

# VILLAGE OF HOMEWOOD



## BOARD AGENDA MEMORANDUM

DATE OF MEETING: June 24, 2025

**To:** Village President and Board of Trustees

**Through:** Napoleon Haney, Village Manager

**From:** Angela Mesaros, Director of Economic and Community Development

**Topic:** Cook County Class 8 Incentive Renewal – 3355 183<sup>rd</sup> Street

### PURPOSE

Zenah Taher, the owner of the property at 3355 183<sup>rd</sup> Street, is seeking Village support to renew a Class 8 property tax designation for the property at 3355 183<sup>rd</sup> Street. The Village of Homewood granted support for this designation in 2015.

The Class 8 program encourages commercial development throughout Cook County by stimulating expansion, retaining existing businesses, and increasing employment opportunities. Under this program, the property is assessed at 10% during the first 10 years and for any subsequent 10-year renewal period.

The current Class 8 property tax incentive is near the end of its term and set to expire in 2025. If the incentive is not renewed, the property would be assessed at 15% in year 11, 20% in year 12, and 25% in subsequent years.

### PROCESS

The Cook County tax system has placed a heavy tax burden on commercial properties that must compete with the lower tax rates in adjacent counties and in Indiana, where the property tax rate is as much as 45% less. Cook County has recognized the property tax issue for the Chicago Southland and created the Class 8 Cook County Tax Incentive Program. The program identifies five (5) Cook County townships that have automatic certification for the incentive; the subject property is located in Thornton Township, one of the five designated townships.

The Cook County Assessor administers the Class 8 real estate tax designation to encourage industrial and commercial development in areas experiencing economic stagnation. Under this program, qualified commercial real estate is assessed at 10 percent of the market value for the first 10 years, 15 percent in the 11th year, and 20 percent in the 12th year. The Class 8 designation may be renewed during the last year that a property is entitled to a 10 percent assessment or when the incentive is still applied at the 15 percent or 20 percent assessment level, subject to approval by the Village Board and the passing of a resolution consenting to the renewal.

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Zenah Taher previously operated a 5,500-square-foot, single-tenant commercial day care facility at this location, which is now vacant. Retaining the Class 8 incentive is essential to attracting a new tenant that would be able to activate the space and provide a valuable service to the community.

### OUTCOME

Approval of this incentive renewal will support the applicant's efforts to recruit a new business to the space. With the Class 8 incentive in place, annual property taxes are approximately \$14,070. Without the incentive, taxes are estimated to exceed \$23,450, resulting in an annual savings of about \$9,380 for the property owner.

### FINANCIAL IMPACT

- **Funding Source:** N/A
- **Budgeted Amount:** N/A
- **Cost:** N/A

### LEGAL REVIEW

Completed

### RECOMMENDED BOARD ACTION

Pass a resolution supporting and consenting to a Class 8 Cook County tax classification for the property located at 3355 183<sup>rd</sup> Street, owned by Zenah Taher.

### ATTACHMENT(S)

- Resolution
- Request for Class 8 Renewal