

# VILLAGE OF HOMEWOOD



**BOARD AGENDA MEMORANDUM**

**DATE OF MEETING: May 14, 2024**

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

**From:** Napoleon Haney, Village Manager

**Topic:** Resolution Authorizing the Issuance of a Tax Increment Financing (TIF) Note

## **PURPOSE**

The Village Board is requested to approve the attached resolution authorizing the issuance of a tax increment financing revenue note in the amount of \$4,718,377.70 as provided for in the redevelopment agreement between the Village of Homewood and HCF Homewood, LLC – the developer of the Hartford Building.

## **PROCESS**

Tax Increment Financing (TIF) notes are used to reimburse a developer for its interest costs in paying for TIF eligible expenses. In the case of the Hartford Building, the Village of Homewood issues a Note to bear interest at a certain percentage. Now that the developer has completed construction of the Hartford building, the developer has certified that he has incurred or will incur \$4,718,377.70 in expenses that are eligible for reimbursement under the Tax Increment Financing Act.

The “note” provides that the principle and interest payment on the note are payable only from incremental taxes generated by the Hartford project. If the incremental taxes are insufficient to cover the principal and interest payments on the note, the unpaid interest will accumulate, but the general fund will not be responsible for payment. The note also provides that the Village will not be obligated to pay any unpaid principal or interest payments once the Downtown TOD TIF expires.

## **OUTCOME**

N/A

## **FINANCIAL IMPACT**

- **Funding Source:** Tax Increment from the Hartford Development
- **Budgeted Amount:** N/A

## **LEGAL REVIEW**

Completed

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## **RECOMMENDED BOARD ACTION**

Pass a resolution authorizing the Village President to issue a Tax Increment Financing Revenue Note in the amount of \$4,718,377.70 as provided for in the Redevelopment Agreement between HCF Homewood LLC (Hartford Building Developer) and the Village of Homewood.

## **ATTACHMENT(S)**

- Resolution authorizing issuance of the TIF note
- Exhibit A – Developer’s TIF expense itemization
- Exhibit B – DRAFT TIF note