

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: October 25, 2022

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Angela Mesaros, Director of Economic and Community Development

Topic: Economic Development Incentives – 18676 Dixie Highway

PURPOSE

As an integral component of the Tax Increment Financing Districts (TIF), the Village created the Façade and Property program to leverage private investment with public funds. The program provides financial assistance for the improvement and maintenance of existing commercial buildings to increase the assessed valuation and marketability of the area. One of the goals of this program is to promote the revitalization of properties and assist with upgrades to buildings.

PROCESS

In 2000, the Village established the Southgate Tax Increment Financing District. The funds available in the Southgate TIF District from the current fund balance are \$169,888. A large portion of this balance is dedicated to incentives for Maple Tree Inn and improvements to the Village-owned public parking lot. The remaining amount that is not committed to specific projects is \$22,901 per the 4/30/2022 audit of the Southgate TIF fund.

EMA Building Corporation has applied for incentives to offset the cost of improvements to the building for the re-occupancy of a tenant space at 18676 Dixie Highway. The applicant has submitted three quotes for improvements, which include constructing new flooring, doors, and signage. The cost of the lowest bids for the proposed renovations is estimated to be approximately \$22,500.

Staff reviewed this application for eligibility under the Façade and Property Improvement Program. Private investment must be greater than \$1,500 (exclusive of Village funding). This program allows for reimbursement of up to 50% of the eligible costs with a maximum reimbursement of \$25,000.

OUTCOME

Staff is recommending approval of \$11,250 from the Southgate TIF Incentive Program to cover 50% of the cost.

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In developing the recommendation, staff considered the following:

- The project is an update to the interior and exterior of a building that is in need of significant upgrades and has had multiple vacancies for many years.
- The recommended funding would be used to make permanent improvements to the building that will increase the long-term viability of the space.

FINANCIAL IMPACT

- **Funding Source:** Southgate Tax Increment Financing (TIF) Fund
- **Budgeted Amount:** \$72,000
- **Cost:** \$11,250

LEGAL REVIEW

Completed

RECOMMENDED BOARD ACTION

Authorize the Village President to enter into an agreement with EMA Building Corporation to provide financial assistance from the Southgate TIF Façade and Property Improvement Program in the amount of \$11,250 for building improvements at 18676 Dixie Highway.

ATTACHMENT(S)

Agreement between EMA Building Corporation and the Village of Homewood