

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 Renewal – 2034 Ridge Road

PURPOSE

Gendreau Homewood Holdings LLC, the owner of La Banque Hotel, is seeking Village support to renew a Class 8 property tax designation for the property at 2034 Ridge Road. The Village of Homewood granted support for this designation in 2012 as a component of the redevelopment agreement to renovate the former Great Lakes Bank building into a boutique hotel.

The Class 8 program encourages commercial development throughout Cook County by stimulating expansion, retaining existing businesses, and increasing employment opportunities. Under this program, the property is assessed at 10% during the first 10 years and for any subsequent 10-year renewal period.

The current Class 8 property tax incentive is near the end of its term and set to expire in 2025. If the incentive is not renewed, the property would be assessed at 15% in year 11, 20% in year 12, and 25% in subsequent years.

PROCESS

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 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.

The Cook County Assessor administers the Class 8 real estate tax designation to encourage industrial and commercial development in areas experiencing economic stagnation. Under this program, qualified commercial real estate is assessed at 10 percent of the 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 that a property is entitled to a 10 percent assessment or when the incentive is still applied at the 15 percent or 20 percent assessment level, subject to approval by the Village Board and the passing of a resolution consenting to the renewal.

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Gendreau Homewood Holdings LLC operates an approximately 44,000-square-foot, two-story boutique hotel at this site. La Banque currently employs over 20 full-time staff at this property. Retaining the Class 8 incentive is crucial for the financial health of this business and its ability to serve the community.

OUTCOME

Approval of this incentive renewal will assist Gendreau Holdings in its ability to attract people to Homewood through the hotel and restaurant. With the incentive, property taxes are approximately \$26,200 annually. Gendreau estimates that without an incentive, taxes would be more than \$65,000 annually. The Class 8 results in an annual savings to the property owner of \$38,800.

FINANCIAL IMPACT

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

LEGAL REVIEW

Completed

RECOMMENDED BOARD ACTION

Pass a resolution supporting and consenting to a Class 8 Cook County tax classification for the La Banque Hotel property located at 2034 Ridge Road, owned by Gendreau Homewood Holdings LLC.

ATTACHMENT(S)

- Resolution
- Request for Class 8 Renewal