

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: October 28, 2025

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Angela Mesaros, Director of Economic and Community Development

Topic: Economic Development Incentives – 18065 Harwood Avenue, Retail Suite #2

PURPOSE

The Village created the Business Incentive Program to provide financial assistance for the improvement and maintenance of commercial buildings that would increase the assessed valuation and marketability of the area. The goals of this program include promoting the revitalization of properties, assisting with upgrades to buildings, and attracting and expanding retail.

Larry Kane of Jonathan Kane Salon and Spa has applied for incentives from the Village to offset the cost of replacing an air conditioning unit for use at the salon on the first floor of 18065 Harwood Avenue within the Village's B-2 Downtown Transition zoning district. Jonathan Kane Salon and Spa is an Aveda Concept Salon and Spa serving the Chicagoland area, and is a 13-time recipient of *Salon Today* magazine's Top 200 Salons in the U.S.

The project's cost is \$7,572. Staff recommends approval of \$3,786 in reimbursement from the Business Incentive Program to cover 50% of the cost. This incentive payment will also require a budget amendment.

PROCESS

On June 24, 2025, the Village Board approved an incentive to replace one of the air conditioning units. The incentive was for reimbursement of \$3,786 (50% of the cost of replacement of the first unit). The second air conditioning unit has failed and is now in need of replacement.

Staff reviewed the application from Jonathan Kane Salon and Spa for eligibility under the Business Incentive Program, which was established to provide incentives to properties outside of a TIF district through three (3) programs: *Façade and Property Improvements*, *Go Green*, and *Retail Enhancements*. These programs allow reimbursement of up to 50% of the eligible costs.

The Façade and Property Improvement Program aims to promote revitalization by offering financial assistance for the improvement and maintenance of existing commercial buildings. Eligible expenses encompass upgrades to the building. The total cost is \$7,572, and this program provides 50% reimbursement of approved expenditures (up to \$25,000). The maximum incentive available under this program is \$3,786, which is 50% of the total cost.

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This amount is consistent with the level of incentives offered to previous applicants. The funds provided by the Village would reimburse the applicant for actual expenses incurred. Costs would be reimbursed only after receipt of the payments are submitted to and approved by staff.

Source of Funding Incentive

The Village budgets \$25,000 annually for non-TIF business incentives. The Village has already expended these funds in Fiscal Year 2025-2026 through several incentive agreements.

During the annual audit process, if the \$25,000 budgeted has not been spent, the remaining dollars are rolled forward and allocated as Assigned Fund Balance. Assigned Fund Balance is a self-imposed constraint with the intent to use fund balance for a specific purpose, in this case for non-TIF incentives when the current budget is expended. This \$3,786 incentive payment will come from Assigned Fund Balance. The use of Assigned Fund Balance dollars requires a budget amendment.

OUTCOME

Many businesses in Homewood incur costs related to upgrading their spaces and ensuring compliance with fire and building codes. The recommended funding will be utilized to implement permanent improvements to the building that will enhance the long-term viability of the space.

FINANCIAL IMPACT

- **Funding Source:** General Fund Assigned Fund Balance
- **Budgeted Amount:** \$0
- **Budget Amendment Requested:** \$3,786

LEGAL REVIEW

Completed

RECOMMENDED BOARD ACTION

Approve a budget amendment of \$3,786 to the General Fund for an incentive payment to Larry Kane; and pass a resolution authorizing the Village President to enter into an incentive agreement with Larry Kane of Jonathan Kane Salon and Spa, to provide financial assistance from the non-TIF Business Incentive Program for \$3,786 for building improvements at 18065 Harwood Avenue, Retail Suite #2.

ATTACHMENT(S)

- Resolution
- Incentive Agreement
- Application