

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: May 27, 2025

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Angela Mesaros, Director of Economic and Community Development

Topic: Analysis of Proposals Submitted for the Redevelopment of Village-Owned Property at 3003-3025 183rd Street

PURPOSE

The Village owns the commercial strip center, Park West Plaza, at 3003-3025 183rd Street. After soliciting proposals, the Village received three responses for purchasing and renovating the property. Staff completed a review and evaluation of the three proposals. Staff has outlined the methodology for evaluation/analysis in this memorandum. If, after reviewing this analysis, the Village Board chooses to move forward with one of the submitted responses; the Board should direct staff to negotiate a purchase and sale agreement with the successful developer. The purchase and sale agreement would be agendized and considered for approval at a future Board meeting.

PROCESS

In December 2023, the Village of Homewood acquired the Park West Plaza shopping center (*i.e. American Bagel Plaza*) at 3003-3025 183rd Street through the Cook County No Cash Bid Program. The property has been partially (2/3) vacant with delinquent property tax bills and deferred maintenance for many years. Upon acquisition of the property, the Village completed various maintenance improvements. In addition, the Village negotiated lease arrangements with the three existing tenants; State Farm, Golden Needle Alterations, and The Great American Bagel Co. All tenants have expressed interest in remaining in the center under new ownership.



A. 3003 183rd Street (*American Bagel*); **B.** 3007 183rd Street (*Greg Hunt, State Farm*); **C.** 3011 183rd Street (vacant – former *We Ship For You*); **D.** 3015 183rd Street (vacant – former *Homewood Mart*); **E.** 3017 183rd Street (*Golden Needle Alterations*); **F.** 3019 183rd Street (vacant – former *Nordbrock Chiropractic Center*); **G.** 3021 183rd Street (vacant – former *Papa John's*); **H.** 3023 183rd Street (vacant – former *Barber Shop*); **I.** 3025 183rd Street (vacant – former *Signature Salon*)

VILLAGE OF HOMEWOOD



Initial Interest in the Plaza

In February 2024, Rabid Ground LLC submitted a proposal to acquire and rehabilitate the property. The proposal involved the expansion of Rabid Brewing Company, currently located at 17759 Bretz Drive, into two units of the Park West Plaza commercial center. The Village signed a letter of intent (LOI) with Rabid Brewing with the expectation that Rabid Brewing would complete their due diligence and present a funding strategy to redevelop the property.

At Rabid's request, the Village renewed the LOI so that Rabid could pursue additional paths to secure funding for the project. At the end of the first LOI renewal period, Rabid requested a second extension of 90 days. During that period, Rabid worked to finalize its financial, business, and development plans. Prior to the expiration of the LOI renewal period, on February 9, 2025, Rabid Brewing presented its current funding strategy for the proposed project.

TIF Requirements to Transfer Village-owned Property

The property is in the 183rd West Tax Increment Financing (TIF) District. According to the TIF statute, the Village may sell the property for a nominal amount as part of a redevelopment agreement. However, before transferring the property, the TIF Act requires the Village to solicit for interested parties to submit alternate development proposals.

At the March 11, 2025 Village Board meeting, the Board passed Ordinance M-2346 directing staff to publish a solicitation for alternate proposals. The solicitation was published in the Daily Southtown. In addition, the Village posted the solicitation on its social media forums on March 12, 2025, and the responses on April 17, 2025. The proposed development plans are available at the Village Clerk's Office and on the Village website.

Additional Proposals Received

The Village received two additional proposals by the submission deadline of April 8, 2025, at 5:00 p.m. The Village Board directed staff to evaluate the proposals for the purchase and sale of the property.

Staff Proposal Evaluation and Analysis Section

The Staff Review Committee included a diverse cross section of professional staff areas:

- Terence Acquah, Assistant Village Manager
- Joshua Burman, Director of Public Works
- Bob Grabowski, Fire Chief
- Angela Mesaros, Director of Economic and Community Development
- Noah Schumerth, Assistant Director of Economic and Community Development
- Antonia Steinmiller, Communications and Engagement Manager
- Amy Zukowski, Finance Director

VILLAGE OF HOMEWOOD



Evaluation and Analysis Criteria

The Staff Review Committee evaluated each proposal using the following categories and criteria:

1. Responds to community needs
2. Supports suitable and successful uses
3. Ensures sustainable commercial development
4. Improves property conditions
5. Maximizes yield
6. Accommodates community investment timetable

Below is a short summary of each proposal.

