

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: December 9, 2025

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Angela Mesaros, Director of Economic and Community Development

Topic: Economic Development Incentives – 1961 Ridge Road

PURPOSE

With a highly competitive economic climate, incentives are an important tool for business recruitment and retention. For over 30 years the Village has provided numerous incentives to businesses and developers. The Village of Homewood has successfully administered an economic development program that utilizes various incentives, including Tax Increment Financing. The Village has several Tax Increment Finance (TIF) Districts (see map). In addition, Homewood offers small business incentives for **non-TIF** areas for up to one-half the cost of the improvements.

Non-TIF Incentive Request

Facade & Property Improvement Program promotes the revitalization of properties through financial assistance for the improvement and maintenance of existing commercial and mixed-use buildings, and architectural and design assistance in order to provide visual impact on exterior buildings as well as upgrades or code compliance, thus improving overall marketability.

The owner of Copper Still Martini Lounge at 1961 Ridge Road, Lovise Jiles, plans to install a commercial kitchen to add a full-service restaurant. The owner requested financial assistance for the remodeling of the interior and the addition of a commercial kitchen. Village staff determined that assistance is appropriate based on the project's eligible expenses.

PROCESS

The owner plans to invest approximately \$75,000 to expand the business and construct a new commercial kitchen at 1961 Ridge Road. The Business Improvement Agreement, also referred to as a Redevelopment Agreement (RDA) allows the Village to reimburse the owner for 50% of their final construction costs, with a cap reimbursement of \$37,500. The Business Improvement Agreement/RDA includes the following incentives:

- Rebating the Village's 2% Places for Eating Tax for the first three (3) years the restaurant is open. This rebate is estimated at \$37,062 based on the applicant's projections. Staff suggests a maximum cap of \$37,500 (50% of the estimated total build-out costs).

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- Reimbursing 100% of the cost to install a grease trap. The cost of the grease trap is estimated at \$8,000 - \$10,000.

OUTCOME

The redevelopment agreement allows a building owner to renovate a building to expand an existing business and offer food. The expansion of this establishment will add to the vitality of the downtown. The incentive amount is comparable to recent incentives given to other businesses.

- Restaurants are a targeted business for Homewood. Copper Still is a well-established business in operation for over five years.
- Businesses in Homewood face substantial costs to modernize spaces to comply with current fire and building codes. The recommended funding will be used to make improvements to the building that will increase the long-term viability of the space and the downtown area.
- Copper Still currently pays sales tax and places of eating taxes for the Martini Lounge. The projected new annual food-sales revenue is approximately \$256,500. Under the expanded level of sales, the total projected estimated annual sales tax and places of eating tax revenue to the Village of Homewood is \$21,096, consisting of:
 - Village's portion of the Illinois State sales tax: \$8,742
 - 2% places of eating tax: \$12,354

However, during the first three (3) years, the Village will receive only the sales tax (\$8,742 annually) because the 2% places-of-eating tax will be rebated to the business as part of the incentive agreement (rebate capped at \$37,500 total). Once the rebate cap is met or the three-year period ends, the Village will begin receiving the full 2% places-of-eating tax (approximately \$12,354 annually) in addition to the sales tax.

- While the build-out costs would be paid within sixty (60) days after the restaurant opens, the Places for Eating Tax rebate is performance-driven and would be paid out over three (3) years.

This restaurant will increase foot traffic and enhance the vitality of downtown. The incentive amount is similar to recent incentives given to other new restaurants.

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FINANCIAL IMPACT

- **Funding Source:** General Fund
- **Budgeted Amount:** \$0
- **Total Incentive Amount:** \$45,500 – 47,500
 - \$8,000 – \$10,000 grease trap installation assistance – *paid after opening*
 - \$37,500 – Places for Eating Tax Rebate – *reimbursed over three years*

LEGAL REVIEW

Completed

RECOMMENDED BOARD ACTION

Authorize the Village President to enter into a redevelopment agreement to reimburse eligible expenses for improvements to the building at 1961 Ridge Road for the interior build-out required for a business expansion and commercial kitchen. The incentive shall be limited to 50% of the commercial kitchen build-out cost in an amount not to exceed \$37,500, and 100% of the cost to install a grease trap, in an amount not to exceed \$10,000.

ATTACHMENT(S)

- Redevelopment Agreement
- Application for Incentives