

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: February 13, 2024

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Angela Mesaros, Director of Economic and Community Development

Topic: Letter of Intent – 2124 183rd Street

PURPOSE

Animesh (Andy) Kumar of Ultra Energy Group LLC has an interest in the purchase and rehabilitation of the property at 2124 183rd Street, a former Citgo gas station now owned by the Village. The property is a vacant one-story commercial structure with parking. The developer has requested that the Village forego marketing and sale of the property for a period of time so that the developer can perform their due diligence and prepare for the redevelopment of the property.

PROCESS

In 2021, the Village purchased the property for \$40,000 from the Cook County Land Bank Authority (CCLBA). The CCLBA originally acquired the property after it had been vacant and tax delinquent for several years. Village funds to buy the property came from the Southwest Central Business District TIF. The Southwest CBD TIF ended in 2022, so the property is no longer in a TIF district. At the June 13, 2023, Village Board meeting, the Board passed Resolution R-3146 directing staff to publish a solicitation for alternate bids. After publication and deadline, no alternate proposals were received.

After acquiring the property, the Village engaged TriCore Environmental, LLC to remediate the Brownfield site under the State's Leaking Underground Storage Tank (LUST) program so it could be safely redeveloped. TriCore outlined the State's requirements to obtain a No Further Remediation Letter (NFR) for the property. One of the requirements to obtain the NFR, is the passage of a limited groundwater ordinance also on the February 13, 2024 Village Board agenda.

The Village prepared a Letter of Intent (LOI) for consideration by the Village Board with the following terms:

1. The developer purchases and redevelops the property with the proposed Big Rocco's restaurant.
2. The developer has 90 days to perform due diligence.

VILLAGE OF HOMEWOOD



3. Any redevelopment plans will be developed and implemented in line with the restrictions outlined on the Property Owner Summary Form (POSF) (as prepared by TriCore Engineering).
4. The new property owner must sign the POSF at the time of purchase, which is a requirement of the NFR letter.
5. The developer will buy the property for \$47,500.
6. The Village will not negotiate with other parties during this due diligence period.
7. The developer will be given access to the property to perform its due diligence.
8. The developer must negotiate a redevelopment agreement (RDA) with the Village for the sale and redevelopment of the Property within 90 days.
9. No money is required from the developer when it signs the RDA, but if the developer decides not to develop the property, they are responsible for their due diligence costs.

OUTCOME

The property is on a prominent corner (183rd Street and Harwood Avenue) of a major thoroughfare in the Village, and the purchase and redevelopment will result in the revitalization of a vacant commercial property.

FINANCIAL IMPACT

- **Funding Source:** No Financial Impact
- **Budgeted Amount:** N/A
- **Cost:** N/A

LEGAL REVIEW

Completed

RECOMMENDED BOARD ACTION

Approve a Letter of Intent with Ultra Energy Group LLC for the Village-owned property located at 2124 183rd Street.

ATTACHMENT(S)

- Letter of Intent
- Proposed Business Plan