

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: April 26, 2022

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Angela Mesaros, Director of Economic and Community Development

Topic: Approval of new construction - Homewood Brewing Company, 18225 Dixie Highway

PURPOSE

Homewood Brewing Company proposes the construction of a restaurant and craft brewery on the former Bogart's property at 18225 Dixie Highway. The property is an L-shaped lot with frontage on Dixie Highway. The development would include a two-story building with a footprint of 11,480 square feet and parking to the east and north. The new facility would include a brew house, full-service kitchen, dining room, and outdoor seating areas.

The main entrance of the restaurant is on Miller Court (the public right-of-way directly to the south). The building is set back from Dixie Highway to provide outdoor dining/activity at the street wall. The edge will be defined with planters and a masonry wall. The applicant has maintained the 10 feet access easement between the subject property and the building to the north in order to accommodate delivery access. Miller Court would serve as access to the parking spaces behind the building. Loading and deliveries are proposed on the north side of the property.

The building will be constructed of masonry veneer, concrete masonry unit block, cast stone, metal panel cladding, and aluminum and clear glass storefront window system.

The interior of the building is arranged with the dining room at the southwest corner oriented toward Dixie Highway, the brewery is located towards the rear of the building and the kitchen is in the middle. The service area in the back will contain the trash area with a six-foot-high masonry enclosure.

Parking is 38 spaces + 10 spaces available after loading/delivery hours. Loading will be restricted so as not to occur during dining hours.

The subject property consists of five parcels that are nonconforming in size. The Village seeks to consolidate the lots into one zoning lot that would meet the minimum required lot size of one acre.

VILLAGE OF HOMEWOOD



The proposed use is defined as a Craft Brewery in the Homewood Zoning Ordinance. The subject property is zoned B-1, Central Business District. Craft Breweries are allowed as a special use. A special use allows the opportunity for the Village to consider the impact the proposed use may have upon neighboring lands and the public need for the proposed use at the subject location.

The proposed plan requires a variation from the provisions of Section 12.5 of the Zoning Code for both perimeter and internal landscaping in the parking lots. The applicant wishes to maximize the number of parking spaces and proposes a decrease in interior landscaping from 5% required to 2.5%. In order to provide an adequate turnaround area for loading-trucks, the landscape area along the southern portion of the east property line has been reduced.

This development requires four approvals by the Board of Trustees: (1) Plat of Consolidation, (2) Special Use Permit and Zoning Variation, (3) Redevelopment Agreement, and (4) Resolution in support of Class 8.

PROCESS

In 2018, the Village acquired the property in a tax foreclosure sale. At that time, the building had been vacant for approximately nine years. In October 2020, the Village established the Dixie Highway/Miller Court Tax Increment Financing District (TIF), which includes this property. The intent was to secure the subject property and provide incentives for suitable development. The Village partnered with the Cook County Sheriff's Restoring Neighborhoods Workforce (RENEW) program to demolish the building and prepare the site for redevelopment.

Homewood Brewing, LLC d/b/a Homewood Brewing Company submitted a letter of intent to purchase the subject property. As required, the Village provided the opportunity for other interested parties to submit alternate proposals to purchase the property. The Village received no bids.

On October 26, 2021, the Village Board approved a real estate purchase and sale agreement to sell the former Bogart's property to Homewood Brewing Company.

The Site Plan Review Committee reviewed the site plan on August 25, 2021, and December 10, 2021, and requested changes to the plan that included maintaining the access easement to the north, security cameras on both interior and exterior, replacement of the privacy fence at the east property line, and changes in landscape planting materials to species that are more sustainable. Homewood Brewing made the requested revisions and has provided an updated site plan.

VILLAGE OF HOMEWOOD



On February 3, 2022, the Appearance Commission reviewed and unanimously approved the building design, materials, landscaping, and lighting plans.

The Village of Homewood initiated an application for the consolidation of the existing five nonconforming lots into one zoning lot. The proposed lot is 1.052 acres, which meets the zoning requirements.

