

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: September 9, 2025

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, 3003-3025 183rd Street

PURPOSE

The applicant, Caton Commercial Real Estate Group, d/b/a PWP Homewood LLC, purchased the commercial strip center, Park West Plaza, at 3003-3025 183rd Street. The Village is being asked to support a Class 8 property tax designation for this property. The Class 8 program promotes commercial development throughout Cook County by encouraging expansion, retaining existing businesses, and enhancing employment opportunities. If the property meets the criteria, it would be assessed at 10% for the first 10 years and any subsequent 10-year renewal period. If the incentive were not renewed, it would be assessed at 15% in year 11, 20% in year 12, and 25% in the following years.

PROCESS

Caton Commercial recently purchased the commercial center from the Village. In July 2025, the Village approved a redevelopment agreement (RDA) with the developer. As part of this agreement, the Village agreed to support a Cook County Class 8 Incentive. The resolution was included in the RDA as an exhibit.

The applicant has proposed substantial renovations to the property, including, but not limited to, upgrades to common areas as well as improving the currently vacant units with drywall painted white, finished ceilings, basic lighting, and HVAC distribution in order to be move-in ready, minus any interior tenant improvements.

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% of market value for the first 10 years, 15% in the 11th year, and 20% in the 12th year. The Class 8 designation may be renewed during the last year in which a property is entitled to a 10% assessment level or when the incentive is still applied at the 15% or 20% assessment level, upon approval of the Village Board by passing 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

VILLAGE OF HOMEWOOD



rate is as much as 45% less. Cook County has recognized the property tax issue for the Chicago Southland and created the Class 8 Cook County Real Estate Tax Incentive Program. The program identifies five (5) Cook County townships that have automatic certification for the incentive; the subject property is located in Rich Township, one of the five (5) designated townships.

Any commercial or industrial project in these five (5) townships, that includes new construction or reoccupation of abandoned properties, is eligible for this incentive if it meets the following criteria:

1. Buildings or structures must have been vacant and unused for at least 12 continuous months.
2. A purchaser in whom the seller has no direct financial interest must have purchased buildings or structures in a vacant and unused state.

A portion, representing 66% of the subject property, has been vacant and unused for at least 24 consecutive months. Only the vacant units will qualify and are subject to the request.

OUTCOME

The developer plans to invest in the property through renovation. The project will enhance the area on west 183rd Street by renovating the center, filling the vacant units with new tenants, and returning the building to the tax rolls.

The estimated property taxes without an incentive would be \$103,816 annually. With a partial Class 8 incentive in place, property taxes will be reduced to approximately \$76,501 annually, resulting in an annual savings of \$27,315.

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 real estate tax classification for the property located at 3003-3025 183rd Street, owned by PWP Homewood LLC.

ATTACHMENT(S)

Resolution