VILLAGE OF HOMEWOOD

BOARD AGENDA MEMORANDUM **DATE OF MEETING: November 10, 2026**

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Noah Schumerth, Director of Economic and Community Development

Topic: Cook County Class 8 Incentive Request – 18250 Harwood Avenue (Bawadi Construction) - Thornton Twp.



Figure 1: Photo of the subject property at 18250 Harwood Avenue (2026)

PURPOSE

Project Information

Bawadi Construction Inc. is requesting a Cook County Class 8 property tax incentive for property located at 18250 Harwood Avenue. All Class 8 incentive requests require a resolution of support from the municipality that the property is located within. The applicant is requesting support from the Village of Homewood for a Class 8 incentive on the property currently occupied by Bawadi Construction.

Bawadi Construction has operated a construction firm office at the location since 2023. The building is 16,000 square feet. The building was substantially renovated in 2022-2023. The building was previously vacant for several years and was formerly occupied by Peerless Paper Company.

The project history for this business is as follows:

- **November 2021:** The first building permits are received to rehabilitate the building. The building had been vacant for several years prior.
- **October 2022:** Bawadi Construction Inc. purchases the building for $236,000 and continues work to rehabilitate the building.
- **November 2023:** Bawadi Construction Inc. reoccupies the building. *(Reassessment year)*
- **Year 2024 and 2025:** Full business operation
- **September 29, 2026:** Munir Bawadi applies for a Class 8 property tax incentive. *(Reassessment year)*

The application states that the applicant believed that a Class 8 incentive would be granted after previous conversations with the Village President and Village staff. The Village did not enter into a redevelopment agreement or other written agreement to provide a Class 8 incentive for the project.

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About Class 8 Incentives

The Cook County Class 8 incentive program is designed to encourage industrial and commercial development in areas of the County which are experiencing "severe economic stagnation." Under this program, qualified commercial real estate is assessed at 10% of the market value for the first 10 years, 15% in the 11th year, and 20% in the 12th year. The Class 8 designation may be renewed during the 10th, 11th or 12th year of the incentive.

The incentive supports the following types of investment in areas deemed to be in need of substantial revitalization:

- New construction/redevelopment of abandoned property.
- "Substantial rehabilitation" or reutilization of abandoned buildings (for commercial or industrial use).
- Encourage property investment in vacant buildings which would otherwise not occur without property tax incentive assistance.

The Class 8 incentive is designed to support new construction and major rehabilitation of previously abandoned buildings (vacant at least 12 months). To receive a Class 8 incentive for property that has been vacant for less than 12 months, the Village must find that there are *"special circumstances"* which justify the need for a Class 8 incentive to be issued. Special circumstances may ***not*** be used to justify a Class 8 incentive when the following are true:

- A building was purchased but was not vacant/unused prior to the purchase.
- There has not been a purchase of the building and the building has been vacant for less than 12 months.

PROCESS

The Village received an application for a Class 8 property tax incentive on September 29, 2026. The applicant is eligible for consideration of a Class 8 application because the property was vacant for greater than 12 months at the time of sale of the property, and the property is located within a township deemed to be an area "in need of substantial revitalization" (Rich, Bloom, Thornton, Bremen, and Calumet townships). *If the Class 8 incentive were granted, the incentive would retroactively apply to tax years 2023-2025, and the County would rebate the applicant approximately 60% of current taxes paid in those years.*

Staff reviewed the application for conformance with Class 8 eligibility criteria and prepared recommendations to the Board based on the request.

OUTCOME

The Board reserves the right to approve or deny a resolution of support for a Class 8 incentive, which is a requirement for the incentive to be approved at the County level. Staff has provided the following analysis points for consideration by the Village Board:

1. The building was reoccupied in 2023 and the construction firm has continuously operated in the building for three years since the reoccupation. The applicant has paid property tax bills of $30,000 - $32,000 over the past three years since the reoccupation of the building.

2. The building was previously vacant for several years. The building's interior and exterior were substantially renovated. The project was completed in 2023.

3. The incentive application claims that the property tax bill on the property in 2026 (reassessment year) will be $98,971 without the Class 8. The 2025 tax bill for the property was $32,347. The application asserts that a **205% increase** in commercial taxes in 2026's reassessment.

4. Based on the application's numbers, the Class 8 incentive would reduce taxes from **$98,971** to **$39,588**.

5. All property in Thornton Township is subject to the triennial assessments in 2026, 2029 and 2032. Is it feasible to believe that other improved commercial property will see similar 200% increases during the current or next assessment cycle?

6. The applicant requested that the Board add the following language to a resolution of support for the Class 8 incentive:

WHEREAS, the Village recognized that the incentive was necessary and the Village had prior discussions with the applicant about the Class 8 incentive prior to closing and re-occupancy of the subject property.

The Board had not previously agreed to a Class 8 incentive through a redevelopment agreement or any another written agreement.

FINANCIAL IMPACT

- **Funding Source:** N/A
- **Budgeted Amount:** N/A
- **Cost:** For context and as proposed by the application, by using $98,971 as the increased tax numbers for 2026, the Village's portion of property taxes from our levy (approximately 11%) would be reduced from $10,886 to $4,355, a 60% decrease.

LEGAL REVIEW

Not required

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RECOMMENDED BOARD ACTION

The Board may consider one of the following motions:

1. **Direct staff** to prepare a municipal resolution of support for the requested Cook County Class 8 property tax incentive.

2. **Deny the** request for a municipal resolution of support for the requested Cook County Class 8 property tax incentive.

ATTACHMENT(S)

Application Materials