

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: December 10, 2024

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 18134-18138 Dixie Highway

PURPOSE

The developer, Joaquin Anguiano, owner of Tequila CJ Cantina Grill, 5750 S. Archer Avenue, Chicago, IL, proposes to redevelop Village-owned property, at 18134-18138 Dixie Highway, which includes vacant land and an adjacent park (Independence Park) at the corner of Hickory and Dixie Highway. The proposal involves the construction of a restaurant that will offer a unique authentic Mexican dining experience (“Tequila Raizes”). The restaurant will provide on-site parking behind the building, outdoor seating, and a rooftop deck.

PROCESS

The subject property was formerly the Savoia’s T’Go Restaurant. The Village purchased the property in 2015 intending to attract development. The Village demolished the building to market the property for redevelopment. The property is located within the Downtown TOD Tax Increment Financing District.

In October 2024, Joaquin Anguiano submitted a proposal to redevelop the property at 18134-18138 Dixie Highway into a restaurant. At the October 8, 2024, Village Board meeting, the Board passed Ordinance M-2317 directing the Village Manager to publish a solicitation for alternate proposals. The solicitation was published in the Daily Southtown on October 11, 2024. The proposed development plan and solicitation have been available at the Village Clerk’s Office and on the Village website since October 4, 2024. In addition, the Village posted the solicitation on its various social media forums on October 14, 2024.

The Village received one proposal by the close of the submission deadline on November 12, 2024, at 9:00 a.m. The proposal proposed to construct a one-story mixed-use commercial (retail and restaurant) building with no tenants identified. A budget and business plan were not submitted, which made the proposal incomplete. Staff still met with the applicant, who agreed to pursue other properties in Homewood.

VILLAGE OF HOMEWOOD



Staff recommends the selection of Joaquin Anguiano as the developer of Tequila restaurant for the project. The Village and the developer, Joaquin Anguiano, have agreed to the following terms set in the redevelopment agreement:

1. The Village agrees to sell the property to the developer for \$1 (both the former Savoia's and Independence Park).
2. The Village agrees to rebate the 2% places of eating tax up to \$60,000 during the first three years the restaurant is open.
3. The Village will support a Cook County Class 8 incentive. The Class 8 is designed to encourage 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 in the 11th year, and 20 percent in the 12th year. The subject property is in Thornton Township, one of the five designated townships. 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.
4. The places of eating tax rebate agreement ends three years after the restaurant opens, or when the developer has received \$60,000 in places of eating tax revenue, whichever occurs first.

OUTCOME

The former Savoia's property combined with the Village-owned Independence Park is ideally located and highly visible on Dixie Highway. The sale of the property will result in the redevelopment of a vacant parcel with a commercial building. The property is ideally located in the center of downtown Homewood and the purchase and redevelopment will result in the revitalization of a vacant commercial property. The restaurant will bring in property tax revenue (currently the property is tax exempt), sales tax, Places of Eating tax, and additional foot traffic which adds to the vitality of downtown.

FINANCIAL IMPACT

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

LEGAL REVIEW

Completed

RECOMMENDED BOARD ACTION

1. Authorize the Village President to enter into a redevelopment agreement with Joaquin Anguiano at 18134-18138 Dixie Highway.
2. Pass the "Ordinance Approving a Purchase and Sale Agreement between the Village of Homewood and Joaquin Anguiano for 18134-18138 Dixie Highway."

VILLAGE OF HOMEWOOD



3. Pass a resolution in support of the Cook County Class 8 incentive.

ATTACHMENT(S)

- Redevelopment Agreement
- Ordinance
- Resolution