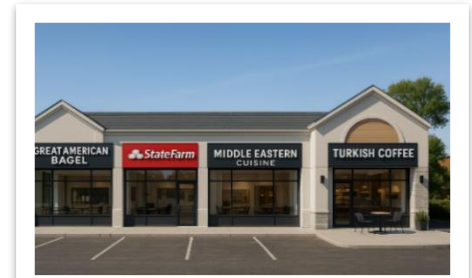
- Rabid Public House: Rabid Brewing Company, located on Bretz Drive since 2017, wishes to expand into a new 6,000 sq. ft. space with a flexible venue that would include a kitchen and event facility. They plan to have expanded hours, offerings, and marketing at a more visible location.

Rabid Brewing proposes a restaurant that offers beverages and Puerto Rican-influenced food. The proposal would relocate all customer-service activities to this location, while the production facility would remain on Bretz Drive.



Brand and Logo Rendering imposed on Park West Plaza

- VMB Ventures LLC: VMB Ventures is a partnership. One of the partners owns the Shell gas station at 183rd Street and Harwood Avenue. Their plans are to divide the space from nine units into seven storefronts, maintain the existing three tenants, and add a Middle Eastern-themed coffee shop with video gaming, run by the owners, as well as Boba tea, a Mediterranean restaurant, and a dermatologist office.



Brands and Logo Renderings imposed on Park West Plaza

- Caton Commercial Real Estate Group and Granite Realty Partners: This joint venture for redevelopment of the plaza proposes to acquire the property and prepare the property for prospective tenants. This would include investments to repair the parking lot and building structure, in addition to replacements for signage, storefronts, and doors. The group plans to own and operate the plaza as a long-term investment, and has extensive experience in owning, leasing, and redeveloping properties in the Chicagoland area and throughout the country. Caton has not identified specific tenants for the vacant spaces.

VILLAGE OF HOMEWOOD



1. Responds to Community Needs

This category measures the proposal's capability of supporting local businesses' growth and development, using the following criteria:

- Ability to provide services that meet the stated community wants, needs, and demands. Through social media, emails, public meetings, and input during festivals, the community has expressed the desire for certain uses to be located in Homewood such as "Third Spaces" (a public, neutral gathering space that is distinct from both home (first place) and work (second place). Examples of requested spaces/services/businesses include Mediterranean food, places for teens and children, Trader Joe's, coffee shops, non-alcoholic performance venues, and takeout food places.
- Ability to create a unique/distinctive commercial property that contributes to a sense of place in Homewood.
- Ability to increase local employment/job growth
- Ability to support local business growth

Stated Community Needs/Wants	Rabid	VMB	Caton
Third Space	✓	✓	Not Determined
Unique Destination/ Sense of Place	The Village received emails and public comments during recent meetings indicating that Rabid Brewery has a dedicated following within the community.	A specialty coffee shop may serve as a space for socializing and networking.	Not Determined
Local Employment/ Job Growth	Business occupancy increases jobs. Identified clear roles/job descriptions for the restaurant.	Business occupancy increases jobs.	Business occupancy increases jobs.
Direct Support of Local Business Growth	Rabid is a local business; its expansion directly benefits local businesses and economic growth.	Business mix that supports businesses, outside of Homewood, but within the South Suburbs of Cook County.	Expressed a commitment to attract local businesses. Will allocate funds for business build-outs, which contribute to small business start-ups/expansions.

Criteria Outcome:

1. Rabid Public House
2. VMB Ventures
3. Caton

VILLAGE OF HOMEWOOD



2. Supports Suitable and Successful Uses

The Village seeks the “highest and best use” for the property. This means that the use will positively affect and impact the immediate area and the community as a whole. Staff considered zoning compliance, the goals of the Comprehensive Plan, and the effects/demands on municipal services.

