

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: April 25, 2023

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Angela Mesaros, Director of Economic and Community Development

Topic: Extension of the Letter of Intent – 3043-3055 183rd Street

PURPOSE

In November 2022, the Village approved a letter of intent (LOI) with David Bossy of Mid-America Development, who has an interest in the purchase and redevelopment of the property at 3043-3055 183rd Street. This property is the former Big Lots and Brunswick Zone, which is owned by the Village. The letter of intent held the property for ninety (90) days during which time the developer marketed the property in preparation for redevelopment. The developer has requested an extension of the due diligence period for an additional 180 days (until October 10, 2023). The extension of the letter of intent must be approved by the Village Board.

PROCESS

In 2021, the Village created a Tax Increment Financing District designating the subject property as part of the redevelopment project area, an economic development tool for future financial assistance for redevelopment activity. The Village acquired the property at 3043-3055 183rd through a settlement agreement with the intent to attract redevelopment of the property.

The terms of the agreement will remain as follows:

1. The developer purchase and redevelop the property with one or more of the acceptable uses listed in the Letter of Intent.
2. The developer has 180 days to perform due diligence.
3. The village would not negotiate with other parties during this due diligence period.
4. The developer would be given access to the property to conduct soil borings and environmental testing.
5. The developer and the Village will enter into a redevelopment agreement (RDA) for the sale and redevelopment of the property within one year of the execution of the Letter of Intent.
6. If the developer incurs TIF-eligible costs, these would be addressed in a redevelopment agreement and reimbursed to the developer. The Illinois TIF Act authorizes funds for property acquisition, construction of public improvements, financing costs including

VILLAGE OF HOMEWOOD



interest assistance, studies, surveys, plans, and professional services such as architectural, engineering, legal, and financial planning.

7. No money is required upfront from the developer, but if the developer decides not to develop the property, they are responsible for their due diligence costs.

OUTCOME

The property is ideally located and has a highly visible location on 183rd Street near Kedzie Avenue. The sale of the property will result in the redevelopment of a vacant building. The benefit of such a development is that it would return an underutilized property to productive use and strengthen and enhance the Village's tax base as well as re-activate a long-underutilized corridor on the Village's west end.

FINANCIAL IMPACT

- **Funding Source:** No Financial Impact
- **Budgeted Amount:** N/A
- **Cost:** N/A

LEGAL REVIEW

Completed

RECOMMENDED BOARD ACTION

Approve the First Amendment to the Letter of Intent with Mid-America Development extending the due diligence period for an additional 180 days (until October 10, 2023) for the property located at 3043-3055 183rd Street.

ATTACHMENT(S)

First Amendment to the Letter of Intent