

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: July 25, 2023

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Angela Mesaros, Director of Economic and Community Development

Topic: Letter of Intent – 2024 Chestnut Road

PURPOSE

Tim Flanagan of HCF Homewood II, LLC has an interest in the purchase and redevelopment of the property at 2024 Chestnut Road. Tim Flanagan is no stranger to the downtown development in Homewood. Tim is the owner of the new Hartford Building development on Martin Avenue. This property is currently a parking lot owned by the Village. The property is located within the Downtown TOD Tax Increment Financing District. The developer has requested that the Village hold the property for a period of time so that they can prepare for the redevelopment of the property. The proposal involves the construction of a five-story, 59-unit residential building with interior parking and amenities.

PROCESS

Since the proposed development property is in the Downtown TOD TIF District and the Village proposes to sell it for nominal consideration to the developer, state law requires that the Village provide an opportunity for any other person to submit an alternate proposal or bid for the sale and development of this property. At the May 24, 2022, Village Board meeting, the Board passed Ordinance M-2221 directing staff to publish a solicitation for alternate bids. After publication and deadline, no alternate proposals were received.

The Village Attorney has prepared a letter of intent to be approved by the Village Board with the following terms of the agreement:

1. The developer purchase and redevelop the property with an appropriately-zoned use, which shall consist of a residential apartment building with amenities and parking.
2. The purchase price is \$1.00.
3. The developer has 90 days to perform due diligence.
4. The Village would not negotiate with other parties during this due diligence period.
5. The developer would be given access to the property.
6. If the developer decides to proceed with this project, the developer and the Village will enter into a redevelopment agreement (“RDA”) for the sale and redevelopment of the

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7. Property, which will include a reverter deed to reconvey the property to the Village if the developer fails to redevelop the property as agreed.
8. The Village agrees to provide reimbursement of the developer's TIF-eligible expenses incurred before the sale only if the developer proceeds with the project.
9. The Village shall convey the Property to the Purchaser by special warranty deed, by July 1, 2024.
10. Earnest money of \$1.00 is required upfront from the developer, but if the developer decides not to develop the property, they are responsible for their due diligence costs.

OUTCOME

The sale of the property will result in the redevelopment of a property that is ideally located in proximity to the Metra station. The benefit of such a development is that it brings more residents to the downtown that will frequent the restaurants and stores, increases overall property values in the vicinity, and strengthens and enhances the Village's tax base.

FINANCIAL IMPACT

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

LEGAL REVIEW

Completed

RECOMMENDED BOARD ACTION

Approve a Letter of Intent with HCF Homewood II, LLC for the purchase and redevelopment of the property at 2024 Chestnut Road.

ATTACHMENT(S)

Letter of Intent