

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 – 2033 Ridge Road, Stoney Point Grill

PURPOSE

James Burke, owner and operator of the Stoney Point Grill in Mokena, IL, proposes to locate a restaurant on the first floor of the Hartford Building at 2033 Ridge Road, which is located in the Downtown TOD TIF District. The property is currently under redevelopment by HCF Homewood LLC as a mixed-use building. Stoney Point has requested financial assistance for the build-out of the restaurant in order for this project to be viable. The Village has agreed to provide \$850,000 of TIF and Non-TIF assistance to the owner of the restaurant.

PROCESS

In 2017, the Village established the Downtown Transit Oriented Development Tax Increment Financing District (TOD TIF) to support mixed-use and transit-oriented redevelopment. Stoney Point Grill has leased space on the first floor of the Hartford Building, a newly constructed mixed-use building. Stoney Point has requested assistance related to planning, design, site improvements, and construction of the restaurant. The Village engaged Kane McKenna and Associates to evaluate the application for incentives. Stoney Point has agreed to the terms of a redevelopment agreement.

OUTCOME

Stoney Point Grill plans to build out the first floor of the mixed-use residential/commercial property as a restaurant. A restaurant is a targeted business and will be an attraction to downtown Homewood. Redevelopment of the property will improve the overall physical conditions of the area and augment the area's mix of commercial uses.

The cost of the proposed restaurant build-out is \$1,500,000. The project will provide permanent full-time and part-time jobs upon opening the restaurant. The owner estimates \$1.498 million of annual gross food and beverage sales tax revenue at the subject location with an annual increase of 7% for the first ten years and 4% over the remaining years of the TIF. The estimated cumulative total sales tax and places of eating tax revenue to the Village through the TIF term is \$1,500,000.

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Upon completion of construction and opening of the restaurant, the Village agrees to reimbursements to Stoney Point totaling \$850,000 over a five-year period, according to the following schedule:

1. \$425,000 within 30 days of the Opening Date, subject to Stoney Point payment to HCF Homewood LLC (the developer of the Hartford Building \$231,305 for reimbursement of expenses related to the restaurant.
2. \$85,000 after 12 months after the opening date.
3. \$85,000 after 24 months after the opening date.
4. \$85,000 after 36 months after the opening date.
5. \$85,000 after 48 months after the opening date.
6. \$85,000 after 60 months after the opening date.

This is a significant project in Homewood. The location of a restaurant on the first floor of the Hartford Building will add to the success of the redevelopment of this property. The restaurant will bring in additional foot traffic and add to the vitality of the downtown. The incentive amount is comparable to recent incentives given to restaurants such as Maple Tree Inn.

FINANCIAL IMPACT

- **Funding Source:** Downtown TOD Tax Increment Financing (TIF) Fund with any shortage being funded by Village of Homewood General Fund.
- **Budgeted Amount:** \$350,000
- **Cost:** \$850,000

LEGAL REVIEW

Completed

RECOMMENDED BOARD ACTION

Authorize the Village President to enter into a redevelopment agreement with Stoney Point Grill II, LLC of Mokena, IL to reimburse eligible expenses for the construction of a restaurant at 2033 Ridge Road.

ATTACHMENT(S)

Redevelopment agreement between Stoney Point Grill II, LLC and the Village of Homewood