

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: June 23, 2026

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Amy Zukowski, Director of Finance

Topic: Budget Amendment – Ford of Homewood Sales Tax Sharing

PURPOSE

Staff is requesting the Village Board to approve a budget amendment to meet its obligation to Ford of Homewood for their annual sales tax sharing payment according to the agreement approved in February 2022.

PROCESS

In an effort to induce Steve Phillipos to purchase, rebuild and rebrand the 91-year old Van Duren Ford (3233 183rd Street), the Village engaged in a mutually beneficial partnership with Steve Phillipos owner of Chevrolet of Homewood. Steve agreed to purchase the longstanding Homewood dealership, in part, due to Homewood's agreeance to share a portion of the newly generated sales tax created by the new business (Ford of Homewood).

During the February 22, 2022 Board of Trustees meeting, the Village Board authorized entering into a sales tax sharing agreement with Ford of Homewood. The sales tax sharing agreement established an incentive of \$1,000,000 payable over a 15-year period. The sales tax sharing is creatively structured with 90% to Ford of Homewood and 10% to the Village in Years 1 and 2 – with a 10% proportional reduction to Ford of Homewood's share every two years. This will culminate in a 30% share to Ford of Homewood and 70% to the Village in year 14, and 20% to Ford of Homewood and 80% to the Village in year 15.

Sharing of the Sales Tax about the Base Sales Tax

As part of the structured sales tax sharing arrangement, the Village will always receive 100% of the amount of sales tax generated by the former Van Drunen Ford – described as “base sales tax.” After the Village receives an amount equal to the base sales tax, any remaining sales tax will be shared between the Village and Ford of Homewood – described as the “incentive.” To calculate the base sales tax amount, the Village averaged their portion of sales tax from the property prior to Steve Phillipos' acquisition of the property. The base sales tax amount received annually by the Village is \$149,192 (*three-year average of Van Drunen Ford from 2018 through 2020*). The new sales tax created about this base is then shared using the formula outlined above.

VILLAGE OF HOMEWOOD



Ford of Homewood Sales Increase

The owner, Steve Phillipos, has made notable and sizeable financial investments in the property through expansion of the facility and improvements to the property. Steve has increased his ability to store vehicle inventory, expanded both the showroom floor and the repair bay areas of the facility. Since Steve transitioned the previous Van Drunen Ford to the current, Ford of Homewood dealership, with major investments to the property, sales at Ford of Homewood have increased 20% over the recent years. The need for a budget amendment simply reveals that the dealership is doing well, which not only increases the Village's portion of this shared sales tax, but also increases the shared amount due to the dealership.

Future Incentive Payments Possible with TIF Increment

In the future, as the Kedzie Avenue Gateway TIF district accumulates increment from this and other developments over the next few years, the Village will have the option to pay Ford of Homewood's remaining incentive payments out of the property tax increment; not from sales tax sharing.

OUTCOME

Approval of the budget amendment will allow the Village to meet its obligation to Ford of Homewood for sales tax revenue sharing.

FINANCIAL IMPACT

- **Funding Source:** General Fund – to be repaid from future Kedzie TIF increment
- **Budgeted Amount:** \$120,000
- **Budget Amendment Requested:** \$38,945

LEGAL REVIEW

Not Required

RECOMMENDED BOARD ACTION

Approve a budget amendment of \$38,945 to the General Fund to meet the Village's obligation to Ford of Homewood for sales tax revenue sharing per the sales tax sharing agreement dated February 23, 2022.

ATTACHMENT(S)

None