

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: May 13, 2025

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Angela Mesaros, Director of Economic and Community Development

Topic: Cook County Class 8 Incentive – 17627 Halsted Street

PURPOSE

Jeffrey Vierra purchased the property at 17627 Halsted Street. The Village is being asked to support a Class 8 property tax designation for this property. The Class 8 program promotes commercial development throughout Cook County by encouraging expansion, retaining existing businesses, and enhancing employment opportunities. If the property meets the criteria, it would be assessed at 10% for the first 10 years and any subsequent 10-year renewal period. If the incentive is not renewed, it would be assessed at 15% in year 11, 20% in year 12, and 25% in the following years.

PROCESS

Jeffrey Vierra acquired the 4,392-square-foot retail building. The property consists of two (2) commercial spaces, one of which is occupied by Dave's Hot Chicken, while the other is vacant. Since acquiring the building, the applicant has invested in capital improvements to the property. The applicant's rehabilitation created approximately fifteen (15) construction jobs. The restaurant will bring in an additional five (5) full-time employees and four (4) part-time employees.

The Cook County Assessor administers the Class 8 real estate tax incentive. The incentive is designed to encourage industrial and 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 Class 8 designation may be renewed during the last year in which a property is entitled to a 10 percent assessment level or when the incentive is still applied at the 15 percent or 20 percent assessment level, upon approval of the Village Board by passing a resolution consenting to the renewal.

The Cook County tax system has placed a heavy tax burden on commercial properties that must compete with the lower tax rates in adjacent counties and in Indiana, where the property tax rate is as much as 45% less. Cook County has recognized the property tax issue for the Chicago Southland and created the Class 8 Cook County Tax Incentive Program. The program identifies

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five (5) Cook County townships that have automatic certification for the incentive; the subject property is located in Thornton Township, one of the five designated townships.

OUTCOME

With the incentive, property taxes would be approximately \$41,000 annually. The current assessment, without an incentive, is \$96,552. The Class 8 classification results in an annual savings of \$55,552 for the property owner.

FINANCIAL IMPACT

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

LEGAL REVIEW

Completed

RECOMMENDED BOARD ACTION

Pass a resolution supporting a Class 8 Cook County tax classification for the property located at 17627 Halsted Street, owned by Jeffrey Vierra.

ATTACHMENT(S)

- Resolution
- Request for Class 8