

VILLAGE OF HOMewood



BOARD AGENDA MEMORANDUM

DATE OF MEETING: February 10, 2026

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 2066 Ridge Road and 2024 Chestnut Road

PURPOSE

The Village owns two properties in the downtown area: (1) 2066 Ridge Road (Matrix Building) in the B-1 Downtown Core zoning district and (2) 2024 Chestnut Road (Village Hall parking lot) in the B-2 Downtown Transition zoning district. Both properties are located within the current Downtown Transit-Oriented Development (TOD) Tax Increment Financing District (TIF) and the proposed Harwood TOD TIF district. The Village intends for the two properties to be developed.



Following the solicitation of proposals, the Village received six responses. Staff completed a review and evaluation of the proposals, and the methodology used for the evaluation and analysis is outlined in this memorandum.

The Village Board is requested to review the analysis, select one of the submitted proposals, and direct staff to proceed with the solicitation of alternate bids and proposals in response to the selected proposal.

PROCESS

In April 2022, the Village purchased the commercial office building located at 2066 Ridge Road (the Matrix Building) as part of a broader acquisition that also included 17900 Dixie Highway, which was necessary for the construction of a new elevated water tank. The intent of acquiring the property located at Ridge Road and Harwood Avenue was to market and sell the building to a developer for future mixed-use redevelopment.

The property located at 2024 Chestnut Road is currently used as the Village Hall public parking lot. In 2006, the Village consolidated six parcels at the northeast corner of Chestnut Road and Harwood Avenue into a

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single property at 2024 Chestnut Road. This site has long been identified as a key redevelopment opportunity within the community. The property is currently tax-exempt; redevelopment would return the site to the tax rolls and increase residential housing opportunities within the Central Business District, consistent with a key goal of the Village's newly adopted Transit-Oriented Development Plan.

Initial Interest in the Properties

In 2022, the Village received a proposal from HCF Homewood LLC (the developer of the Hartford Building) to construct a five-story, 59-unit residential building on the Village Hall parking lot site. Since that time, HCF Homewood has withdrawn its proposal due to funding.

Proposals

In September 2025, the Village issued a Request for Proposals (RFP) to attract qualified developers for mixed-use and multi-family projects for the redevelopment of two downtown, Village-owned properties. The Village of Homewood received six proposals for the redevelopment of one or both properties. Collectively, the proposals reflect a diverse range of development concepts intended to support successful downtown revitalization, including new housing options, retail and restaurant uses, and community amenities such as public open space.

Staff presented a brief overview of all proposals at the Village Board meeting on December 9, 2025. Following that meeting, staff conducted a detailed review of each proposal and interviewed each development team. Based on applicable zoning requirements and the established evaluation criteria, staff identified four proposals to advance to the next phase of review.

Staff engaged Ryan LLC, the Village's Tax Increment Financing (TIF) consultant, to perform a preliminary review of the submitted proposals. This analysis included an initial review of the return and budget analyses provided by each developer, both with and without Village assistance; a high-level evaluation of the incentive requests; and preliminary observations regarding the scope and apparent reasonableness of each proposal. Staff has applied Ryan's verified financial figures in its analysis of the developers' financial requests.

TIF Requirements to Transfer Village-owned Property

The properties are located within the current Downtown Transit-Oriented Development (TOD) Tax Increment Financing District (TIF) and the proposed Harwood TOD TIF district. According to the TIF statute, the Village may sell the property for a nominal amount under a redevelopment agreement. However, before doing so, the TIF Act requires the Village to solicit interested parties to submit alternate development proposals.

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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
- Lindsay Cabay, Assistant Finance Director
- Bob Grabowski, Fire Chief
- Brian Hankey, Project Coordinator, Public Works
- Thomas Johnson, Chief of Police
- Max Massi, Village Engineer
- Angela Mesaros, Director of Economic and Community Development
- Noah Schumert, Assistant Director of Economic and Community Development
- Amy Zukowski, Finance Director

Below is a summary of each proposal.

