



MEMORANDUM

TO: Trustee Brian LaVaque, Chairperson
Trustee Jessie Hammersmith, Co-Chairperson
Economic and Community Development Committee

FROM: Trevor Dick, FAICP, LEED AP 
Director of Economic Development and Planning

DATE: March 9, 2026

SUBJECT: **New Zoning Land Use Category - Social and Community Space**

PURPOSE

The purpose of this memo is to continue the discussion from the February 8, 2026, ECDC meeting regarding staff's request for the Committee to consider the creation of a new zoning land use category – Social and Community Space (often referred to as Third Place).

At this time, staff are not seeking a formal recommendation.

BACKGROUND & RATIONALE

Popular terms to describe this type of use is "Third Place" or "Hangout" spaces. These spaces in a downtown context are locations designed primarily for people to gather, socialize, or engage in activities. They are not necessarily to make purchases. Hangout spaces can take many forms, from informal seating areas to organized venues, but the key is that social interaction is the main function, rather than retail sales.

These types of spaces don't easily fit into traditional Downtown Zoning categories, and this is true of the Village of Lombard's ordinance. Uses that don't sell products, serve food/drink, or provide services are typically considered assembly uses, which are sometimes only allowed with a special/conditional use permit, and sometimes only outside prime retail frontage, or above the ground floors. As a result, permitting "hangout" spaces is, and has been, a challenge for communities.

Following staff's presentation at the previous ECDC meeting, Committee members engaged in a detailed discussion. Below are the key questions raised during that meeting, along with staff's responses to each.

1. What guardrails can be put in place to make sure this type of use does not become a nuisance?

This use does not include bars/taverns, adult entertainment, gambling facilities, or any otherwise use prohibited in the district.

As a conditional use, certain requirements will be included in the definition and approval process (discussed throughout below).

2. Would this use be allowed outdoors?

The intent would be that the business would operate inside of a building, however, as part of the conditional use permit, the business could propose outdoor seating.

3. Will there be parking requirements or considerations especially in the downtown?

Yes. As part of the conditional use approval process, a parking plan will be required by the applicant. The plan will be reviewed to ensure appropriate and available parking is provided.

4. Would a membership based co-working space be allowed in our current code?

No. Our current zoning ordinance does not define or allow co-working space such as a shared office, such as a “WeWork” model which is a membership-based office environment. After continuing to research the co-working space further, staff recommends that this use is potentially different than a Social and Community Space. Additional research and discussions are needed to determine if a new “co-working” zoning land use category should be created, and if so, how it should be defined.

5. How does a business that does not sell goods or food and beverages pay the rent?

Although research has shown that there are “third place” uses in other communities that do sell goods, food and beverages, our recommendation is that our defined Social and Community Space also includes uses that do not. Research has shown that these can be sustainable without selling goods or food and beverages by layering multiple revenue streams that match its role as a hub for connection, learning, and creativity. Possible examples include:

- Memberships and Subscriptions
- Workspace Rentals
- Classes, Workshops and Programs
- Ticketed events
- Pop-up/Consignment and Commissions

6. What should be the hours of operation?

Staff are recommending hours be submitted, reviewed and set hours be approved through the conditional use process.

7. Would these businesses be allowed to have a liquor license? Would BYOB be allowed? How does it not become a late-night after-hours club? Should it

be only beer and wine (not cocktails)? How would insurance be required and by whom?

Any business serving alcoholic beverages shall be required to meet the full provisions of Chapter 112 of the Village Code, which regulates alcoholic beverages. There is a distinction between Third Places and bars/restaurants (which have their own zoning). There is currently no liquor license class for third places that don't serve food. Also, the Village does not allow BYOB establishments.

8. Is this different than a not-for-profit social club?

Yes. This use would not include, nor be considered, a Club or Lounge, either not-for-profit or private, as defined in our Village code. Examples of existing social clubs in Lombard include the VFW Post 2801 and the Moose Lodge 2350.

9. Would the amusement tax apply to this type of business?

Yes. An amusement tax would apply for uses that are required in accordance with our Village ordinance such as ticketed events and membership fees for activities considered amusements.

10. What business licensing requirements should be in place?

Standard licensing requirements include certificate of occupancy, zoning approval, and a food handlers license if necessary.

11. Would this allow for empty spaces that could be rented out similar to a banquet facility?

No. If it is a privately owned reception establishment, the Village should consider this a banquet hall, which is classified as a restaurant. If not a banquet hall (no kitchen/prep space), then staff does not want to include within this proposed new definition the use of an empty space where the owner rents it out to third parties for private events.

12. How would this use be different than other existing businesses such as Common Grounds/Vibe Café? Or even a bar with music?

The proposed use is different because it does not have to sell goods, food and beverage. Common Grounds/Vibe Café sells a variety of goods and services including food, beverage, books, art classes, and work/art spaces. It is classified as a retail use. This use is also different than a bar with music because of food and alcohol sales.

RECOMMENDATION

Staff is not seeking a recommendation.

COMMITTEE ACTION REQUESTED

Staff are seeking input on the concept of amending the Village's zoning ordinance to add two new land-use categories: a Social and Community Space category and a Co-Working Space category. At the same time, staff is requesting additional time to continue researching, benchmarking, and analyzing how best to define these categories to help ensure that any proposed amendments are well-aligned with community goals and compatible with existing zoning regulations.