

# VILLAGE OF HOMEWOOD



**BOARD AGENDA MEMORANDUM**

**DATE OF MEETING: November 22, 2022**

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**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 for 3043-3055 183<sup>rd</sup> Street

## **PURPOSE**

David Bossy of Mid-America Development has expressed interest in the purchase and redevelopment of the property located at 3043-3055 183<sup>rd</sup> Street. This property includes the former Big Lots and Brunswick Zone buildings, which are owned by the Village. The developer has requested that the Village hold the property for a period of time so that they can prepare for the redevelopment of the property.

## **PROCESS**

The Village recently acquired the property at 3043-3055 183<sup>rd</sup> Street through a settlement agreement, with the intent to attract redevelopment of the property. In 2021, the Village created a Tax Increment Financing District designating the subject property as part of the redevelopment project area, an economic development tool for future financial assistance for redevelopment activity.

The Village Attorney has prepared a letter of intent to be approved by the Village Board and the developer with the following terms of the agreement:

1. The developer purchase and redevelop the property with one or more of the acceptable uses listed in the Letter of Intent.
2. The developer has 90 days to evaluate the property for potential development.
3. Assuming the developer's evaluation finds the property suitable, the village would not market the property or negotiate a redevelopment agreement with another party for one year.
4. The developer would be given access to the property to conduct soil borings and environmental testing.
5. The developer and the Village will enter into a tax increment financing (TIF) redevelopment agreement (RDA) for the sale and redevelopment of the Property within one year of the execution of the Letter of Intent.
6. If the developer incurs TIF-eligible costs, these would be addressed in a redevelopment agreement and reimbursed to the developer. The Illinois TIF Act authorizes funds for

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property acquisition, construction of public improvements, financing costs including interest assistance, studies, surveys, plans, and professional services such as architectural, engineering, legal, and financial planning.

7. No money is required upfront from the developer, but if the developer decides not to develop the property, they are responsible for their due diligence costs.

### OUTCOME

The property is ideally located and has a highly visible location on 183<sup>rd</sup> Street near Kedzie Avenue. The sale of the property will result in the redevelopment of vacant buildings. The benefit of such a development is that it would return an underutilized property to productive use, strengthening and enhancing the Village's tax base.

### 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 Mid-America Development for the property located at 3043-3055 183rd Street.

### ATTACHMENT(S)

Letter of Intent