1. **Granite Realty Partners (GRP)**: A development team led by Granite Realty Partners LLC, a Chicago-based real estate investment and development firm, with design partner Arete Design Studio, Ltd., an architecture firm with a long history in Homewood. They propose residential-only development with parking on the ground floor at the Village Hall parking lot site and a mixed-use development at the Matrix property. Both projects offer market-rate apartments and amenities.



2. **Southland Development Authority (SDA)**: In partnership with Kaufman Jacobs Investments and Edward Peck Design, SDA proposes a mixed-use development with market-rate apartments. The Southland Development Authority is a nonprofit public-private partnership launched in 2019 to promote economic growth in Chicago's south suburbs. For this proposal, SDA has assembled a development team with a broad range of experience in mixed-use, multi-family, and community-

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focused development projects. This team is proposing a mixed-use development with market-rate apartments and a parking garage on the Village Hall parking lot site.



3. Holladay Properties: is a 70-year-old fully integrated real estate developer, owner, and operator with offices across the Midwest. Their mission is to build long-term value in communities. Holladay proposes a mixed-use development with market-rate apartments and highly amenitized spaces, private terraces or balconies, and concierge-style services for both sites. The Matrix property would be a “retail forward mixed-use project” including a restaurant with outdoor seating or local grocery store on the ground floor.



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4. Far South Community Development Corporation (Southland CDC): is a Chicago-based non-profit established in 1980, focused on community revitalization, economic development, and social justice in Chicago's Far South Side neighborhoods and south suburban Cook County, offering housing support and business assistance, and advocating for affordable housing and development to combat poverty and blight in low-income areas. Their team includes SEEK Design + Architecture (architect) and BOWA Construction (general contractor), who proposes a mixed-use development that includes commercial on the ground floor and both market-rate and affordable apartments.



Evaluation and Analysis Criteria

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

1. Positive Fiscal Impact (20%)
2. Addresses/Meets Housing Needs (15%)
3. Quality of Project Design (15%)
4. Manages Site Needs (15%)
5. Project Experience (10%)
6. Provides Open Space (10%)
7. Creates Highest and Best Use (10%)
8. Plan/Code Conformance (5%)
9. Project Timeline (5%)

1. Positive Fiscal Impact

Does this proposal maximize yield, including Village tax revenue (property tax, sales tax, etc.), property sale price, and TIF performance?

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). Staff has reviewed the total cost of the project, projected

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tax revenue to the Village, any ancillary and indirect revenue, and requested incentives for the development.

Financing Intent of Potential Owners

Criteria	Granite Realty Partners (GRP)	Southland Development Authority (SDA)	Holladay	Far South CDC
Property sale price	\$1	\$1	\$1	\$1,000,000
TIF Request (as percentage of Increment)	\$12,000,000	100% (75% increment for building + 25% for parking garage)	75% of this project's increment	\$8,000,000 (coverage of eligible expenses)
Estimated Developer share of TIF Increment	\$12,000,000*	\$11,896,357	\$11,470,312	\$4,510,956
Estimated Village share of TIF Increment	\$2,681,820	\$0	\$3,824,437	\$0
Project Cost	\$44,000,000	\$40,000,000	\$46,500,000	\$80,000,000

*The TIF reimbursement request from GRP is intended as a TIF loan. They have requested 100% of the TIF increment until the loan is paid off. According to projections from Ryan LLC (TIF Consultant), payout will occur in year 21.

Criteria Outcome:

- Holladay Properties** – The proposal offers the greatest TIF increment back to the Village and is projected to generate the highest long-term Equalized Assessed Valuation (EAV).
- Granite Realty Partners (GRP)** – The proposal offers a TIF increment back to the Village.
- Southland Development Authority (SDA)** – The proposal requests 100% of the increment in exchange for providing a public parking garage.
- Far South CDC** – The projected increment is not sufficient to cover the total estimated project costs of \$8,000,000.

2. Meets Housing Needs

Does this project increase housing supply, provide new housing options, or support transit-accessible housing in the region?

