

**VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL MEETING
MARCH 19, 2013 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
Ogden Avenue Site Improvement Strategy (OASIS) Grant Program	Resolution Ordinance Motion ✓ Discussion Only	Tom Dabareiner, AICP Community Development Director

SYNOPSIS

At the January 15, 2013 meeting, the Village Council discussed the OASIS Program. Based on the Council's discussion, the OASIS Team and staff are proposing modifications to the OASIS Program.

STRATEGIC PLAN ALIGNMENT

The Strategic Goals for 2011-2018 included *Strong, Diverse Local Economy*.

FISCAL IMPACT

The proposal would decrease the grant maximums to individual properties/businesses to the original program amounts as follows:

- Interior Properties Less Than 1 acre = from \$100,000 to \$50,000
- Corner Properties and Properties Greater Than 1 acre = from \$150,000 to \$75,000
- Comprehensive Improvements Eligible for a 25% Bonus

The 2013 Budget included \$250,000 from the Ogden Avenue TIF fund to continue the program. Of the total budget, \$186,775 has been awarded.

RECOMMENDATION

With the direction of the Village Council, staff will prepare amendments to the OASIS Policy and present the revised policy in April.

BACKGROUND*Program Goals*

The OASIS program, approved by the Village Council in 2010, provides matching grants for exterior improvements to properties within the Ogden Avenue TIF District. The program was based on the 2005 Ogden Avenue Corridor improvement strategy's recommendations that the Village use the Ogden Avenue TIF fund's accumulated real estate tax increment to make aesthetic improvements to the corridor.

The goals of the OASIS program follow the 2005 strategies and are:

- Provide more attractive sites
- Improve traffic circulation for vehicles and pedestrians (on private property as well as access to public streets)
- Improve existing building appearance
- Improve signage and reduce visual clutter

In general, the program provides business and property owners with a matching grant for certain site improvements. Eligible projects under the current program include one or more of the following elements: new landscaping, façade improvements, sign improvements, new stormwater detention facilities, sidewalk installation, parking lot improvements and improvements to site access (i.e. curb cut reductions). OASIS is consistent with the Comprehensive Plan which includes recommendations to improve landscaping, reduce curb cuts and improve business signage on Ogden Avenue. The Comprehensive Plan also recommends the Village use financial incentives to encourage commercial property owners to make improvements.

OASIS Team Review

The OASIS Team reviewed the program on February 12, 2013. Based on the Council discussion, five components of the program were reviewed and several amendments are proposed.

The team's recommended changes and discussion are summarized below:

1. **Applicant's Match:** Modify the match to allow for 75%-25% match for all improvements to the façade(s) facing a street and/or front yard/right-of-way. The applicant would only need to provide 25% of the funding for improvements that have an immediate impact on the appearance of the Ogden Avenue Corridor. The TIF would fund up to 75% of these project costs. All improvements that occur outside of the front yard will be funded, but the match would be returned to the 50-50 level. The existing match level is a 75% grant for the entire site.

The OASIS Team noted modifying the match in this manner would still allow for improvements outside of the front yard, which have benefits to adjacent residents, but would encourage more investment in portions of the properties immediately visible from Ogden Avenue. Improvements immediately visible from Ogden have the most impact on achieving the goals of the Ogden Avenue Master Plan and attracting new investment to the corridor.

2. **Maximum Grant Decreased:** Currently properties over one acre or on a corner may receive up to \$150,000 and properties less than one acre have a maximum of \$100,000. These caps should be reduced to their original amounts of \$75,000 and \$50,000 respectively.

The OASIS Team thought this change would allow funding for more projects, which would have a larger impact on the corridor.

3. **Sidewalks:** Sidewalk construction should now be a requirement to receive funding. If a sidewalk is not present, the applicant would be required to construct the sidewalk as a condition of the program. The sidewalk would be eligible for funding at the 75-25 match level because it would be an improvement in the front yard and/or right-of-way. This is more restrictive than the current requirement of providing the land or an easement needed for future sidewalk construction.

The OASIS Team did not have any concerns with this modification and supports the Village Council's goal to install sidewalks throughout the corridor.

