

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: Amendment to Contract – New TIF District – North Halsted Street

PURPOSE

The Village is working with consultant Ryan LLC (formerly Kane, McKenna, and Associates, Inc.) to establish a new tax increment financing (TIF) district for the properties on the west side of Halsted Street, south of 175th Street, which includes the former Walmart property. In the initial phase of the TIF eligibility study, Ryan LLC found that the proposed area - the former Walmart and Kohl's buildings - would not meet the qualifying factors. Therefore, staff expanded the boundary area, which we believe will meet the TIF criteria. The new expanded TIF will add cost to the analysis. Therefore, an amendment to the contract and a budget amendment requires Village Board approval.

PROCESS

In early 2023, Walmart announced they were closing the Homewood store at 17550 Halsted Street. The Village has been working with a developer and potential tenants to reoccupy the former Walmart building and gas station. On July 9, 2024, the Village approved a contract with Ryan LLC to establish a new TIF for this area. In the initial phase of the eligibility study, Ryan LLC found that the area (the former Walmart and Kohl's) would not meet the qualifying factors. Therefore, staff has proposed expanded map boundaries for the TIF establishment.

The larger area includes several properties that need major updates and would qualify for TIF-eligible expenses, including dilapidated commercial and office buildings at Halsted and Ridge, an aged mobile home park dating back to the 1940s, and buildings with vacancies and code violations.

An amendment to the letter of engagement details the proposed work. The services are in two (2) phases: Phase I – review of qualification factors and economics of the proposed TIF (estimated to be \$16,500), and Phase II – implementation of a redevelopment plan and project (\$17,000).

The amendment is attached and includes the scope of work and boundary map. The total cost of the project is an “estimate” of \$33,500. Staff recommends that the Village Board include a 15% cost contingency of \$5,025 for potential unforeseen costs.

VILLAGE OF HOMEWOOD



OUTCOME

The area is on Halsted Street, a major commercial thoroughfare in the Village. Tax Increment Financing (TIF) designation will allow incentives for the development and improvement of property located along the west side of Halsted Street south of 175th Street (approximately 25 parcels).

FINANCIAL IMPACT

- **Funding Source:** General Fund
- **Budgeted Amount:** \$30,000
- **Total Cost:** \$38,525 (\$33,500 contract + \$5,025 contingency costs)
(Should the TIF move forward, TIF increment may be used to pay back the General Fund as the increment becomes available.)
- **Budget Amendment Requested:** \$10,000

LEGAL REVIEW

Completed

RECOMMENDED BOARD ACTION

Authorize the Village President to enter into amendment number one of the agreement with Ryan LLC for \$33,500, with a 15% cost contingency (\$5,025) to assist in establishing a TIF district in the area of the former Walmart on Halsted Street; and, approve a budget amendment in the amount of \$12,000.

ATTACHMENT(S)

Ryan LLC amendment number one