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Criteria	GRP	SDA	Holladay	Far South CDC
Type of Housing	Rental, Market Rate	Rental, Market Rate	Rental, Market Rate	Rental, Market Rate, and Affordable
Unit Size	1BR: 650-750 SF 2BR: 950-1,000 SF	Studio: 380 SF 1BR: 580 SF 2BR: 1,075 SF 3BR: 1,300 SF	Studio: 486 SF 1BR: 715-845 SF 1BR + Den: 906-1,345 SF 2BR: 997-1,090 SF 2 BR + Den: 1,652 SF	1BR - 780 SF 2BR - 981-1,024 SF 3BR - 1,258 SF 4BR - 1,372 SF
Rental Rate	\$2.40 - \$2.60 per square ft. (psf)	\$2.83 psf	\$2.60 - \$3.20 psf	\$1.97 psf average (the market rate unit rent is significantly higher than the subsidized affordable units)
New Housing Options	No (all 1/2BR)	Yes, studios and 3 BR units	Yes, studios and 1BR+DEN and 2BR+DEN larger units	Yes (3BR + 4BR rental options),+ affordable housing

Criteria Outcome:

- Far South CDC** – The proposal includes affordable housing as an option.
- Holladay** – The proposal provides a wide range of unit sizes, ranging from 486 studio to 1,600 square feet 2 BR + den.
- SDA** – The proposal offers a mix of studios and three-bedroom units.
- GRP** – The proposal provides unit sizes similar to those in the Hartford building.

3. Quality of Project Design

Does the proposal provide a suitable design for a pedestrian-friendly downtown environment? Does this project improve the character of Downtown Homewood?

In this category, Staff evaluated the following design goals/standards:

- Provides high architectural design/material quality – the design should include Tier 1 materials:
 - brick
 - terra cotta
 - manufactured stone
 - concrete masonry units (decorative block face)
- Context-appropriate massing (height, building setbacks)
- Interaction between buildings and sidewalk/streetscape

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Criteria Outcome:

- Holladay** – The proposal incorporates high-quality design and materials throughout the project.
- GRP** – The proposal incorporates high-quality design and materials; however, the Village Hall site has limited interaction with the sidewalk and street, as the entire ground floor is dedicated to parking.
- Far South CDC** – The proposal provides moderate design quality and materials relative to the other submissions.
- Southland Development Authority (SDA)** – The proposal provides fewer details in the design.

4. Manages Site Needs

Does this proposal effectively manage site needs, including parking, site access (pedestrian and vehicle), utilities, etc.?

Criteria	GRP	SDA	Holladay	Far South CDC
TOTAL Proposed Parking	112 spaces	176 spaces	163 spaces	121 spaces
(Private) Residential Parking	92	110	163	107
Spaces per Residential Unit	<1 space: 1 unit	1 space: 1 unit	1.2 spaces: 1 unit	1 space: 1 unit
Public Parking	20 spaces in covered parking area	56 spaces in the parking garage	None - but open to adding with land assembly	14 spaces in the rear of Village Hall
Public Safety Parking	Yes	Yes	Yes	Yes
Commercial Parking	Street parking	Garage and street parking	Street parking	Street parking

Criteria Outcome:

- Southland Development Authority (SDA)** – The proposal includes a parking structure that provides publicly accessible parking.
- Holladay** – The proposal provides the highest residential parking ratio among the submissions.
- GRP** – As proposed, the project does not meet the targeted residential parking ratio.
- Far South CDC** – The proposed amount of commercial space could place additional strain on existing public parking resources.

5. Project Experience

Does the development team have experience working with similar projects? Is the proposal backed with sufficient capital to complete the entire project?

