

**RESOLUTION NO. R- 3142**

**A RESOLUTION AUTHORIZING RELEASE OF A \$20,000 MORTGAGE IN FAVOR OF THE VILLAGE OF HOMEWOOD TO FACILITATE THE SALE AND REDEVELOPMENT OF THE VACANT COMMERCIAL PROPERTY AT 18027-18029 DIXIE HIGHWAY, HOMEWOOD**

WHEREAS, the Village of Homewood (“Homewood” or the “Village”) and the 1731 VD LLC and 4OAKENWALDS LLC (referred to collectively as the “Developer”) entered into a redevelopment agreement to promote economic development within the Village by acquiring and remodeling the property at 18027-18029 Dixie Highway as a brewpub (referred to as “Vice District”); and

WHEREAS, as part of the economic development agreement, the Village required the developer to execute a mortgage and promissory note for Twenty Thousand Dollars (\$20,000.00) in favor of the Village to guaranty the Developer’s obligations under the agreement; and

WHEREAS, to complete acquisition and development of the property, the Developer borrowed Four Hundred Eighty-Seven Thousand, Nine Hundred Seventeen Dollars (\$487,917.00) from JP Morgan Chase (“Chase”) and executed a mortgage and promissory note in favor of the bank; and

WHEREAS, after Vice District ceased operating in 2019, Chase sued in the Circuit Court of Cook County (case number 2019 CH 08996) seeking repayment of more than \$620,000.00 in principal, interest, and fees from the Developer and the limited liability companies’ owners; and

WHEREAS, Chase’s lawsuit against the Developer and its owners is still pending; and

WHEREAS, the Village’s mortgage is subordinate to Chase’s mortgage against the property; and

WHEREAS, unpaid property taxes assessed against the property total more than \$230,000.00.

WHEREAS, Kwan Pil Kim (the "Purchaser") has offered \$360,000.00 to buy the property and plans to open a martial arts academy on the site, provided all back taxes and past mortgages can be cleared from the title; and

WHEREAS, Chase has agreed to release its mortgage against the property in exchange for receiving 100% of the sale proceeds, estimated to be \$85,000.00 after payment of all property taxes and closing costs; and

WHEREAS, Chase has indicated it intends to pursue each of the Developer's owners individually for the unpaid balance of approximately \$535,000.00; and

WHEREAS, the building at 18027-18029 Dixie, located on a main thoroughfare in the central business district, has been unoccupied for more than three years and has fallen into disrepair; and

WHEREAS, the proposed purchaser of the building currently operates martial arts academies in Midlothian, Matteson, Evergreen Park, and Chicago; and

WHEREAS, at closing, the Village will receive \$1,698.00 in full settlement for all outstanding municipal water and nuisance vegetation liens recorded against the property; and

WHEREAS, the Village Board finds that releasing Homewood's mortgage on the property so it can be purchased and returned to productive use is in the Village's best interests, provided the Developer and its owners receive no proceeds from the real estate sale.

NOW, THEREFORE, BE IT RESOLVED by the President and Board of Trustees of the Village of Homewood:

**SECTION ONE - CONDITIONAL APPROVAL OF MORTGAGE RELEASE:**

A. The Village Attorney is authorized to notify the Purchaser, attorneys for Chase, and the Old Republic Title that the Village will release its mortgage interest in the property upon receipt of a signed settlement statement from the closing showing that the current property owner receives no proceeds from the sale.

B. Upon receipt of the settlement statement described above, the Village President and Village Clerk are authorized to sign and deliver a release of the Village's mortgage.

**SECTION TWO - EFFECTIVE DATE:**

This resolution shall be in full force after its passage, approval, and publication under the law.

PASSED and APPROVED this 11th day of April, 2023.

\_\_\_\_\_  
Village President

ATTEST:

\_\_\_\_\_  
Village Clerk

AYES: \_\_\_\_\_ NAYS: \_\_\_\_\_ ABSTENTIONS: \_\_\_\_\_ ABSENCES: \_\_\_\_\_