

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: March 8, 2022

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Angela Mesaros, Director of Economic and Community Development

Topic: Letter of Intent – 18138 Dixie Highway

PURPOSE

Townes Glaser Development, a residential developer in Chicago, recently contacted the Village with an interest in the purchase and redevelopment of the property at 18138 Dixie Highway. This property is the former Savoia's T'Go restaurant, which is a vacant lot owned by the Village. The developer has requested that the Village hold the property for a period of time so that they can draft a pro forma, complete a TIF application, and prepare drawings for the construction of a mixed-use building with a retail/or restaurant on the first floor and apartments on the upper floors.

PROCESS

The Village purchased the property at 18138 Dixie Highway in 2015 with the intent to attract development of the property. The Village demolished the building and has continued to market the property. In 2017 the Village created a Tax Increment Financing District downtown for the purpose of attracting transit-oriented developments (TOD). TODs are residential or mixed-use developments near a train station. Townes Glaser Development has proposed a redevelopment that is consistent with the Village's transit-oriented development goals.

The Village Attorney has prepared a letter of intent to be approved by the Village Board and the developer with the following terms of the agreement:

1. The developer has 90 days to perform due diligence and negotiate a purchase and sale agreement for the land and a redevelopment agreement for incentives.
2. The village would not negotiate with other parties during this due diligence period.
3. If the developer incurs TIF eligible costs, these would be addressed in a redevelopment agreement and reimbursed to the developer. The Illinois TIF Act authorizes funds for property acquisition, construction of public improvements, financing costs including interest assistance, studies, surveys, plans, professional services such as architectural, engineering, legal and financial planning.

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4. The developer would be given access to the property to conduct soil borings and environmental testing.
5. No money is required upfront from the developer, but if the developer decides not to develop the property, they are responsible for their due diligence costs.

OUTCOME

The former Savoia's property combined with the village-owned Independence Park is an ideal and highly visible location on Dixie Highway. The sale of the property will result in the redevelopment of a vacant parcel with a multi-use building. The benefit of such a development is that it brings more residents to the downtown that will frequent the restaurants and stores, spurs additional mixed-use developments, restaurant and retail developments, and increases overall property values in the vicinity.

FINANCIAL IMPACT

- **Funding Source:** No Financial Impact
- **Budgeted Amount:** N/A
- **Cost:** N/A

LEGAL REVIEW

Completed

RECOMMENDED BOARD ACTION

Approve a Letter of Intent with Townes Glaser Development for the property located at 18138 Dixie Highway.

ATTACHMENT(S)

Letter of Intent