

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: May 26, 2026

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Terence Acquah, Assistant Village Manager

Topic: Contract – Tax Increment Financing (TIF) Bond Preliminary Feasibility Analysis for the North Halsted TIF District

PURPOSE

Staff recommends that the Village approve a budget amendment in the amount of \$9,700 and authorize the Village Manager to engage SB Friedman Development Advisors of Chicago, IL for a total amount of \$29,700 to conduct a comprehensive analysis of the North Halsted TIF district's ability to generate increment required to support debt service for a potential bond issuance.

PROCESS

North Halsted TIF

The North Halsted Tax Increment Financing (TIF) District is an established redevelopment project area located along the Village of Homewood's Halsted Street commercial corridor, one of the Village's primary north-south arterial roadways. The Village Board of Trustees formally adopted the North Halsted TIF District on February 25, 2025. The TIF will expire in February of 2048. The district encompasses approximately 236 acres, generally bounded by 175th Street to the north, Ridge Road to the south, Halsted Street to the east, and Ashland Avenue to the west. Most of the physical land area within the TIF consists of the 193-acre Izaak Walton Preserve.

Walmart Closure in 2023

The TIF district includes a mix of commercial, retail, office, institutional, and open-space uses, with a particular focus on the redevelopment of large, underutilized properties, most notably the former Walmart site on Halsted Street, which closed in March 2023 and has remained vacant since that time. The TIF district also includes additional aging commercial properties, portions of the Izaak Walton Preserve, and supporting roadway and infrastructure systems.

TIF Creation

The North Halsted TIF District was established to address documented conditions of blight, underutilization, and economic stagnation along the corridor caused, in part, by the closure of Walmart and its fueling center. While the area has historically served as a major retail destination for Homewood and surrounding communities, several properties within the district exhibited declining assessed values, functional obsolescence, vacant structures, and site design constraints that limited private reinvestment without public assistance.

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Role of the North Halsted TIF

The establishment of the North Halsted TIF District represents a long-term economic development strategy for the Village of Homewood. The TIF framework provides flexibility to respond to changing market conditions along the Halsted corridor, particularly as retail formats evolve and redevelopment opportunities arise near regional attractions such as the Wind Creek Southland Casino located immediately north of the district boundary. The District is intended to function as a financial platform through which the Village can evaluate the feasibility of future investments, including the potential issuance of TIF-backed bonds to advance infrastructure improvements and catalyze private redevelopment consistent with municipal goals.

What are TIF Bonds?

In Illinois, municipal *special tax allocation bonds*, most commonly known as Tax Increment Financing (TIF) bonds, are debt instruments issued by local governments to fund redevelopment in blighted or economically stagnant areas. These bonds are repaid using the "tax increment," which is the additional property tax revenue generated when property values rise due to the new development.

Key Features of TIF Bonds:

- **Repayment Source:** Bond are primarily secured by the Special Tax Allocation Fund, which is the repository for the incremental property tax revenues collected from the TIF district.
- **Purpose:** Bond proceeds are used for "eligible redevelopment project costs," including land acquisition, demolition, infrastructure improvements (streets, sewers), and professional fees.
- **Duration:** TIF districts and resultant TIF Bonds typically last for 23 years, though they can sometimes be extended up to 35 years under specific conditions.
- **Liability:** While often issued as revenue bonds (repaid only from the property tax increment), the bonds can also be issued as "alternative revenue bonds."
- **Different from General Obligation (GO) Bonds:** For non-home rule municipalities like Homewood, GO bonds require a successful referendum to issue the bonds because the bonds are guaranteed solely by the municipality's property taxes. Alternative revenue bonds are bonds issued with a "specific revenue stream" guaranteed as the debt service (i.e. sales tax or TIF increment). Alternative revenue bonds do not require a referendum to issue bonds.

Request for Qualifications (RFQ)

Through the RFQ process, the Village sought an experienced firm with expertise in Illinois TIF districts, municipal finance, and Cook County property tax practices to evaluate the North Halsted TIF District's long-term revenue-generating potential and its ability to support future TIF-backed bond issuances. Specifically, the Village was looking for a consultant capable of forecasting tax increment growth, analyzing debt-service feasibility, modeling various bond issuance scenarios, and providing recommendations regarding the financial viability of redevelopment and infrastructure investments within the district.

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The Village issued a Request for Qualifications (RFQ) on April 24, 2026, seeking a qualified consultant to perform a Tax Increment Financing (TIF) Bond Feasibility and Analysis for the North Halsted TIF District. The RFQ remained open for approximately two weeks, with proposals due by May 8, 2026.

The Village received one response to its RFQ for a TIF Bond Analysis of the North Halsted TIF District. Staff was not surprised by the limited response, as several area TIF consultants previously identified S.B. Friedman Development Advisors as one of the firms best suited to perform this type of analysis, particularly within Cook County.

Who is SB Friedman Development Advisors?

S.B. Friedman Development Advisors is a Chicago-based real estate, economic development, and public-private finance advisory firm with more than 36 years of experience assisting both public and private sector clients throughout Illinois. The firm has extensive expertise in all stages of the Tax Increment Financing (TIF) process, including TIF district designation, amendments, compliance, reporting, financial modeling, and transaction structuring.

S.B. Friedman regularly works alongside municipal advisors, underwriters, bond counsel, tax counsel, and public agencies to support bond issuances, refunding's, and other financing transactions, including TIFIA loans. As part of these efforts, the firm prepares detailed revenue projections related to incremental property taxes, sales taxes, and other project-generated revenues. Their analyses typically include historical district performance data, demographic and market trends, evaluations of major taxpayers, redevelopment activity, and identification of potential financial risks.

The firm has completed similar analyses for municipalities such as the City of Wood Dale and the Villages of Roselle and Villa Park, among many others across the region. In addition to its technical financial expertise, S.B. Friedman is widely recognized for its rigorous “but for” analysis, underwriting capabilities, and ability to structure successful public-private financing partnerships that support high-quality redevelopment projects. The firm also brings extensive experience in fiscal impact analysis, economic impact analysis, market analysis, and broader development advisory services.

The project will be led by Geoffrey Dickinson, AICP, Partner with S.B. Friedman Development Advisors. Notably, Mr. Dickinson also served as the presenter for the Village’s first “Hot Topic” discussion focused on TIF 101, which he volunteered his expertise at no cost to the Village.

OUTCOME

The analysis will take approximately two to three months to complete. Once finished, the Village will have an idea of the amount of debt and resultant “proceeds/dollars” that the TIF could yield. If bonds are issued, the proceeds would be used to redevelop the various areas/sites within the

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TIF. The study may also help identify the types and best yield-developments that would be both ideally and realistically suited for the vacated Walmart site. If a TIF Bond proves to be financially viable and is approved, it would be structured as an Alternate Revenue Bond.

FINANCIAL IMPACT

- **Funding Source:** North Halsted TIF Fund
- **Budgeted Amount:** \$20,000
- **Budget Amendment Requested:** \$9,700
- **Cost:** \$29,700

LEGAL REVIEW

Not Required

RECOMMENDED BOARD ACTION

Approve a budget amendment for \$9,700; and, authorize the Village Manager to enter into an agreement with SB Friedman Development Advisors of Chicago, IL in the amount of \$29,700 to conduct a comprehensive analysis of the North Halsted TIF district's ability to generate sustainable increment required to support the debt service for bond issuances.

ATTACHMENT(S)

- RFQ
- Proposal Letter