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 Community and Economic Development

Topic: Budget Amendment – Non-TIF Incentive Programs

PURPOSE

Staff is requesting Village Board approval of a budget amendment to allocate additional funds to the Village's Non-TIF Business Incentive programs.

PROCESS

The Village currently offers three (3) incentive programs through the Non-TIF Business Incentive Program:

- **Go Green! Reward:** Assists property owners in constructing and upgrading buildings with environmentally sustainable initiatives which benefit the environment.
- **Retail Enhancement Program:** Assists new or existing businesses owners with buildout costs for relocating a business in Homewood or expanding an existing Village business.
- **Façade and Property Improvement Program:** Assists property owners in revitalizing and reinvesting in property, especially for work to improve the exterior appearance and code compliance of existing commercial buildings.

These programs provide reimbursements for up to 50% of eligible property improvement costs. Property owners or business operators receiving funds are responsible for completing eligible work and submitting proof of payment for reimbursement from the Village. This program is generally reserved for smaller investments (under $150,000) in property or investment in properties outside of Village tax increment financing (TIF) districts. These programs are designed to incentivize property owners and business owners to complete improvements which increase the function and attractiveness of commercial and industrial buildings in the Village.

Current Fiscal Year Budget and Anticipated Additional Requests

The Village has seen an increase in interest in the program since the beginning of this fiscal year. In the Fiscal Year 2026-2027 budget, the Village allocated $50,000 to the program. The Village has received four (4) applications for the program in 2026, and has already allocated approximately $35,000 to projects in the Village.

The Village has received communication from several other Downtown property owners seeking assistance to complete significant building improvements this year. These projects include work which is eligible to be reimbursed by the Façade and Property Improvement or Retail Enhancement Programs. Staff is requesting approval of a $50,000 budget amendment to allow for the Village to evaluate and support these investments through the remainder of Fiscal Year 2026-2027. Staff plans to revisit program eligibility and review criteria for Non-TIF Business Incentives for Fiscal Year 2027-2028 in response to the increase in program demand and to align the program with current Village plans and policies.

Source of Funding for Additional Non-TIF Incentive Dollars

As part of the Village's year-end process, any unspent budgeted dollars allocated for non-TIF incentives are rolled into Fund Balance. Beginning in Fiscal Year 2014-2015, the unspent non-TIF incentive funds were allocated to Assigned Fund Balance through the annual audit process, as long as the Village was meeting its minimum Fund Balance Policy. Assigned Fund Balance is a self-imposed constraint with intent to use fund balance for a specific purpose. The Village has typically utilized it to fund known or future non-TIF incentives.

Currently, the dollars available in Assigned Fund Balance for non-TIF incentives is $176,521. The budget amendment request is to transfer $50,000 from this amount to the General Fund in order to be able to support the additional property improvement requests the Village is receiving this fiscal year.

As the requests are received, Village staff reviews the incentive applications for eligibility and basic program requirements before bringing the request before the Board of Trustees for approval.

OUTCOME

Approval of the budget amendment will allow the Village to support additional property improvements in the Village, including forthcoming applications for property investments in the Downtown area.

FINANCIAL IMPACT

- **Funding Source:** General Fund Assigned Fund Balance
- **Budgeted Amount:** $50,000
- **Budget Amendment Requested:** $50,000

LEGAL REVIEW

Not required

VILLAGE OF HOMEWOOD

RECOMMENDED BOARD ACTION

Approve a budget amendment of $50,000 to the General Fund to allocate additional funds to the Village's Non-TIF Business Incentive programs.

ATTACHMENT(S)

None