

# VILLAGE OF HOMEWOOD



## BOARD AGENDA MEMORANDUM

DATE OF MEETING: July 26, 2022

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**To:** Village President and Board of Trustees

**Through:** Napoleon Haney, Village Manager

**From:** Angela Mesaros, Director of Economic and Community Development

**Topic:** Class 6b Renewal, 17730 Hoffman Way

### PURPOSE

Prairie Properties, LLC owns an approximately 36,643 square foot industrial building at 17730 Hoffman Way in the Prairie Lakes Business Park. They are seeking Village support for the renewal of a Class 6b property tax designation. The property is divided into two units. Current occupation of the units is by Dedert Corporation and Feldco.

The Class 6b Cook County incentive is designed to encourage industrial development throughout Cook County by stimulating expansion, retaining existing businesses, and increasing employment opportunities. If the property qualifies, it would be assessed at 10% during the first 10 years and for any subsequent 10-year renewal period. If the incentive is not renewed, it would be assessed at 15% in year 11, 20% in year 12, and 25% thereafter.

### PROCESS

The Village of Homewood granted support for this designation in 2000 as part of their incentives to locate in Prairie Lakes Business Park and supported a renewal of the Class 6b in 2011. The current Class 6b property tax incentive is reaching the end of its 10<sup>th</sup> year.

The Class 6b 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

With the incentive in place property taxes are \$91,048 annually. Prairie Properties estimates that without an incentive, taxes would be \$237,621 annually, resulting in an annual savings of \$146,573. The property has 30 permanent full-time employees, and they have been a good business partner in the Prairie Lakes Business Park and the community.

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### FINANCIAL IMPACT

- **Funding Source:** N/A
- **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 6b Cook County tax classification for the property located at 17730 Hoffman Way, owned by Prairie Properties LLC.

### ATTACHMENT(S)

Resolution

Request for Class 6b Renewal