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Criteria	GRP	SDA	Holladay	Far South CDC
Development Team Experience	<ul style="list-style-type: none"> ▪ River Street Plaza, Aurora ▪ Condominiums at Batavia ▪ Madison Place Apartments ▪ Frankfort Townhouses ▪ Glenwood Mixed-Use ▪ Tinley Park Mixed-Use ▪ Orland Park Mixed-Use ▪ South Street, Tinley Park ▪ Amberley Woods ▪ Element Condominiums 	N/A	<ul style="list-style-type: none"> ▪ Burlington Station, Downers Grove ▪ Quincy Station, Westmont ▪ Lilac Station, Lombard ▪ Glenwood Station, Glen Ellyn ▪ Itasca Station, Itasca ▪ Northwood Station, Wood Dale ▪ The Promenade, Portage, IN ▪ Fifty Four Flats, Nashville, TN ▪ The Factory, Franklin, TN ▪ The Vine, Hinsdale 	<ul style="list-style-type: none"> ▪ Fifteen Michigan Station, Chicago ▪ Morgan Park Commons, Chicago ▪ The Rise on Halsted, Chicago ▪ POP! Heights Park, Chicago
Development Member (individual experience)	N/A	<u>David Agosto (Developer Lead)</u> <ul style="list-style-type: none"> ▪ The CUBES, Country Club Hills (industrial) ▪ Michael Reese Re-Development ▪ ASPIRE South Loop <u>Edward Peck (Architect)</u> <ul style="list-style-type: none"> ▪ Riverfront Fort Wayne (open space project) ▪ Landmark West Loop (31 story building) ▪ PALMtower, Phoenix, AZ 	N/A	<u>SEEK Design (Architect)</u> <ul style="list-style-type: none"> ▪ Tiny Giants Daycare + Residences, Irving Park, Chicago ▪ Northwest Center, Belmont Cragin, Chicago ▪ XS Hotel + Residences, Washington Park, Chicago ▪ Bella Noir Community Wellness Hub, Bronzeville, Chicago <u>BOWA Construction (General Contractor)</u> <ul style="list-style-type: none"> ▪ Wind Creek ▪ Joint Public Safety Training Academy ▪ Lathrop (affordable and market-rate apartments) ▪ Gately Indoor Track & Field Facility ▪ Homan Square (housing) ▪ Roosevelt Square (mixed-income apartments)

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Criteria	GRP	SDA	Holladay	Far South CDC
Demonstrated ability to complete similar infill mixed-use projects	Yes	None	Yes	Yes, in the City of Chicago
Funding Source	<ul style="list-style-type: none"> ■ Construction Loan 70% ■ Private Equity 30% 	Monarch Fund* – not yet funded	<ul style="list-style-type: none"> ■ Construction Loan 70% ■ Private Equity 30% 	<ul style="list-style-type: none"> ■ Mortgage ■ Low Income Housing Tax Credits (LIHTC) ■ IL Building IL Bond Fund ■ ComEd Grant ■ Donations

*The Monarch Fund is the SDA's newly established funding mechanism. The fund is an equity investment vehicle operated by the SDA to attract large-scale capital investments while ensuring that capital continues to recirculate within the Southland upon project completion. With a fundraising goal of \$100 million by 2027. The TOD projects would be among the first developments funded.

Criteria Outcome:

1. **Holladay** – The development team has completed numerous transit-oriented development projects in the Chicago suburbs and northwest Indiana, and the project's funding is secure.
2. **GRP** – The team has experience with transit-oriented development projects, though to a lesser extent than Holladay, and the project's funding is secure.
3. **Far South CDC** – The team's experience is primarily concentrated on the south side of Chicago within the city limits. The proposed funding structure relies heavily on grants and donations.
4. **SDA** – This would be the first development project undertaken by SDA as a team; however, the individual members have comparable experience. Project funding is dependent on continued fundraising through the SDA Monarch Fund.

6. Provides Open Space

Does this project create new open spaces or other public areas in Downtown? Does this project create new private open space opportunities?