Proposed Uses

Address (existing use)	Rabid	VMB	Caton
3001 (Great American Bagel)	Great American Bagel	Great American Bagel	Great American Bagel
3007 (State Farm)	State Farm	State Farm	State Farm
3011 (vacant)	Vacant	Medical	Medical
3015 (vacant)	Vacant	Boba Tea	Cell phone retailers or similar
3017 (Golden Needle Alterations)	Golden Needle	Golden Needle	Golden Needle
3023 (vacant)	Rabid Public House	Mediterranean Restaurant	Quick Service Restaurant
3025 (vacant)	Rabid Public House	Coffee House + Video Gaming Unit	Quick Service Restaurant
Complies with Zoning (B-3 General Business)	Yes	Yes	Yes

Retention of Existing Businesses in the Plaza

All proposals confirm the intent to retain the existing tenants and add more tenants. In addition, all proposed uses are permitted in the B-3 General Business District of the Zoning Code.

Parking Compliance – Zoning Code

Staff analyzed the center for parking requirements and compliance with the Zoning Code. Park West Plaza is classified in the zoning code as a “multi-tenant commercial center,” which requires a parking ratio of one parking space per 300 square feet of gross floor area. The center is 11,000 square feet. The total required parking is 37 spaces ($11,000 \text{ sq. ft.} / 300 = 36.67$, rounded to 37). The center currently has 71 parking spaces (though some of the spaces are very poorly marked).

All three proposals, as submitted, meet the parking requirement even if the parking requirement for each use was considered individually. For example, Rabid Public House would require 35 parking spaces, but the parking lot could accommodate additional tenants as well. The selected developer will have some latitude to adjust the parking area as needed.

VILLAGE OF HOMEWOOD



Zoning Ordinance Encourages Tax-Producing Uses

According to Section 44-02-02 of the Zoning Ordinance, *"The purpose of the B-3 General Business district is to accommodate commercial areas that primarily provide goods and services for the residents of Homewood. Since these uses may be adjacent to residential areas and affect the overall character of the village, the district is intended to provide appropriate transitions and maintain and enhance the appearance of major thoroughfares. This district's intent and purpose are to protect areas for commercial development and the generation of property tax revenue from the encroachment of nontaxable bodies, including non-commercial places of assembly as defined in this chapter."*

Rabid Public House proposes to focus on the buildout and expansion of their local brewing company, currently located on Bretz Drive in Homewood. The expansion would be an additional space with a 6,000 square foot restaurant and events facility. All customer-facing portions of Rabid Brewing on Bretz Drive would relocate to 183rd Street. The brewing operations would remain at 17759 Bretz Drive.

VMB proposes to renovate the center from nine tenant spaces to seven tenant spaces. The developer intends to open their own specialty coffee concept with a video gaming room. VMB has a current presence in the Village with their acquisition, rehabilitation, and ownership/operations of the Shell Gas Station at 183rd Street and Harwood Avenue.

Caton indicated that while they have not identified a list of specific businesses for the building, they will implement a rehab/development process. First, they plan to invest in the property to enhance its appearance and address various deferred maintenance items, which would include a new building façade, roof repair, and parking lot repair. In addition, Caton plans to pursue cross-access with the existing commercial property to the west (currently Ollie's). With the improved architecture, Caton will initiate discussions with retailers that are expanding in the Chicagoland area. Wingstop® is an example of a tenant that Caton would pursue. Wingstop® has locations in neighboring communities but does not have a store in Homewood.

Caton also plans to target food uses, medical offices, services, salons/haircut retailers, and cell phone retailers that are missing in this area market. Caton's plan would be to recruit successful tenants in their other centers, known to be good operators and capable of successfully managing multiple locations. Caton would also entertain input from Village staff and seek to recruit uses that the community desires, such as a specialized coffee shop or bakery, or Mediterranean cuisine tenants that have other successful locations in the area.

