

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: May 14, 2024

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 – 2059 Ridge Road, Ridgewood

PURPOSE

R. Scott Donkel recently purchased the mixed-use commercial/residential building at 2059 Ridge Road. Mr. Donkel is in the process of a major renovation of the entire building and remodeling of *The Ridgewood* (formerly Ridgewood Tap) on the first floor. Mr. Donkel has requested financial assistance for the build-out of the Ridgewood business and structural renovations to the building and property. The Village proposes to provide \$56,240 of assistance.

PROCESS

Mr. Donkel plans to invest a total of approximately \$600,000 to re-open the tavern on the first floor and to renovate the apartments on the second floor at 2059 Ridge Road.

The Village's participation in the incentive programs would include reimbursement of 50% of the eligible renovation costs, which include structural improvements, replacement of lead water lines, signage, and improvements to the back patio and parking lot, not to exceed \$56,240.

When developing this incentive recommendation, staff considered the following:

- The total recommended financial incentive is approximately 9% of the total build-out costs for the building (\$600,000), which is less than the 50% maximum available under the Business Incentive Program.
- The Ridgewood Tap is located in one of the original Homewood buildings, dating back to approximately 1890 (Brinkman's Saloon), and the business is a long-standing establishment. The building requires major renovations, including structural alterations.
- Many buildings in downtown Homewood face costs associated with modernizing spaces and bringing into compliance with building codes. The recommended funding will be used to make improvements to the building that will increase the long-term viability of the space.

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- Projected annual sales are approximately \$420,000. Projected revenue to the Village of Homewood is \$12,600 annually = 1% sales tax (\$4,200) + 2% places of eating (\$8,400).

OUTCOME

This establishment will bring in additional foot traffic and add to the vitality of the downtown. The incentive amount is comparable to recent incentives given to restaurants, such as Bergstein's and EMPANADUS.

FINANCIAL IMPACT

- **Funding Source:** General Fund (*Assigned Fund Balance for Non-TIF Incentives*)
This property is located within the Downtown TOD TIF District. TIF increment may be used to pay back the General Fund as the increment becomes available.
- **Total Incentive Amount:** \$56,240.00

LEGAL REVIEW

Completed

RECOMMENDED BOARD ACTION

Approve a resolution authorizing the Village President to enter into a redevelopment agreement with R. Scott Donkel to reimburse eligible expenses for the renovation of the building at 2059 Ridge Road.

ATTACHMENT(S)

Resolution and Redevelopment Agreement