

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: Redevelopment Agreement for Property at 2018-2020 Ridge Road

PURPOSE

The developer, CIG (Chicago Investment Group) 2020 Homewood LLC, proposes to purchase and renovate the property at 2018-2020 Ridge Road. The property is vacant and owned by the Village. The project involves renovation and interior build-out of the existing commercial building into a Mongolian BBQ restaurant.

PROCESS

The Village established the Downtown Transit-Oriented Development Tax Increment Financing Redevelopment Project Area (Downtown TOD TIF) in 2017. In 2020, the owner of Karate for Kids at 2018-2020 Ridge Road donated the building to the Village of Homewood. In October 2020, the Village amended its lease with the Homewood Science Center to add the donated property. The building's intended use was to expand the Science Center's educational programs and sell merchandise in that space.

Upon inspection of the property, the Village determined that the building required major repairs and updates for occupancy. In 2022, the Village completed roof replacement, tuckpointing, rear deck removal, replacement of the rear door, and demolition of the interior space. Several upgrades remain, including ADA bathroom installation, HVAC purchase and installation, asbestos remediation, and plumbing, electrical, and gas upgrades. The building was separated from the Science Center's lease agreement on April 23, 2024.

In April 2024, CIG 2020 Homewood LLC submitted a proposal to purchase and renovate the property at 2018-2020 Ridge Road. At the May 14, 2024, Village Board meeting, the Board passed Ordinance M-2294 directing staff to publish a solicitation for alternate proposals. The solicitation was published in the Daily Southtown on May 16, 2024.

The Village received three (3) proposals for the purchase and renovation of the Village-owned property at 2018-2020 Ridge Road. The staff has evaluated the proposals with criteria based on the best use, community and Village benefit, sustainability, and best fit. At its June 25, 2024

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meeting, the Village Board selected CIG 2020 Homewood LLC as the preferred proposal, and directed staff to negotiate a purchase and sale agreement and a redevelopment agreement.

The Village and the developer have agreed to the following terms set in the redevelopment agreement as TIF increment revenue becomes available:

1. The Village agrees to sell the property to the developer for \$1.
2. The Village will support a Cook County Class 8 incentive. 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 is designed to encourage 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. 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.
3. The agreement ends when construction is complete, and the restaurant opens for business.

OUTCOME

The developer plans to invest in the property through renovation and interior buildout of a Mongolian BBQ restaurant. The Project will enhance the downtown by returning the property to the tax rolls, creating employment opportunities, and adding another dining option for downtown residents and patrons.

FINANCIAL IMPACT

- **Funding Source:** N/A
- **Budgeted Amount:** N/A
- **Cost:** \$0

LEGAL REVIEW

Completed

RECOMMENDED BOARD ACTION

1. Authorize the Village President to enter into a redevelopment agreement with CIG 2020 Homewood LLC .
2. Pass the “Ordinance Approving a Purchase and Sale Agreement between the Village of Homewood and CIG 2020 Homewood LLC for 2018-2020 Ridge Road, Homewood.”
3. Pass a resolution in support of the Cook County Class 8 incentive.

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ATTACHMENT(S)

- Redevelopment Agreement
- Ordinance
- Resolution