

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: August 12, 2025

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Angela Mesaros, Director of Economic and Community Development

Topic: Cook County Class 8 Incentive – 17911 Harwood Avenue

PURPOSE

The applicant, Beverly Spearman, purchased the property at 17911 Harwood Avenue. The Village is being asked to support a Class 8 property tax designation for this property. The Class 8 program promotes commercial development throughout Cook County by encouraging expansion, retaining existing businesses, and enhancing employment opportunities. If the property meets the criteria, it would be assessed at 10% for the first 10 years and any subsequent 10-year renewal period. If the incentive were not renewed, it would be assessed at 15% in year 11, 20% in year 12, and 25% in the following years.

PROCESS

Beverly Spearman purchased the two-story, 1,853-square-foot office building which was previously occupied by Real Dobrez, LLC. They moved out of the building in 2018 and the property has been vacant ever since. The applicant intends to use the site as the office for The Spearman Law Firm, LLC, operated by the applicant.

The applicant has proposed substantial upgrades to the space, including but not limited to new flooring, replacement doors and windows, ADA compliance for the exterior deck, new HVAC units, and extensive landscaping and tree rehabilitation on the property. Several code upgrades were necessary to enable the operation of the business in the existing building on the property. On June 24, 2025, the Village Board approved an incentive agreement to fund up to \$21,990 of the improvements. The applicant's rehabilitation will create approximately six to ten construction jobs. The office will provide long-term employment for one to three employees through the law firm.

The Cook County Assessor administers the Class 8 real estate tax incentive. The incentive is designed to encourage industrial and commercial development in areas experiencing economic stagnation. Under this incentive program, qualified commercial real estate is assessed at 10 percent of market value for the first 10 years, 15 percent in the 11th year, and 20 percent in the 12th year. The Class 8 designation may be renewed during the last year in which a property is entitled to a 10 percent assessment level or when the incentive is still applied at the 15 percent

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or 20 percent assessment level, upon approval of the Village Board by passing a resolution consenting to the renewal.

The Cook County tax system has placed a heavy tax burden on commercial properties that must compete with the lower tax rates in adjacent counties and in Indiana, where the property tax rate is as much as 45% less. Cook County has recognized the property tax issue for the Chicago Southland and created the Class 8 Cook County Tax Incentive Program. The program identifies five (5) Cook County townships that have automatic certification for the incentive; the subject property is located in Thornton Township, one of the five designated townships.

Any commercial or industrial project in these five townships that includes new construction or reoccupation of abandoned properties is eligible for this incentive if it meets the following criteria:

1. Buildings or structures must have been vacant and unused for at least 12 continuous months.
2. A purchaser in whom the seller has no direct financial interest must have purchased buildings or structures for value in a vacant and unused state.

The building on the subject property has been vacant since the previous business vacated the space in 2018. The property meets the eligibility criteria to receive a Class 8 real estate tax incentive.

OUTCOME

The applicant plans to invest over \$50,000 to rehabilitate the property. Significant improvements include remediation of outstanding code issues, including ADA accessibility. The project will improve and occupy an existing vacant building in a highly visible location, near a “downtown gateway” at the intersection of Dixie Highway and Harwood Avenue. This acquisition and improvement will improve overall tax revenue from the property and provide a new business, which is complementary to the plans to revitalize and expand development in downtown Homewood.

The real estate property taxes were \$9,986.58 in 2023 and \$8,450.61 in 2024. The Class 8 classification will result in an annual savings of approximately 60% for the property owner.

FINANCIAL IMPACT

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

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LEGAL REVIEW

Completed

RECOMMENDED BOARD ACTION

Pass a resolution supporting a Class 8 Cook County real estate tax classification for the property located at 17911 Harwood Avenue, owned by Beverly Spearman of The Spearman Firm, LLC.

ATTACHMENT(S)

- Resolution
- Request for Class 8