

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: October 13, 2026

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Amy Zukowski, Finance Director

Topic: Agreement – Tax Increment Financing (TIF) Bond Feasibility Analysis for the North Halsted TIF District

PURPOSE

Staff recommends that the Village Board approve a budget amendment in the amount of \$40,000 and authorize the Village Manager to engage SB Friedman Development Advisors of Chicago, IL to continue supporting the Village by providing TIF bond feasibility analysis for the North Halsted TIF district in an amount not to exceed \$40,000.

PROCESS

Previous Engagement

The Village Board approved an agreement with SB Friedman on May 26, 2026. SB Friedman prepared preliminary incremental property tax (IPT) projections for the Northeast Tax Increment Financing (TIF) District and North Halsted TIF. The initial projections indicated that the Wind Creek Casino Parking Deck could potentially generate sufficient IPT to support issuance of a TIF revenue bond. SB Friedman presented this information to the Board on September 22, 2026.

Additional Support

A new agreement with SB Friedman would allow them to continue working on the feasibility of a TIF Bond to assist in the potential redevelopment of the former Walmart site. The additional work would include:

- refining IPT projections for the Wind Creek Casino Parking Deck, including calls with Wind Creek's and the Village of East Hazel Crest's TIF consultants;
- conducting sensitivity analyses of projected IPT, which could include the potential impact of a 12-year extension to the Northeast TIF; and
- supporting the Village as needed in conversations with the Walmart property owner, Village's development consultants, the Village's municipal advisor, bond counsel, and others.

Role of the North Halsted TIF

The North Halsted TIF District was adopted on February 25, 2025. The establishment of the North Halsted TIF District represents a long-term economic development strategy for the Village of

VILLAGE OF HOMEWOOD



Homewood. The TIF framework provides flexibility to respond to changing market conditions along the Halsted corridor, particularly as retail formats evolve and redevelopment opportunities arise near regional attractions such as the Wind Creek Southland Casino located immediately north of the district boundary. The District is intended to function as a financial platform through which the Village can evaluate the feasibility of future investments, including the potential issuance of TIF-backed bonds to advance infrastructure improvements and catalyze private redevelopment consistent with municipal goals.

What are TIF Bonds?

In Illinois, municipal *special tax allocation bonds*, most commonly known as Tax Increment Financing (TIF) bonds, are debt instruments issued by local governments to fund redevelopment in blighted or economically stagnant areas. These bonds are repaid using the "tax increment," which is the additional property tax revenue generated when property values rise due to the new development.

Key Features of TIF Bonds:

- **Repayment Source:** Bond are primarily secured by the Special Tax Allocation Fund, which is the repository for the incremental property tax revenues collected from the TIF district.
- **Purpose:** Bond proceeds are used for "eligible redevelopment project costs," including land acquisition, demolition, infrastructure improvements (streets, sewers), and professional fees.
- **Duration:** TIF districts and resultant TIF Bonds typically last for 23 years, though they can sometimes be extended up to 35 years under specific conditions.
- **Liability:** While often issued as revenue bonds (repaid only from the property tax increment), the bonds can also be issued as "alternative revenue bonds."
- **Different from General Obligation (GO) Bonds:** For non-home rule municipalities like Homewood, GO bonds require a successful referendum to issue the bonds because the bonds are guaranteed solely by the municipality's property taxes. Alternative revenue bonds are bonds issued with a "specific revenue stream" guaranteed as the debt service (i.e. sales tax or TIF increment). Alternative revenue bonds do not require a referendum to issue bonds.

OUTCOME

The additional analysis will give the Village the information it needs to determine whether issuing a TIF bond is feasible, helping move redevelopment of the vacant Walmart site forward.

FINANCIAL IMPACT

- **Funding Source:** North Halsted TIF Fund
- **Budgeted Amount:** \$20,000
- **First Budget Amendment Requested May 26, 2026:** \$9,700
- **Second Budget Amendment Requested:** \$40,000
- **Total Cost for TIF Bond Feasibility Study:** not to exceed \$69,700

VILLAGE OF HOMEWOOD



LEGAL REVIEW

Not Required

RECOMMENDED BOARD ACTION

Approve a budget amendment for \$40,000; and, authorize the Village Manager to enter into an agreement with SB Friedman Development Advisors of Chicago, IL in an amount not to exceed \$40,000 to continue supporting the Village by providing TIF bond feasibility for the North Halsted TIF district .

ATTACHMENT(S)

Proposal Letter