VILLAGE OF HOMEWOOD



Impacts on Neighborhood and Community Resources

Criteria	Rabid	VMB	Caton
Traffic	High volume potential for event traffic	Coffee shop & Boba Tea may have high turnover	Standard commercial
Hours of Operation	Restaurant may have extended hours	Coffee shop and restaurant may have extended hours	Standard commercial
Potential Impact on neighbors (both commercial and residential directly adjacent to the south)	Events may generate traffic and noise if not managed properly.	Standard commercial	Standard commercial
Impact on Municipal Services (Police, Fire, Public Works)	No Impact	No Impact	No Impact
Building Division Input	Rehab and construction budget is lower than staff's estimates of construction costs	Rehab and construction budget is lower than staff's estimates of construction costs	Construction budget in line with staff estimates of construction costs

Criteria Outcome:

- VMB Ventures – complies with the local ordinances, and the uses planned would have the least impact on the surrounding neighborhood and municipal resources.**
 - Rabid Public House – has a clearly identified use for the vacant spaces. Staff has concerns about the impact of the proposed events on the residential neighborhood to the south. At a public meeting for the redevelopment of 3043-3055 183rd Street, the property directly to the west, residents expressed concerns about past alcohol use and noise when the former Brunswick Zone was in operation.
 - Caton – this third place positioning is due to unconfirmed tenants.
-

3. Ensures Sustainable Commercial Development

In this category, staff evaluated each of the potential building owner's experience in commercial real estate management and their ability to sustain this property for the long term (*See attached Exhibit #1, "Sustainability/Areas of Experience" Table*). It is important to the Village that the property owner has the capability and financial resources to maintain the property in good condition, manage, and fill tenant spaces.

Rabid has eight years of demonstrated experience operating their brewing company in Homewood. However, Rabid does not have experience operating a restaurant business on a larger scale nor do they have experience as a property owner of a multi-tenant commercial property. Though Rabid has no direct development experience, they are consulting with Gene Steinmarch of Steinmarch Development who has developed many properties in Homewood (*See attached list of development projects from Steinmarch Development*).

VILLAGE OF HOMEWOOD



VMB partnership includes the owner of the gas station at the corner of 183rd Street and Harwood Avenue. VMB completed an extensive acquisition process and build-out of the facility and improvements to the property. Their partners have proven experience with restaurants and properties in the South Suburbs of Cook County. VMB are owners/operators of the following:

- Haraz Coffee House in Orland Park – this use is proposed for Homewood at the Park West Plaza: <https://harazcoffeehouse.com/>
- Gas Stations:
 - Homewood Shell
 - Darien 76
 - Mokena Mobil
 - East Chicago, IN BP
 - Aurora Shell
 - Des Plaines Mobil - new build in process
- Liquor Stores:
 - Baba Liquor – Harvey, IL
 - Kwik Mart – Chicago, IL with strip center (*waiting for tenant's lease to expire to build out a larger liquor store*)
 - Oak Forest Go 2 Market - with strip center
- Hotel:
 - Quality Inn
- Warehouse in Alsip, IL

Caton is the larger and more established developer of the three, and has the most experience owning and operating numerous commercial and residential properties. They own over 90 properties, including multi-tenant commercial centers, some of them are located within Cook County. Caton has a national network of tenants and substantial experience recruiting varied tenants. They have limited experience with projects in Homewood; their last project in Homewood was in 1995. For complete information on Caton Commercial's properties, visit: <https://catoncommercial.com/>

Staff has reached out to references provided in the Caton proposal, as well as communities in which they have similar properties. All responses have been positive regarding maintenance, upkeep, and the ability to fill vacancies with viable tenants.

