

# VILLAGE OF HOMEWOOD



**BOARD AGENDA MEMORANDUM**

**DATE OF MEETING: October 22, 2024**

---

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

**Through:** Napoleon Haney, Village Manager

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

**Topic:** Inducement Resolution – 2024 Chestnut Road

## **PURPOSE**

The Village has a Letter of Intent with a developer, Tim Flanagan, and HFC II Homewood, LLC, for the purchase and redevelopment of the property at 2024 Chestnut Road. The property is currently a public parking lot which is owned by the Village. The proposal involves the construction of a five-story, 59-unit residential building with interior parking and amenities. The Village anticipates entering into a redevelopment agreement for incentives.

The property is located within the Downtown Transit Oriented Development (TOF) Tax Increment Financing District. The developer is expected to incur costs for the redevelopment of the property before the creation of a new Tax Increment Financing (TIF) district and before approval of the redevelopment agreement. In addition, the Village will incur costs related to the eligibility study and adoption of the TIF district. A TIF inducement resolution is a resolution that encourages a developer to incur costs before a TIF district is established and to be reimbursed for eligible expenditures after the TIF is created. The resolution also allows the Village to incur costs and be reimbursed after the TIF is created.

## **PROCESS**

In 2006, the Village consolidated six (6) parcels at the northeast corner of Chestnut Road and Harwood Avenue. The subject property was identified as a key redevelopment site. The Village began discussions with a developer regarding this property in 2022. On July 25, 2023, the Village approved a Letter of Intent (LOI) with Tim Flanagan and HCF Homewood II, LLC to purchase and redevelop the Village Hall parking lot. Since then, Tim Flanagan has indicated that the developer's name has changed to VPL Homewood, LLC.

The property is located within the Downtown TOD Tax Increment Financing District. The Village has engaged Ryan LLC (formerly Kane, McKenna & Associates) to prepare an eligibility study under the TIF Act to remove approximately thirty parcels from the existing Downtown TOD TIF district to create the new TIF. The new TIF would encompass the area of Harwood east to Dixie Highway and Ridge Road north to the Dixie viaduct that includes the subject property. The anticipated date for designation of the TIF district is March 2025.

## VILLAGE OF HOMEWOOD



With an inducement resolution in place, the developer has some assurances that their pre-development work (architects, engineering, etc.) if TIF eligible, would be reimbursed once a redevelopment agreement (RDA) is in place. If a RDA is never realized, the Village is not obligated to reimburse the developer for any costs related to the proposed development.

### **OUTCOME**

The property is ideally located in proximity to the Metra station. Passage of the inducement resolution will allow, but will not bind, the Village to enter into a redevelopment agreement at a later date and reimburse the developer for those previously incurred expenses. The benefit of such a development is that it brings more residents to the downtown that will frequent the restaurants and stores, increases overall property values in the vicinity, and strengthens and enhances the Village's tax base.

### **FINANCIAL IMPACT**

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

### **LEGAL REVIEW**

Completed

### **RECOMMENDED BOARD ACTION**

Pass a resolution declaring the Village of Homewood's intent to Reimburse TIF Eligible Expenditures related to the Harwood Transit Oriented Development (TOD) Tax Increment Financing District.

### **ATTACHMENT(S)**

Resolution