

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: February 24, 2026

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Amy Zukowski, Director of Finance

Topic: Budget Amendment – Stoney Point Grill II, LLC Incentive Payment

PURPOSE

Approve a budget amendment request to pay Stoney Point Grill II, LLC their third of six incentive payments from the redevelopment agreement approved at the October 25, 2022 Board meeting.

PROCESS

During the October 25, 2022 Board of Trustees meeting, the Village Board authorized entering into a redevelopment agreement with Stoney Point Grill II, LLC. The redevelopment agreement provided for reimbursement of TIF and non-TIF costs to assist the developer with the build-out of the restaurant. The reimbursements to Stoney Point Grill II, LLC total \$850,000 over a six-year period, according to the following schedule:

1. \$425,000 within 30 days of the opening date, subject to Stoney Point's payment to HCF Homewood, LLC (the developer of the Hartford Building) in the amount of \$231,305 for reimbursement of expenses related to the restaurant.
2. \$85,000 after 12 months after the opening date. (2025)
3. \$85,000 after 24 months after the opening date. (2026)
4. \$85,000 after 36 months after the opening date. (2027)
5. \$85,000 after 48 months after the opening date. (2028)
6. \$85,000 after 60 months after the opening date. (2029)

Since Stoney Point has completed an additional 12 months of successful operations, the Village is required to make the third incentive payment. In anticipation of this payment, a budget amendment is required.

Assigned Fund Balance

The funding for the full \$850,000 incentive payment over six (6) years will come from Assigned Fund Balance. Assigned Fund Balance includes fund balance dollars, separate from our fund reserves, that have been designated and obligated to use for a specific purpose. The Village typically utilizes assigned fund balance dollars to fund actual and/or prospective non-TIF

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incentives for pending or proposed projects that occur outside of our TIF districts. The process of assigning and obligating assigned fund balance dollars occurs every year during the audit process.

Source of Funding for this Incentive

The initial funding for the incentive to Stoney Point Grill II, LLC was \$600,000 that was drawn down to the Village from our reserves with the Intergovernmental Risk Management Agency (IRMA) in April of 2020. Our reserves with IRMA had slowly accumulated from prior years where Homewood's insurance premium payments to IRMA were less than the amount of claims that were paid out – creating the reserve. The \$600,000 was moved from IRMA and stored within the General Fund Balance and was intended to be used specifically for this development and is “assigned” to the incentive obligation annually through the audit process. The initial portion of the incentive payment (\$425,000) was paid from the \$600,000 brought back from IRMA.

The remaining \$425,000 to be paid over the next five (5) years (*\$85k per year in 2025 thru 2029*) will also be paid from Assigned Fund Balance and is required to be approved by the Board every year using the “budget amendment” process.

The Village has been fortunate with the ability to meet our minimum fund balance/reserve policy (*five months of operating expenditures*) and still be able to assign funds above the required minimum for projects such as Stoney Point Grill II, LLC. We will continue to assign fund balance for this redevelopment agreement annually through the audit process as long as our minimum fund balance requirement continues to be met. Should the Village not be able to assign fund balance at some point in the future, the annual incentive payment will be paid out of the General Fund.

OUTCOME

Approval of the budget amendment will allow the Village to meet its obligation to Stoney Point Grill II, LLC and HCF Homewood, LLC for their third incentive payment.

FINANCIAL IMPACT

- **Funding Source:** General Fund Assigned Fund Balance
- **Budgeted Amount:** \$0
- **Cost:** \$85,000

LEGAL REVIEW

Not Required

RECOMMENDED BOARD ACTION

Approve a budget amendment of \$85,000 to the General Fund for the incentive payment to Stoney Point Grill II, LLC.

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ATTACHMENT(S)

None