Another component of sustaining commercial developments is having proper financing for the proposed development. The Table below identifies the sources of financing:

VILLAGE OF HOMEWOOD



Financing Intent of Potential Owners

Criteria	Rabid	VMB	Caton
Private Investment	\$700,000	\$605,400	\$750,000
Funding Source	- Cash - Private Loan - Short-Term Property Loan	Local investors	- Cash - A potential small loan on the property that would be serviced from the current and future income on the property

Criteria Outcome:

1. Caton
2. VMB Ventures
3. Rabid Public House

4. Improves Property Conditions

This category evaluates the value added by property improvements. The Village acquired this property to address the issues with delinquent property taxes, deferred maintenance, and long-term vacancies. It is important to the Village that owners of commercial centers have the resources to maintain properties in compliance with Village codes. Contacts for property management must be readily available in case of an emergency. The Village expects all property owners to be current on their bills and property taxes and for their properties to be safe, well maintained, and compliant with all codes.

Proposed Renovation Costs			
Criteria	Rabid	VMB	Caton
Hard costs*	\$ 295,000	\$ 394,400	\$ 525,000
Soft costs**	\$ 190,900	\$ 48,400	\$ 10,000
Subtotal building improvements	\$ 485,900	\$ 442,800	\$ 635,000
Loan Interest	\$ 100,000	Not Applicable	Not Applicable
Subtotal with financing costs	\$ 585,900	\$ 442,800	\$ 635,000
Tenant Improvements total	\$ 0	\$ 90,000	\$ 350,000
TOTAL Property Improvements^	\$ 585,900	\$ 532,800	\$ 985,000
Business Buildout	\$1,048,880 (Rabid Public House)	\$ 600,000 (Coffee Shop)	Not Determined
Total Improvements with Business Costs	\$1,634,780	\$1,132,800	\$ 985,000

*Hard Costs include land and building improvements in addition to renovations, such as parking lot repairs, signage, new roof, HVAC units, masonry repair, etc.

**Soft Costs are fees for architects, designers, permits, legal, engineering, loan interest, surveys, etc.

VILLAGE OF HOMEWOOD



^Staff consulted HR Green, the consultant who performs the Village's commercial building permit reviews, for an estimate of the total property improvement costs. A very conservative number for the total improvement costs is \$100 per square foot for the vacant spaces, and \$50 per square foot for the exterior work **only** for the current occupied locations. Based on these estimates, the cost would be \$895,000 to rehab the building and bring it up to code. This does NOT include any tenant buildout costs, fire alarms, or suppression systems of the vacant units. Only the white/box buildout costs are part of this total.

HR Green's Construction Estimates

Of the three proposals, Caton's estimate is most in line with the estimate from HR Green. Caton is investing the most money into the property. Rabid is investing a significant amount of money into its business expansion, which will occupy one-third of the building. However, Rabid does not propose improvements to the other tenant spaces in the building. VMB's actual investment costs are the lowest.

Criteria	Rabid	VMB	Caton
Parking Lot			✓
Roof	✓	✓	✓
Lighting	✓		✓
HVAC	✓	✓	✓
Masonry (Façade)	✓	✓	✓
Landscaping		✓	✓
Signage			✓
Drive aisle		✓	✓

Based on the construction budgets of each proposal, this table shows the improvements budgeted for the property. The check mark (✓) indicates the improvements that the proposals indicated would be addressed initially upon purchase of the center.

Criteria Outcome:

1. **Caton**
2. VMB Ventures
3. Rabid Public House

5. Maximizes Yield

In this category, the goal is to analyze the financial benefit of each project to the Village and the community, i.e., the return on investment (ROI). The staff has reviewed the total cost of the project, projected tax revenue to the Village, any ancillary and indirect revenue, and requested incentives for the development. (See attached Exhibit #2, "Sales Tax Revenues and Incentive Expenses" Table).

NOTE: The tax revenue analysis over the next ten (10) years only includes sales tax and does not include property tax revenue. It is assumed in the analysis that the Village would support a Cook County Class 8 real estate tax incentive for the portion of the building that qualifies. With the Class 8 in place, the

VILLAGE OF HOMEWOOD



property taxes would be lower than the base Equalized Assessed Value (EAV) established in the TIF district (183rd West TIF); therefore, the property will not create new property tax revenue. The base property tax value is approximately \$100,000; annual property taxes with the Class 8 are estimated to be \$80,000.

