

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: September 14, 2021

To: Jim Marino, Village Manager

From: Angela Mesaros, Director of Economic and Community Development

Topic: Cook County Class 8 Incentive Renewal – 2138 183rd Street – Excel Investments

PURPOSE

Excel Investments, LLC is seeking Village support for the renewal of a Class 8 property tax designation for the property at 2138 183rd Street (former Homewood Gas site). The Village of Homewood granted support for this 12-year property tax reduction designation in 2009 for reoccupation of the gas station. The current Class 8 property tax incentive is reaching the end of its 11th year.

Excel Investments, LLC recently purchased the site including a 2,300 square foot building. The building is currently vacant. Excel Investments LLC plans to invest approximately \$900,000 in tank replacement and remodel of the gas station and building in order to re-occupy the property.

PROCESS

The Class 8 real estate tax incentive is administered by the Cook County Assessor and 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 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.

OUTCOME

The approval of a Class 8 for this property will help bring the tax burden more in line with competition in neighboring counties where the property tax 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 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.

With the incentive in place property taxes are \$53,230 annually. Excel Investments estimates without an incentive, real estate taxes would be \$133,074 annually, resulting in an annual savings of \$79,844.

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FINANCIAL IMPACT

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

LEGAL REVIEW: Completed

RECOMMENDED BOARD ACTION

Pass a resolution supporting and consenting to the renewal of a Class 8 Cook County tax classification for the property located at 2138 183rd Street, owned by Excel Investments, LLC of Woodridge, IL.

ATTACHMENT(S)

- Request for Class 8 Renewal
- Resolution