4. **Landscaping:** The OASIS Team discussed increasing the landscaping requirements. The Team is not recommending any changes to the current program. Currently, landscaping improvements are only funded if the applicant is proposing at least 10% more landscaping than is required by the Village's zoning ordinance. The Team noted that requiring additional landscaping may begin to

affect the parking on and functionality of sites.

For example, a typical property on Ogden Avenue is 15,000 square feet. The zoning ordinance requires that 1,500 square feet (10%) of the property is maintained as green space. To receive OASIS funds for landscaping an additional 150 square feet is required – this amount is equivalent to about one parking space. Increasing the landscaping requirement may result in the loss of additional parking spaces and/or reduce site circulation. The net effect would be a decrease in landscaping improvements as property/business owners will likely opt for site functionality over additional landscaping.

5. **Franchise Funding:** The OASIS Team discussed adding restrictions on funding for franchise businesses. Specifically, the Team discussed not providing funding for improvements required by franchise agreements. The Team is not recommending restricting funding for franchise businesses due to several concerns. The concerns raised by the OASIS Team are listed below:
 - a. Determining what is a requirement is difficult as franchise agreements can differ from location to location, even within the same corporation.
 - b. Obtaining definitive documentation on what improvements are actually required would be difficult.
 - c. Limiting funding for franchises could have a negative effect on attracting new businesses to the corridor. In the worst conditions, failure to upgrade may cause the franchisee to lose their business.

The review process would not be modified as part of this update. OASIS applications are reviewed by a group comprised of business/property owners, Economic Development Corporation staff and Chamber of Commerce staff (the OASIS Team). Village staff organizes the applications and prepares summary reports of the grant requests. Staff makes recommendations regarding the grant applications, but does not vote on whether or not to fund a particular project.

ATTACHMENTS

OASIS Policy



Village of Downers Grove

Official Village Policy Approved by Village Council

Description:	Ogden Avenue Site Improvement Strategy Program		
Res. or Ord. #:	Ord. 5277	Effective Date:	08/21/12
Category:	Planning & Community Development		
	<input type="checkbox"/> New Council Policy		
	<input checked="" type="checkbox"/> Amends Previous Policy Dated: 09/14/10		
	Description of Previous Policy (if different from above):		

ORDINANCE NO. 5277

AN ORDINANCE ADOPTING AN AMENDMENT TO THE OGDEN AVENUE SITE IMPROVEMENT STRATEGY PROGRAM

WHEREAS, the Village has the authority, pursuant to the laws of the State of Illinois, to promote the health, safety, and welfare of the Village and its inhabitants, to prevent the spread of blight, to encourage private development in order to enhance the local tax base, to increase employment, and to enter into contractual agreements with third parties for the purpose of achieving these purposes.

WHEREAS, the Village is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, *et seq.*, as amended (the “TIF Act”), to finance redevelopment in accordance with the conditions and requirements set forth in the TIF Act.

WHEREAS, to stimulate and induce redevelopment pursuant to the TIF Act, the Village has, after giving all notices required by law and after conducting all public hearings required by law, adopted the following ordinances:

1. Ordinance No. 4247, adopted February 6, 2001, titled “*An Ordinance Approving the Ogden Avenue Corridor Redevelopment Plan and Project*” (the “Redevelopment Plan”);
2. Ordinance No. 4248 adopted February 6, 2001, titled “*An Ordinance Designating the Ogden Avenue Corridor Redevelopment Project Area*”;
3. Ordinance No. 4249, adopted February 6, 2001, titled “*An Ordinance Adopting Tax Increment Financing for the Village of Downers Grove*”.

WHEREAS, in an effort to promote revitalization of the Ogden Avenue commercial corridor the Village wishes to establish the Ogden Avenue Site Improvement Strategy Program (“OASIS Program”);

WHEREAS, the OASIS Program is made available to provide a significant impact on the exterior of properties, thus improving the economic vitality of the Ogden Avenue commercial corridor;

WHEREAS, the goals of the OASIS Program are to provide financial assistance to property and business owners in order to provide more attractive sites, improve traffic circulation for vehicles and

pedestrians, improve existing building appearance, and improve signage, in accordance with the Ogden Avenue Commercial Corridor Master Plan, the Village's Strategic Plan and the Village's Comprehensive Plan;

NOW, THEREFORE, BE IT ORDAINED by the Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