At its regular meeting on February 10, 2022, the Homewood Planning & Zoning Commission reviewed the request for the plat of consolidation, site plan approval, special use permit, and variation. The Planning & Zoning Commission, with five members present, unanimously recommended approval of the applications with the condition that a guard rail is installed along the southern border of Miller Court at the request of the property owner of the single-family home.

In making their recommendations, the Planning & Zoning Commission reviewed the proposed applications, comments received at the public hearing, and the standards set forth in the zoning ordinance.

The Village and Homewood Brewing Company have agreed to a redevelopment agreement. The Village's participation in the agreement includes the following terms as TIF increment revenue becomes available:

1. Sale of the property for \$1.
2. Reimbursement of the following TIF eligible items:
 - Reconstruction of Miller Court, including curb, gutter, and paving improvements;
 - Public utilities such as Miller Court storm sewer and water main;
 - Demolition/site preparation of the parking lots; and
 - Site preparation, including underground stormwater detention, and re-route or burial of electric power lines, to serve and accommodate the redevelopment of the property.

Costs are estimated at \$970,000. The projections of TIF revenues and the budget in the Dixie Highway/Miller Court TIF Plan are adequate to cover the costs.

Cook County has recognized the property tax issue for the Chicago Southland and created the Class 8 Cook County Tax Incentive Program. The Class 8 real estate tax incentive is designed to encourage industrial and commercial development in areas experiencing economic stagnation. Under this incentive program, qualified commercial real estate is assessed at 10 percent of market value for the first 10 years, 15 percent in the 11th year, and 20 percent in the 12th year.

VILLAGE OF HOMEWOOD



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. A Class 8 for this property will help bring the tax burden more in line with the competition in neighboring counties where the property tax rate is as much as 45% less.

OUTCOME

After consideration of public testimony, the following Findings of Fact (as proposed or amended) by the standards set forth in Section 2.16 may be entered into the record:

1. The subject property is located at 18225 Dixie Highway;
2. The Village of Homewood is the property owner;
3. Homewood Brewing Company is the contract purchaser of the property;
4. The subject property is zoned B-1 Central Business zoning district/DO Downtown Overlay district;
5. The Homewood Zoning Code and Municipal Code require a minimum lot area of one acre in the B-1 zoning district;
6. The proposed lot would be 1.052 acres in area;
7. The proposed lot conforms to the Zoning Code requirements;
8. Homewood Brewing Company proposes to construct a two-story restaurant and craft brewery;
9. Craft breweries are allowed as a special use in the B-1 Central Business zoning district; and
10. The subject property has 38 onsite parking spaces plus 10 spaces available after deliveries and during dining hours.

Redevelopment of the former Bogart's property will result in the development of an underutilized vacant property at the gateway to downtown Homewood. Homewood Brewing Company plans to construct a restaurant and craft brewery. A restaurant is a targeted business and will be an attraction to Homewood. Redevelopment of the property will improve the overall physical conditions of the area and augment the area's mix of commercial uses.

FINANCIAL IMPACT

Funds for the public improvements of this development will come from the Dixie Highway/Miller Court TIF District. \$200,000 was budgeted for the current fiscal year.

- **Funding Source:** Dixie Highway/Miller Court Tax Increment Financing (TIF) Fund
- **Budgeted Amount:** \$200,000 – FY2022-23
- **Cost:** \$970,000 (to be reimbursed over the life of the TIF)

VILLAGE OF HOMEWOOD



LEGAL REVIEW

Completed

RECOMMENDED BOARD ACTION

Pass an ordinance to approve a plat of consolidation of five nonconforming parcels into a single conforming parcel at 18225 Dixie Highway; Pass an ordinance granting a special use permit and variations to allow the construction of a craft brewery at 18225 Dixie Highway; Authorize the Village President to enter into a redevelopment agreement with Homewood Brewing, LLC d/b/a Homewood Brewing Company; and, Pass a resolution in support of a Cook County Class 8 incentive for the property located at 18225 Dixie Highway.

ATTACHMENT(S)

- Ordinance approving a Plat of Consolidation
- Plat of Consolidation
- Ordinance granting special use permit and zoning variation
- Site plan and renderings
- Redevelopment agreement
- Resolution