

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: September 8, 2026

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Noah Schumerth, Director of Economic and Community Development

Topic: Cook County Class 8 Incentive Renewal – 17759-17845 Bretz Drive (Homewood Business Park Condominiums)



Figure 1: View of one building at the Homewood Business Park Condominiums complex @ 17759-17845 Bretz Drive.

PURPOSE

The Homewood Business Park Condominium Association is seeking Village support to renew a Class 8 property tax incentive for property at 17759-17845 Bretz Drive. The Village of Homewood passed a resolution of support for this incentive as a component of the construction of three multi-unit commercial condominium buildings.

Homewood Business Park Condominium Association operates seven (7) commercial condominium units with a mix of local businesses such as R & R Plumbing and the Illinois Cremation Society. The center is also home to 119 Tranzit (car rental facility), Soulistic 360 (music and video production facility), Powersource Martial Arts, and Cremation Society of Illinois.

Two businesses which previously provided sales and place of eating taxes for the Village (Rabid Brewing, Homewood Bat Company) have left the center in 2026. One sales tax generating business (Kevin's Garage) remains in the center.

The property owner has stated that retaining the Class 8 incentive is important to maintain viability for businesses currently operating in the center and marketing spaces to new tenants (such as a replacement tenant for Rabid Brewing).

Tax rates in Cook County are significantly higher than rates in adjacent counties and nearby Indiana, where the property tax rate is as much as 45% lower. Cook County has recognized the unique impact that these tax rates have on Chicago's south suburbs and established the Class 8 Tax Incentive Program. The Class 8 program encourages industrial and commercial development in areas of the County which are experiencing "severe economic stagnation."

Commercial/industrial property owners in five participating townships (Bloom, Bremen, Calumet, Rich and Thornton) and other designated areas of "severe economic stagnation" may apply for

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this program. Under this program, the property is assessed at 10% during the first 10 years and for any subsequent 10-year renewal period.

The current Class 8 property tax incentive is near the end of its term and set to expire in 2028. If the incentive is not renewed, the property would be assessed at 15% in year 11 (2027), 20% in year 12 (2028), and 25% in subsequent years (2029 and beyond).

PROCESS

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

The applicant applied for the renewal of the Class 8 incentive in January 2026. The property previously had maintenance issues that were recently addressed by the property owner. The Village planned to bring this renewal application forward upon addressing these concerns.

According to the terms of the Class 8 incentive program, the municipality must pass a renewal a resolution or ordinance that expressly states that the municipality a) supports and consents to the renewal of the Class 8 incentive, and b) that it has been determined that the use of the property and the incentive are necessary and beneficial to the local economy.

OUTCOME

Approval of this incentive renewal may assist the Homewood Business Park Condominium Association in its ability to retain and attract businesses. With the incentive, property taxes would be approximately \$62,000 annually. Without an incentive, annual property taxes would be approximately \$154,000 annually. The Class 8 reduces property taxes on the property by \$92,000 annually.

The Village receives approximately 11% of the property tax levy on this property. With the incentive, the Village receives approximately \$6,900 annually from the property's tax bill. Without the incentive, the Village would receive approximately \$17,000 annually from the property's tax bill.

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FINANCIAL IMPACT

- **Funding Source:** N/A
- **Budgeted Amount:** N/A
- **Cost:** N/A (The property currently has a Class 8 incentive – renewal of the Class 8 incentive will maintain property taxes at their current level.)

LEGAL REVIEW

Completed

RECOMMENDED BOARD ACTION

Pass a resolution supporting and consenting to a Class 8 Cook County tax classification renewal for the Homewood Business Park Condominium Association property located at 17759-17845 Bretz Drive.

ATTACHMENT(S)

- Resolution
- Request for Class 8 Renewal