1. ELIGIBLE IMPROVEMENTS:

A. SITE IMPROVEMENT

1. Lighting Fixtures, Fencing, utility burial
 - This includes installation of exterior lighting fixtures which are associated with a building façade or within a parking area. Decorative fencing around parking areas, adjacent properties and refuse screening are also included in this category and sidewalks.
 - The burying of overhead power lines, telephone lines or other above-grade utilities.
2. Access Consolidation, Cross Access, or Pedestrian Improvement
 - This includes driveway consolidation on Ogden Avenue, cross access between businesses, and installation of pedestrian walkways and sidewalks.
3. Stormwater
 - This includes the installation of detention area or best management practices.

B. LANDSCAPE IMPROVEMENT

1. Landscaping
 - This includes the installation or replacement of new landscaping and green space that is one hundred ten percent (110%) of the current open space requirement for the B-3 zoning district outlined in the Village's Zoning Ordinance.
2. Stormwater
 - This includes the installation of detention area or best management practices.

C. FAÇADE IMPROVEMENT

1. Exterior Woodwork and Architectural Materials
 - This includes improvement or repair, cleaning, refinishing, restoring, or replacement of exterior woodwork or architectural materials.
2. Masonry
 - This includes masonry improvements, repairs, restoration or tuckpointing.
3. Windows and Doors
 - This includes the replacement, installation or restoration of windows (including display, ornamental, upper-story and storm windows) and exterior doors.
4. Cornices, Parapets, Awnings, Canopies and Roofs
 - This includes the installation or repair of cornices, parapets, awnings, canopies or roofs when part of the facade renovation; or independently, when it is a visible part of the façade from Ogden Avenue or required by Village ordinance to screen rooftop mechanical units and vent stacks.

D. SIGNAGE IMPROVEMENT

1. Signs

This includes the installation or replacement of signs to comply with current Village ordinances. Requests for grant funds for sign improvements will only be considered for projects that propose improvements in at least two (2) additional categories listed herein. For purposes of this policy, installed landscaping required by the Village's sign ordinance shall not be considered as an additional improvement.

2. FINANCIAL ASSISTANCE:

Property owners and business owners (“Owners”) located within the Ogden Avenue TIF District may be eligible for a grant award from the Village for up to seventy-five percent (75%) of the total cost of the work for certain improvements made to their buildings or property in accordance with the following guidelines:

- a) Interior Parcels less than one (1) acre are eligible for a Grant Award up to seventy-five percent (75%) of the cost of the eligible work. The total maximum award shall not exceed \$100,000 not including any bonuses for an “Outstanding Project” as defined herein.
- b) Corner Parcels or Parcels that are at least one (1) acre or individual Tenant Spaces in excess of five thousand (5,000) square feet are eligible for a Grant Award up to seventy-five percent (75%) of the cost of the eligible work. The total maximum award shall not exceed \$150,000 not including any bonuses for an “Outstanding Project” as defined herein.

c) Conditions:

1. Only exterior improvements to properties and buildings as described above will be eligible for a grant award. Internal elements will not be eligible. Generally, exterior maintenance (e.g. painting, parking lot resurfacing, seal-coating, replacing dead landscaping, etc.) will not be considered; however, in some cases maintenance may be eligible if it is an essential component of a project and is a permanent improvement to the property (e.g. tuck-pointing, replacing windows and doors).

2. Funding for signs shall only be provided if two (2) other eligible improvements are being made to the applicant’s property. Any landscaping required by the Village’s sign ordinance shall not be counted as an additional improvement.

3. Requests for funding for façade improvements shall include screening on all sides of any existing or proposed mechanical equipment.

4. Improvements to buildings, parking lots and uses which do not meet current zoning requirements will not be eligible.

5. Improvements requiring zoning variations may be eligible for project funding; however, no part of the zoning variation process will be funded.

6. A bonus of twenty-five percent (25%) of the maximum grant award amount for particular Outstanding Projects may be provided for applications that propose eligible improvements that address multiple categories. Outstanding Projects must meet all the criteria contained herein and exceed the Village’s development standards. For example, an eligible project on a one and one-half (1.5) acre lot proposing landscape improvements and façade improvements would be eligible for up to \$128,906 ($\$137,500 \times 0.75 = \$103,125 \times 1.25$) assuming a total eligible project costs of \$137,500.

