

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: September 14, 2021

To: Jim Marino, Village Manager

From: Dennis Bubenik, Director of Finance

Topic: Budget Amendment - Thornton Revenue Sharing

PURPOSE

A budget amendment is required in order to pay the Village of Thornton their share of increased sales tax proceeds as part of the intergovernmental sales tax sharing agreement related to the 2017 Menards Home Improvement store expansion.

PROCESS

In order to accommodate the 2017 store expansion of the Menards at their 17545 Halsted Street site, the Village of Homewood entered into a sales tax sharing agreement with the Village of Thornton. Per the agreement, the Village of Thornton receives a share of the sales tax generated by Menards. In return, Thornton agreed to vacate the portion of Brown Derby Road which allowed Menards to expand their development footprint. A formula was developed in 2017 to estimate Thornton's portion of sales tax over the next 20 years. Homewood and Thornton are in year 4 of this agreement. The Village budgeted for the projected amount of Thornton's share of the sales tax, but sales tax proceeds at the Menards store trended better than initially projected, which increases the portion to be shared with Thornton. A budget amendment is needed to cover the payment to Thornton above the budgeted disbursement amount.

OUTCOME

Approving the budget amendment allows the Village of Homewood to meet its obligation to the Village of Thornton for sales tax revenue generated by Menards during the past 12 months.

FINANCIAL IMPACT

- **Funding Source:** General Fund
- **Budgeted Amount:** \$66,673
- **Required Disbursement to Thornton:** \$95,487
- **Budget Amendment Amount:** \$29,000

LEGAL REVIEW: Not required

VILLAGE OF HOMEWOOD



RECOMMENDED BOARD ACTION

Approve a budget amendment in the amount of \$29,000 for Thornton Revenue Sharing, which increases the approved FY2021-2022 budget from \$66,673 to \$95,673

ATTACHMENT(S): None