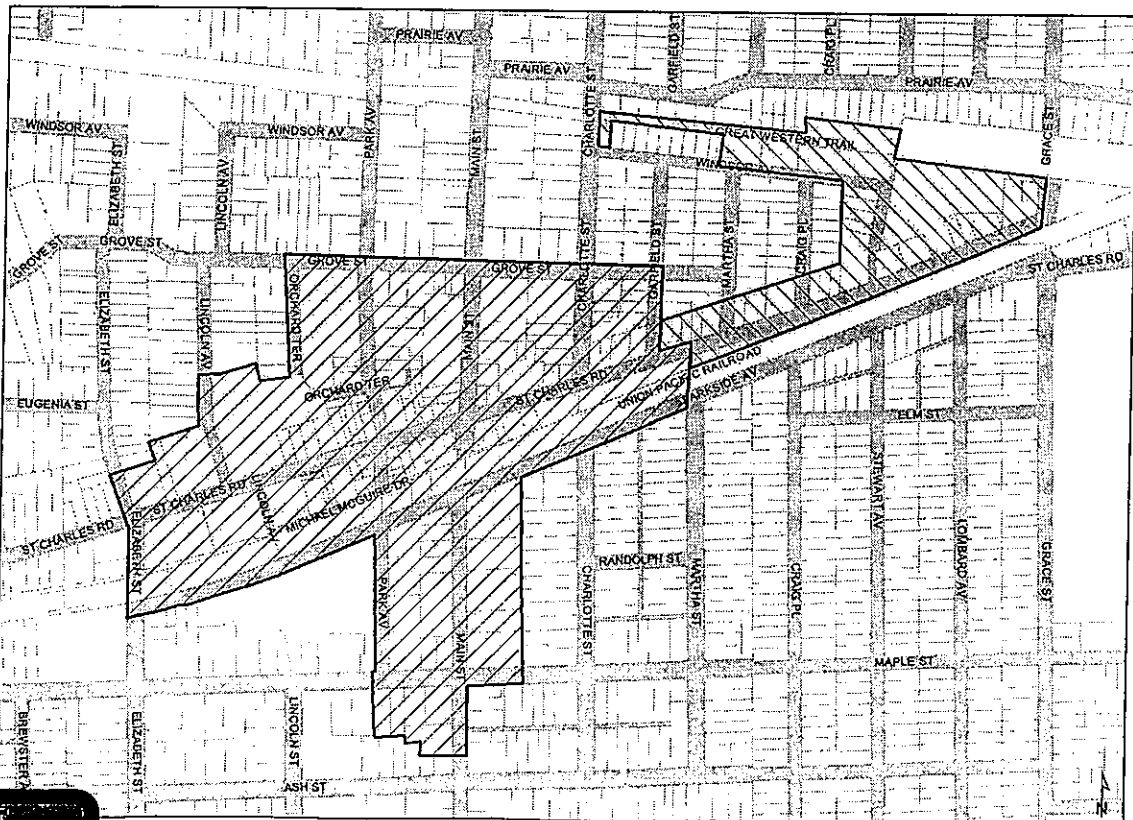
The purpose of the Downtown Retail Business Grant Program (hereinafter the "Program") is to increase the economic viability of Downtown Lombard by attracting targeted retail businesses and assisting existing businesses in the Downtown. The program will offer a 50% matching grant for eligible expenditures associated with helping the start-up of new businesses or the expansion of existing businesses in the Downtown. Priority will be given to businesses that best complement the Lombard Downtown 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.** Eligible expenditures include build-out of space, first three months of rent (existing business must move into a new space in the TIF area of expand their existing space), signage, moving expenses, visual merchandising, retail consulting, and licensed space designer (ASID). The program does not cover costs associated with production equipment, media marketing/advertising, payroll, day-to-day operational costs (e.g. utilities, taxes, maintenance), refuse, and product
2. **Amount.** Participants will be eligible for up to \$20,000. Participants must expend verified funds and then will be reimbursed for qualified expenditures up to but not exceeding 50% of acceptable expenditures. The Retail Business Grant Program shall not exceed \$20,000 per participant. The Economic and Community Development Committee may recommend amounts of less than \$10,000. Grants exceeding that amount will require Village Board approval.
3. **Ownership/Lease.** Applicants to the Retail Business Grant Program must either own or have a minimum three-year lease in a first floor retail location along a public street. In some instances, approval may be contingent upon a written lease from a landlord and the applicant.
4. **Businesses.** 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. Resale stores and service businesses are not eligible for the Program. Other stores may be eligible for the Program, subject to review by the Economic and Community Development Committee.
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 (\$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 associated with the Program. However, if an applicant owes money to the Village all accounts must be brought current before any portion of the Grant is disbursed.
6. **Main Street Organization.** Recipients of a Grant through the Program must maintain an active membership in the Lombard Towne Centre Organization.

7. **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.
8. **Administration.** The program will be jointly administered by the Department of Community Development and the Lombard Towne Centre. All Applications will be reviewed by the Economic and Community Development Committee. If the amount of the grant is less than ten thousand dollars (\$10,000) or less, the Economic and Community Development Committee has the authority to approve the grant. If the amount of the grant 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 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 Bureau of Inspectional Services.
9. **Evaluation.** The Economic and Community Development Committee will review all applications on an as-needed basis. Proposals shall be evaluated on their viability, their contributions to the 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 be the one that conveys the most promising combination of financial feasibility, product and market knowledge, growth potential, job creation and financial need.
10. **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 the Program. The Village Board has the right to amend or waive program terms and conditions to accommodate special circumstances.
11. **Business Plan.** Business plans should not exceed sixteen (16) double-spaced pages including exhibits and 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

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

- A. Candidates for the Retail Business Grant 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
9 N. Main St., Suite 2
Lombard, IL 60148
630.620.8064

- 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;
5. Proof of ownership, lease, and/or owners approval;

- C. After review by the Economic and Community Development Committee, and approval of the grant 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:

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.

- E. 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.
- 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 Bureau Inspectional Services (BIS).
- G. The applicant must submit an affidavit containing his or her sworn statement that he or she has paid at least one-half (1/2) of the approved cost of the Project. Original paid receipts from contracts amounting to at least one-half (1/2) 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 grant funds.
- H. Upon completion of the Project and after all final inspection from the Bureau of Inspectional Services have passed, the building will be inspected by a representative of the Community Development representative for conformance with the application.
- I. Upon determination of conformance, and receipt of the affidavit, the Village will process and disburse the remaining amount of the loan.
- J. All eligible expenditures will be matched by the Village of Lombard at 50% of costs as designated by an appropriate receipt or invoice. Overall costs may be submitted up to \$40,000 within twelve months after registering the business with the Village of Lombard or applicant approval of the Retail Business Grant Program if the business is already registered.
- K. All businesses must submit applications and complete review by the ECDC prior to the opening of the business in the TIF area. A new or expanding business either must open for business or have expanded their business within nine months from the date of grant approval.

For further information contact:

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

**or
Lombard Towne Centre
(630) 620-8064**