

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: June 11, 2024

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Angela Mesaros, Director of Economic and Community Development

Topic: Sale of Property at 2124 183rd Street

PURPOSE

Animesh (Andy) Kumar of Ultra Energy Group LLC proposes to renovate the property at 2124 183rd Street, an abandoned gas station, (formerly Citgo Station). The property is a 0.34 acre (15,000 square feet) Village-owned commercial property improved with an approximately 2,355 square foot commercial building. The building has been vacant for many years.

PROCESS

The subject property was formerly a Citgo gasoline station, which has been vacant for approximately 10 years. In 2021, the Village bought the property for \$40,000 from the Cook County Land Bank Authority (CCLBA). Village funds to buy the property came from the Southwest Central Business District TIF. The Southwest CBD TIF ended in 2022, and the property is no longer in a TIF district. The Village approved a Letter of Intent with Animesh (Andy) Kumar of Ultra Energy Group LLC. The Village published the solicitation for alternate proposals. No bids were received.

Brownfield Site Remediation

After acquiring the property, the Village engaged TriCore Environmental, LLC to remediate the site under the State's Leaking Underground Storage Tank (LUST) program so it could be safely redeveloped. TriCore has outlined the State's requirements to obtain a No Further Remediation Letter (NFR) for the property. Although there remains soil and groundwater contamination at the site above the IEPA's Tier 1 Remediation Objectives, Tier 2 site-specific Remediation Objectives have been calculated for the site and the IEPA has approved them subject to the use of on- and off-site institutional controls which will restrict access to the contaminated media.

TriCore is currently preparing and finalizing the Corrective Action Completion Report for submittal to the IEPA. IEPA approval of this Report would be in the form of a NFR letter. Please note, the NFR will not be received prior to 120 days from the IEPA's receipt of the Report.

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Term of the Purchase and Sale Agreement

The terms of the Purchase and Sale Agreement include:

1. The sale price is \$47,500.
2. The buyer will have 30 days for due diligence once the contract is signed.
3. The buyer will have 180 days to secure zoning, variances, or any other government approvals required.
4. The sale is contingent upon Village approval of the Class 8 resolution and issuance of a 75/25 liquor license.
5. Closing date is to be determined (TBD).
6. The purchaser is required to sign a reverter deed at closing. If the restaurant is not open within one year, the Village can reclaim the property, provided it pays back the \$47,500.
7. The site has been remediated as required by the Illinois Environmental Protection Agency to the extent required to obtain a No Further Remediation (NFR) letter. Any plans must be developed and implemented in line with the restrictions outlined in the Property Owner Summary Form (POSF), including:
 - Use is limited to industrial/commercial.
 - No installation or use of a private water well.
 - Observe construction worker safety caution.
 - Any soil or groundwater removed from the site must be profiled and disposed of at a permitted disposal or recycling facility.
 - Any buildings must be completely slab-on-grade or have a full concrete basement with no sumps.
 - The area shown on the attached map (the engineered barrier area hatched in the southern portion of the site) must be paved, whether concrete or asphalt.
8. The purchaser must sign the POSF at the time of purchase; and
9. Upon advance notice, the purchaser must agree to allow TriCore Environmental, LLC to access the property for any required additional sampling.
10. The Village will support a Cook County Class 8 incentive. Cook County has created the Class 8 Cook County Tax Incentive Program for the Chicago Southland. 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 five designated townships. A Class 8 for this property will help bring the tax burden more in line with neighboring counties where the property tax rate is as much as 45% less.

Staff met with the developer to review and discuss all permitting requirements, including but not limited to site engineering, grease interceptor for the restaurant, parking lot improvements, landscaping and lighting, driveway and curb requirements, zoning, appearance review, signs, security cameras, sanitary, and fire suppression.

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OUTCOME

The property is on a prominent corner of a major thoroughfare in the Village, and the purchase and redevelopment will result in the revitalization of a vacant commercial property.

FINANCIAL IMPACT

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

LEGAL REVIEW

Completed

RECOMMENDED BOARD ACTION

1. Pass an ordinance approving a real estate purchase and sale agreement between the Village and Animesh (Andy) Kumar for the property at 2124 183rd Street.
2. Pass a resolution in support of the Cook County Class 8 incentive.

ATTACHMENT(S)

- Ordinance
- Resolution