Sales Tax Analysis

Sales tax is the Village's largest revenue source. The Village is continually looking for opportunities to increase its sales tax revenue through additional retailers. The Village has also seen significant revenues from the 2% *Places for Eating* tax for sit-down restaurants.

Rabid shows a decline in the short term due to its request for a \$300,000 incentive "up front" at the beginning of the project. This funding, if approved, would need to come from the Village's General Fund, as there are no dollars in the TIF Fund. In addition, Rabid has requested a rebate of the Village's Places of Eating tax, which is 2% of total sales revenue, for five years. Village Staff has calculated the yield for Rabid based on the projected sales revenue provided in Rabid's proposal. In the long term, Rabid has projected their business revenues to trend upward.

VMB has requested an incentive of \$360,000 to offset the property taxes. This incentive would be distributed in increments over 10 years; therefore, staff subtracted \$36,000 per year from revenues for ten years.

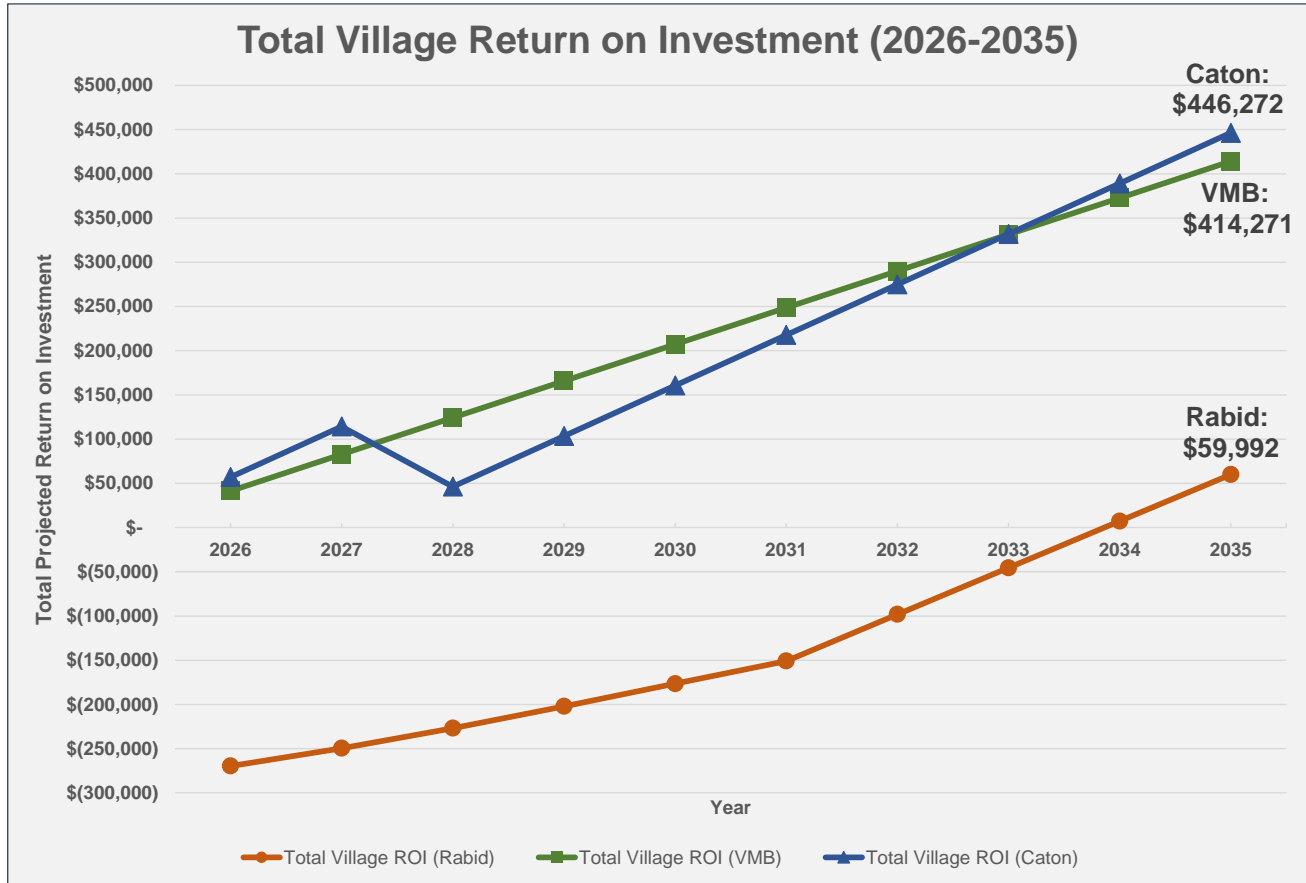
VMB has requested video gaming as a part of its business plan; this is included as ancillary revenue, and the numbers are based on similar spaces in the Village of Homewood. (The data is available on the Illinois Gaming Board's website at this link: [Illinois Gaming Board Report.Homewood](#)).

