

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: March 25, 2025

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Angela Mesaros, Director of Economic and Community Development

Topic: Cook County Class 8 Incentive – 2207 183rd Street

PURPOSE

Merkury, LLC, of Omaha, Nebraska, has purchased the vacant property at 2207 183rd Street, which previously housed the South Suburban Humane Society Adoption Center. The owner plans to lease the building to Fido's Landing, a dedicated dog rescue shelter and training center. Fido's Landing is committed to giving surrendered, abused, and neglected dogs a second chance at life by providing care, training, and a nurturing environment while working to find them loving forever homes. The Village is being asked to support a Class 8 property tax designation for this property.

The Class 8 program promotes commercial development throughout Cook County by encouraging expansion, retaining existing businesses, and enhancing employment opportunities. If the property meets the criteria, it would be assessed at 10% for the first 10 years and 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% in the following years.

PROCESS

Merkury, LLC recently acquired a 4,000-square-foot building that served as a veterinary clinic from 1970 to 2011. The building remained vacant from 2011 to 2019, when the South Suburban Humane Society Animal Shelter occupied it. Since the shelter moved out in September 2022, the property has been unoccupied.

The subject property was custom-built for veterinary use in 1970. It's only other use has been as an animal shelter, with nearly one-third of the property's square footage occupied by built-in dog kennels. The kennels have experienced deferred maintenance because of a lengthy vacancy, making the property less appealing to potential buyers and developers.

The Cook County Assessor administers the Class 8 real estate tax incentive. The incentive is designed to encourage industrial and commercial development in areas experiencing economic stagnation. 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

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12th year. The Class 8 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.

The Cook County tax system has placed a heavy tax burden on commercial properties that must compete with the lower tax rates in adjacent counties and in Indiana where the property tax rate is as much as 45% less. Cook County has recognized the property tax issue for the Chicago Southland and created the Class 8 Cook County Tax Incentive Program. The program identifies five (5) Cook County townships that have automatic certification for the incentive; the subject property is located in Thornton Township, one of the five designated townships.

OUTCOME

The applicant will invest approximately \$60,000 to rehabilitate the space for Fido's Landing. The applicant's planned rehabilitation will create between six (6) to eight (8) construction jobs. Fido's Landing plans to hire 14 employees to work at the shelter.

This project will transform the vacant space into a valuable business for the Village. The property is currently tax-exempt because of the former owner's non-profit status. With the applicant's purchase, the property returns to the tax rolls.

FINANCIAL IMPACT

- **Funding Source:** N/A
- **Budgeted Amount:** N/A
- **Cost:** N/A

LEGAL REVIEW

Completed

RECOMMENDED BOARD ACTION

Pass a resolution supporting a Class 8 Cook County tax classification for the property at 2207 183rd Street owned by Merkury, LLC.

ATTACHMENT(S)

- Resolution
- Request for Class 8