7. For single tenants in multi-tenant buildings, the maximum grant award for the tenant will be limited by the percentage of space the tenant occupies in the building. For example, if a tenant occupies twenty-five percent (25%) of a building on a parcel less than one (1) acre in size, the maximum façade improvement grant award would be \$2,500.

3. SIDEWALK EASEMENT OR CONSTRUCTION REQUIRED AS A PRE-CONDITION:

In order to promote the Ogden Avenue Master Plan, and prior to receipt of any grant award, the applicant must grant a sidewalk easement approved in a form acceptable to the Village and/or install a sidewalk on

the property along Ogden Avenue as required by the Village Council or Village Manager. In instances where only an easement for a sidewalk is received, the applicant will receive an additional \$1,000 of grant funds. In instances where a sidewalk is installed, the sidewalk may be included in the eligible project costs.

4. PROCEDURES:

The OASIS Team will evaluate all submittals. The OASIS Team is comprised of Village staff, Economic Development Corporation representatives and Downers Grove Area Chamber of Commerce and Industry representatives. Only complete applications will be evaluated by the review team. Projects will be evaluated on a qualitative basis and will be evaluated against one another. The intent of the initiative is to encourage comprehensive development in the TIF district. One or more application deadlines will be established by the Village.

1. Pre-Application Meeting (OPTIONAL)

Prior to making a formal application, the prospective applicant is encouraged to meet with the OASIS Team. During this meeting, the prospective applicant is familiarized with the program and the application process. A general discussion of needs and ideas of all parties, design alternatives and general cost parameters will be discussed. An application packet may be obtained at this time, as well as, information about the *Ogden Avenue Master Plan*.

2. Complete and Submit Application

The first round of applications should be completed and submitted to the Community Development Department by an established due date included in the application packet. The OASIS Team will review the application for completeness within 10 working days of application deadline.

3. Approval of Project by the Village

Within 30 days of the application deadline, the OASIS Team will meet to review and rank the complete grant applications against each other in order to establish an order of merit. By ranking projects the OASIS Team will recommend funding of the highest ranked projects first. The OASIS Team will utilize the review criteria included in the application packet to rank applications. Recommendations from the OASIS Team will be forwarded to the Village Manager for consideration. Grant awards recommended by the OASIS Team less than \$15,000 may be authorized by Village Manager; however, grant awards in excess of \$15,000 must be authorized by the Village Council.

4. Execution of the Site Improvement Reimbursement Grant Agreement

In conjunction with the award of the grant, the applicant will be required to enter into a Site Improvement Reimbursement Grant Agreement with the Village specifying the responsibility of the grant recipient. This agreement must be completed prior to the commencement of funded improvements. A typical agreement will reimburse the applicant, up to the agreed upon maximum, with the submittal of cancelled checks and final inspection.

5. Begin Work

After the Site Improvement Reimbursement Grant Agreement has been executed, a "Letter of Approval and Notice to Proceed" will be sent to the applicant from the Community Development Department, including an estimate of the total grant amount the applicant is eligible to receive once work is completed and cancelled checks for said eligible work have been received.

The applicant may begin work once all necessary permits have been issued. Prior to, or during construction, any on-the-job changes to the approved design must be reviewed and approved by the OASIS team and the Community Development Department. If changes involve permit related work, the Community Development department must also review and approve the change.

6. Complete of the Project

Upon completion of the project, the work is to be approved by an inspector(s) in the appropriate departments for compliance with the original design drawings, including any approved on-the-job

changes and Village ordinances. In the event the Village finds the finished work product does not meet ordinance requirements or is not consistent with the approved grant application and any approved on-the-job changes, the Village will not be obligated to provide reimbursement for any of the work completed.

7. Payment of the Grant

Once the grant recipient receives final approval, he/she shall provide a request for reimbursement and all receipts (including copies of cancelled checks) for grant eligible work to the Community Development Department. The Village of Downers Grove will provide reimbursement up to the agreed upon maximum after eligible grant work has been inspected and certified as to its completion and compliance with the approved grant application.

Martin T. Tully, Mayor

Passed:

Attest:

April K. Holden, Village Clerk

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