

# VILLAGE OF HOMEWOOD



**BOARD AGENDA MEMORANDUM**

**DATE OF MEETING: November 28, 2023**

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**To:** Village President and Board of Trustees

**Through:** Napoleon Haney, Village Manager

**From:** Angela Mesaros, Director of Economic and Community Development

**Topic:** Inducement Resolution – 3043-3055 183<sup>rd</sup> Street

## **PURPOSE**

The Village recently acquired the property at 3043-3055 183<sup>rd</sup> Street through a litigation settlement agreement with the intent of attracting a developer to develop the property. The property is more identifiable as the former Brunswick Zone and Big Lots. The building is approximately 90,000 square feet and is vacant. The Village has a letter of intent with a developer and anticipates entering into a redevelopment agreement for incentives.

The developer is expected to incur costs for the rehabilitation of the existing commercial center before the creation of a new Tax Increment Financing (TIF) district and before approval of the redevelopment agreement. In addition, the Village will incur costs related to the eligibility study and adoption of the TIF district. The purpose of the resolution is to induce the developer to incur costs in connection with the property prior to the establishment of a TIF, and to reimburse the developer for TIF eligible expenditures once the TIF has been created. The resolution also allows for the Village to be reimbursed for their eligible costs in similar fashion.

## **PROCESS**

The property was formerly the Brunswick Zone bowling facility, which has been vacant for approximately eight (8) years, and the Big Lots retail store which also recently closed. In October 2022, the Village acquired the property and in November 2022, the Village approved a Letter of Intent with David Bossy of Mid-America Development.

The property is within the Kedzie Gateway Tax Increment Financing District. The property had a high EAV when the Village acquired it. To remedy this EAV, the Village has engaged Ryan LLC (formerly Kane, McKenna & Associates) to prepare an eligibility study to determine whether this property and the adjacent plaza housing Great American Bagel would qualify as a separate TIF. When the Village acquired the Brunswick property it was made tax exempt, reducing its assessed value to zero. Based on the reduced assessed value, the proposed new TIF would generate substantial increment that could be used to redevelop the property. The expected date for designation of the TIF district is August 2024. The Village began discussions with a developer regarding this property in early 2023.

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## **OUTCOME**

The property is ideally located and has a highly visible location on 183<sup>rd</sup> Street near Kedzie Avenue. Passage of the inducement resolution will allow, but will not bind, the Village to enter into a redevelopment agreement at a later date and reimburse the developer for those previously incurred expenses once a new TIF is established and funds are available. The benefit of this development is that it would return an underutilized property to productive use and strengthen and enhance the Village's tax base.

## **FINANCIAL IMPACT**

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

## **LEGAL REVIEW**

Completed

## **RECOMMENDED BOARD ACTION**

Pass a resolution declaring the Village of Homewood's intent to Reimburse Expenditures for the proposed 183<sup>rd</sup> Street West Tax Increment Financing District.

## **ATTACHMENT(S)**

Resolution