

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: July 8, 2025

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Angela Mesaros, Director of Economic and Community Development

Topic: Redevelopment Agreement for Property at 3003-3025 183rd Street

PURPOSE

The developer, Caton Commercial Real Estate Group dba PWP Homewood LLC, proposes to purchase and renovate the commercial strip center, Park West Plaza, at 3003-3025 183rd Street. The property is partially vacant and owned by the Village. The project involves renovation and interior build-out of the existing commercial building.

PROCESS

The property is in the 183rd West Tax Increment Financing (TIF) District. The Village established the 183rd West Tax Increment Financing Redevelopment Project Area (183rd West TIF) in 2024.

In December 2023, the Village of Homewood acquired the Park West Plaza shopping center (*i.e. American Bagel Plaza*) at 3003-3025 183rd Street through the Cook County No Cash Bid Program. The property has been partially (2/3) vacant with delinquent property tax bills and deferred maintenance for many years. Upon acquisition of the property, the Village completed various maintenance improvements. In addition, the Village negotiated lease arrangements with the three existing tenants: State Farm, Golden Needle Alterations, and The Great American Bagel Co. All tenants have expressed interest in remaining in the center under new ownership.

In February 2024, Rabid Ground LLC submitted a proposal to purchase and renovate the property at 3003-3025 183rd Street. According to the TIF statute, the Village may sell the property for a nominal amount as part of a redevelopment agreement. However, before transferring the property, the TIF Act requires the Village to solicit from interested parties to submit alternate development proposals.

At the March 11, 2025, Village Board meeting, the Board passed Ordinance M-2346 directing staff to publish a solicitation for alternate proposals. The solicitation was published in the Daily Southtown. In addition, the Village posted the solicitation on its social media forums on March 12, 2025, and the responses on April 17, 2025. The proposed development plans are available at the Village Clerk's Office and on the Village website

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The Village received three (3) proposals for the purchase and renovation of the Village-owned property at 3003-3025 183rd Street. Staff has evaluated the proposals with criteria based on the project's response to community needs, improved property conditions, sustainability, maximizing yield, and the community investment timeline. At its May 27, 2025, meeting, the Village Board selected Caton Commercial Real Estate Group as the preferred proposal and directed staff to negotiate a redevelopment agreement.

The Village and the developer have agreed to the following terms set in the redevelopment agreement as TIF increment revenue becomes available:

1. The Village agrees to sell the property to the developer for \$2.
2. The Village will support a Cook County Class 8 incentive. Cook County has recognized the property tax issue for the Chicago Southland and created the Class 8 Cook County Tax Incentive Program. A Class 8 for this property will help bring the tax burden more in line with the competition in neighboring counties, where the property tax rate is as much as 45% less.
3. Developer shall obtain building permits for the project within 90 days after closing on the purchase of the Property.
4. Developer shall complete construction of the Project within 18 months after closing on the purchase of the Property. Upon agreement by the parties, this period may be extended.
5. The Village agrees to reimburse the Developer for up to \$125,000.00 in costs eligible for reimbursement to be paid when the project is complete. The eligible costs include parking lot, drive aisle, roof, façade repairs, and tenant improvements.
6. Developer will not sell the Property until the project is complete – which means that the common areas and all currently vacant units are in at least Vanilla Box condition that comply with local building codes (drywall painted white, finished ceilings, basic lighting, and HVAC distribution — move-in ready, minus interior tenant improvements).
7. The Developer is prohibited from transferring the property to a tax-exempt entity for 20 years.
8. At the closing of the Purchase and Sale Agreement, the Developer shall execute an Option to Repurchase Agreement, granting the Village the right to repurchase the Property if the Developer defaults under this Agreement.

OUTCOME

The developer plans to invest in the property through renovation. The Project will enhance the area on western 183rd Street by addressing the issues of delinquent property taxes, deferred maintenance, and long-term vacancies by returning the building to the tax rolls, renovating the center, and filling the vacant units with new tenants.

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FINANCIAL IMPACT

- **Funding Source:** 183rd West Tax Increment Financing (TIF) Fund
- **Budgeted Amount:** N/A
- **Cost:** \$0

LEGAL REVIEW

Completed

RECOMMENDED BOARD ACTION

Pass an ordinance authorizing the Village President to enter into a redevelopment agreement and purchase and sale agreement with PWP Homewood LLC for the Village-owned property located at 3003-3025 183rd Street.

ATTACHMENT(S)

Redevelopment Agreement