

# VILLAGE OF HOMEWOOD



**BOARD AGENDA MEMORANDUM**

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

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

**From:** Napoleon Haney, Village Manager

**Topic:** Resolution to Suspend a Cook County Class 8 Tax Incentive granted to Walmart

## **PURPOSE**

The Village of Homewood is providing support for Cook County to suspend a Class 8 Tax Incentive granted to Walmart in 2015.

## **PROCESS**

On September 21, 2015, the Village of Homewood passed Resolution R-2234 to support an application by Walmart for a Class 8 property tax incentive for the property at 17550 Halsted Street. The Walmart store opened on October 26, 2016.

### *Class 8 Incentive*

The Class 8 incentive assesses qualifying real estate at a reduced assessment level for a period of twelve (12) years from the date that new construction or substantial rehabilitation is completed and initially reassessed. Class 8 assessment levels are ten percent (10%) of market value for ten years, fifteen percent (15%) in year eleven, and twenty percent (20%) in year twelve. This constitutes a substantial reduction from the twenty-five percent (25%) at which industrial and commercial properties are commonly assessed.

### *Walmart Closed*

On February 8, 2023, Walmart's Director of Public and Government Affairs notified the Village that the store would close in 30 days on Friday, March 10, 2023. It is the Village's understanding that Agree Realty Corporation of Farmington Hills, MI owns the property and leases the property to Walmart. Walmart has 12 years remaining on their lease with Agree Realty.

The Village's support of the Cook County Class 8 incentive was premised upon Walmart operating a retail store and gas station at the 17550 Halsted Street location. The Village reached out to Walmart Corporation and Agree Realty with little success. At this point, neither Walmart nor Agree Realty has provided any information of an intent to re-lease, redevelop, or sell the property now that the store is closed.

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## *Suspension of Class 8*

The Cook County Board of County Commissioners passed an amendment to their property tax incentive ordinance enabling municipalities to support the suspension, revocation, or cancellation of an incentive classification. Suspending the Class 8 tax incentive reverts the property's assessment rate back to the 25% assessment level. Once Cook County approves the Class 8 suspension, the Cook County Assessor's Office would assign the 25% assessment immediately, active for the next tax year.

Once Walmart or Agree Realty shares plans to re-lease, redevelop, or sell the property, the Village will evaluate whether or not to request for Cook County to reinstate the Class 8 tax incentive.

## **OUTCOME**

Once approved, the Village's signed resolution recommending the suspension of the Class 8 incentive will be forwarded to Cook County for review and approval.

## **FINANCIAL IMPACT**

- **Funding Source:** No Financial Impact
- **Budgeted Amount:** N/A
- **Cost:** \$0

## **LEGAL REVIEW**

Completed

## **RECOMMENDED BOARD ACTION**

Approve a resolution recommending the suspension of the Class 8 property tax incentive classification for the former Walmart Store located at 17550 Halsted Street in Homewood, IL.

## **ATTACHMENT(S)**

Resolution