

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: September 10, 2024

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Angela Mesaros, Director of Economic and Community Development

Topic: Contract – New TIF District Harwood Avenue

PURPOSE

Staff is proposing to engage Ryan LLC (formerly Kane, McKenna, and Associates, Inc.) to conduct the required steps to establish a Tax Increment Financing district from Harwood Road east to Dixie Highway and Ridge Road north to the Dixie Highway viaduct. The contract would engage Ryan to study removing approximately thirty parcels from the existing Downtown TOD TIF district to create the new TIF district. The contract and budget amendment require Board approval.

PROCESS

The purpose of the TIF is to provide a flexible mechanism for incentivizing future redevelopment. The establishment of a new TIF district could provide increment funds for future development initiatives and public improvements including the following projects:

1. The Village Hall Parking Lot (2024 Chestnut Road). In July 2023, the Village approved a Letter of Intent with HCF Homewood II to take steps toward developing a multiple-family building on the Village's parking lot. The establishment of the proposed TIF will assist with the evaluation of available incentives for this development.
2. The commercial building at the northeast corner of Ridge Road and Harwood Avenue, 2052-2066 Ridge Road and 18027 Harwood Avenue (Matrix Building) is one of several Village-owned properties identified for transit-oriented redevelopment.
3. Improvements to the Village-owned Harwood Commuter Parking Lot would qualify for TIF funds.
4. St. John Neumann Parish's empty school building has potential for re-occupation or redevelopment.
5. Village-owned property at 17900 Dixie Highway (former library).
6. Village Hall campus area (*Village Hall, Auditorium, Police Department, and Fire Department*).

A letter of engagement is provided detailing the proposed work. The services are in two phases: Phase I – review of qualification factors and economics of the proposed TIF (estimated to be

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\$15,000), and Phase II – implementation of a redevelopment plan and project (\$17,500). The services are as follows:

1. Prepare a TIF eligibility analysis;
2. Prepare a Redevelopment Plan for the proposed area;
3. Prepare Required Notices and Mailing Lists; and
4. Complete Public Approval Process.

The initial phase is a formal TIF eligibility study. If it is determined that the area is not eligible to be designated as a TIF district, Ryan’s work will not continue with Phase II.

The letter of agreement is attached and includes the scope of work. The cost of the project is an “estimate” of \$32,500. Staff would recommend that the Village Board include a 15% cost contingency of \$4,875 for potential unforeseen costs.

A budget amendment in the amount of \$37,375 will also need to be approved.

OUTCOME

The TIF District would provide funds for properties proximate to the Metra station, consistent with the Village’s transit-oriented development plan approved in 2024. The redevelopment and revitalization of downtown will benefit the community through increased walkability, new housing options, and property tax revenue.

FINANCIAL IMPACT

- **Funding Source:** General Fund
- **Budgeted Amount:** \$0
- **Budget Amendment Requested:** \$37,375 (\$32,500 contract + \$4,875 contingency costs)
(Should the TIF move forward, TIF increment may be used to pay back the General Fund as the increment becomes available.)

LEGAL REVIEW

Completed

RECOMMENDED BOARD ACTION

Authorize the Village President to enter into an agreement with Ryan LLC for \$32,500, with a 15% cost contingency (\$4,875) for establishing a Tax Increment Financing district from Harwood Avenue east to Dixie Highway and Ridge Road north to the Dixie viaduct; and, approve a budget amendment in the amount of \$37,375.

ATTACHMENT(S)

Ryan LLC letter of agreement