Caton has not confirmed, but they may request an incentive as part of their proposal. In our discussions with them, Caton indicated that they may request a TIF reimbursement for 50% to 100% of the completion of the parking lot (estimated at \$150,000) and the cost of a cross-access aisle from the property to the west to improve traffic accessibility (approximately \$50,000). The total request is estimated to be between \$125,000 and \$200,000.

Caton stated that this incentive is not required financially to complete this project. However, Caton has stated that the incentive would allow them to dedicate more funds to the tenant build-outs of the vacant spaces, which would then help to attract higher-performing tenants such as restaurants that require more costly build-outs (*See attached Exhibit #3, "Incentive Request Summary"*).

Caton has not yet identified end users of the vacant tenant spaces, so the tax revenue is an estimate based on the proposed types of uses. However, if the uses are services and do not produce sales tax, projected revenues could be lower. An example is Cherry Creek Shopping Center on Governors Highway that currently has a significant amount of tenant space dedicated to Franciscan Health, which does not generate sales tax revenue.

VILLAGE OF HOMEWOOD



Criteria Outcome:

1. Caton
 2. VMB Ventures
 3. Rabid Public House
-

VILLAGE OF HOMEWOOD



6. Community Investment Timetable

The Village values property owners who are invested in the community and have a long-term commitment. All three of the proposals through private ownership, place the property back onto the tax rolls within a year or less. However, the proposals vary in their respective long-term plans for the center.

Proposal	Year									
	1	2	3	4	5	6	7	8	9	10
Proposal 1: Rabid Brewing	Center fully leased within one year (early/mid 2026)	Operating Rabid business, managing property			Property sale to investor, use proceeds to invest in busineses and pay shareholders	Operating Rabid business, property operated by investor		Seek acquisition by larger restaurant group or brewery conglomerate	Partnership with brewery conglomerate, property operated by investor	
Proposal 2: VMB Partners	Center fully leased and occupied in 6 months (end of 2025)	Operating coffee shop or other anchor business (developer as partner in business), managing property								
Proposal 3: Caton Commercial	Center fully leased within one year (early/mid 2026)	Managing property (no direct business operation)								

Criteria Outcome:

- VMB Ventures – This proposal includes long-term ownership of the property and long-term ownership of a business that occupies the property.**
- Caton - plans to own the center long term, but will not have a business in the center.
- Rabid Public House – Rabid's business plan is to use the center as an investment property to expand its business.

VILLAGE OF HOMEWOOD



OUTCOME

Overall Criteria Disposition:

Criteria	Rabid	VMB	Caton
Responds to Community Needs	✓		
Supports Suitable and Sustainable Needs		✓	
Ensures Sustainable Commercial Development			✓
Improves Property Conditions			✓
Maximizes Yield			✓
Community Investment Timeline		✓	

FINANCIAL IMPACT

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

LEGAL REVIEW

Completed

RECOMMENDED BOARD ACTION

After review of the Staff Review Committee's analysis, the Village Board is requested to consider a Board action to direct staff to negotiate a purchase and sale agreement and a redevelopment agreement with one of the proposed developers to redevelop the Village-owned commercial property at 3003-3025 183rd Street (Park West Plaza).

ATTACHMENT(S)

- Proposals (3)
- Exhibits