

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: September 24, 2024

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 – 18031 Dixie Highway

PURPOSE

Wealth Center, LLC purchased the property at 18031 Dixie Highway. The property, formerly Culture Food & Entertainment, is vacant. The owner plans to operate a restaurant named Mitchell and Michaels Plat Du Jour. It will combine live performances with soul food cuisine. The Village is being asked to support a Class 8 property tax designation for this property.

The Class 8 program encourages commercial development throughout Cook County by stimulating expansion, retaining existing businesses, and increasing employment opportunities. If the property qualifies, it would be assessed at 10% during the first 10 years and for 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 subsequent years.

PROCESS

Wealth Center, LLC of Oak Park, IL, recently purchased the 4,882-square-foot commercial building. The building was vacant at the time of the real estate closing. The former restaurant struggled and ultimately closed after COVID. The property has been vacant for more than 12 months and is eligible for a Cook County Class 8 Tax Incentive.

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 and the passing of 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

VILLAGE OF HOMEWOOD



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.

OUTCOME

The property taxes without an incentive would be approximately \$41,841 annually. With a Class 8 incentive, property taxes will be reduced to \$20,311 annually. The new restaurant would add five construction jobs, 10 permanent full-time jobs and 10 permanent part-time jobs.

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 at 18031 Dixie Highway owned by Wealth Center, LLC.

ATTACHMENT(S)

- Resolution
- Request for Class 8