Criteria	GRP	SDA	Holladay	Far South CDC
Public Open Space	No	Yes, large plazas on both properties	Yes, small plaza on the corner of Village Hall property and outdoor seating at Matrix property	Yes, large public courtyard on Village Hall property

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Criteria	GRP	SDA	Holladay	Far South CDC
Private Open Space	Yes, recessed covered balconies, private terraces for some units, large amenity deck	No balconies, amenity deck	Yes, private balconies for units and large amenity deck	Yes, roof terraces and some private terraces

Criteria Outcome:

- Holladay** – The project provides both private balconies for each residential unit and publicly accessible open space.
- SDA** – The proposal includes two large public plazas but does not provide private balconies.
- Far South CDC** – The project includes a large public courtyard and limited private terraces.
- GRP** – The proposal does not include public open space.

7. Creates Highest and Best Use

Does this proposal provide an efficient use of high-value, transit-accessible property? Does the project maximize positive benefits for the downtown area?

The Village seeks the “highest and best use” for the property. This means that the use will positively affect 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

	GRP	SDA	Holladay	Far South CDC
TOTAL Residential Units	122	107	146	111
Village Hall Residential Units	78	85	118	72
Matrix Residential Units	44	22	28	39
TOTAL Commercial	6,000 SF	4,400 SF	8,000 SF	18,000 SF

Criteria Outcome:

- Holladay** – The proposal provides the greatest number of residential units and is projected to result in the highest increase in Equalized Assessed Valuation (EAV).
- Far South CDC** – The proposal provides the largest amount of commercial space.
- GRP** – The proposal provides a moderate mix of residential and commercial space relative to the other submissions.

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4. **SDA** – The proposal provides the lowest residential density and the least amount of commercial space.

8. Plan/Code Conformance

Does this project conform to the goals and recommendations of the Downtown TOD Master Plan and other Village plans?

The Village's recently adopted Transit-Oriented Development (TOD) Plan includes recommendations for both properties. The Village Hall site is recommended for repurposing as a mixed-use development. The proximity to downtown and the Metra station makes it an ideal walkable location for housing employees of local businesses. "By adding a ground floor retail with potential options like a café offering quick bites or a casual gathering spot, the Village Hall site serves tenants, nearby employees and neighbors." The Matrix building site is recommended for a mixed-use development incorporating a small, local grocery store.

Criteria Outcome:

1. All four projects conform to the goals and recommendations of the Village's plans.

9. Project Timeline

The Village values property owners who are invested in the community and have a long-term commitment. However, the proposals vary in their construction schedules and respective long-term plans for the center.

Criteria	GRP	SDA	Holladay	Far South CDC
Phasing	Phase 1: Village Hall Phase 2: Matrix	Phase 1: Village Hall Phase 2: Matrix	Phase 1: Village Hall Phase 2: Matrix	Phase 1: Matrix Phase 2: Village Hall
Construction Timeline	2026 – permitting 2027 - construction Village Hall site 2028 - construction Matrix site	TBD: permitting & construction will begin when funded	2026 – permitting 2027 - construction Village Hall site 2028 - construction Matrix site	2027 - funding stack complete (LITHC, Rebuild Illinois) 2028 – Permit/ construction begins on Matrix site 2029 - Matrix site complete, construction begins on Village Hall site 2031 - Village Hall site complete
Project Completion	2029	TBD	2029	2031

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Criteria	GRP	SDA	Holladay	Far South CDC
Long-term	Develop & sell		Develop, keep long-term, in-house management	

Criteria Outcome:

- Holladay** – The proposal includes an expedited development timeline, and the developer intends to retain ownership of the property and manage it long term.
- GRP** – The proposal includes a development timeline similar to Holladay's; however, the developer intends to construct the project and sell the property upon completion.
- SDA** – The proposal includes a longer and less defined development timeline compared to the higher-ranked proposals.
- Far South CDC** – The proposal includes the longest and least certain development timeline among the submissions.

OUTCOME

Overall Criteria Disposition:

Criteria	GRP	SDA	Holladay	Far South CDC
Positive Fiscal Impact			✓	
Meets Housing Needs				✓
Quality of Project Design			✓	
Manages Site Needs (parking)		✓		
Provides Open Space (public and private)			✓	
Creates Highest and Best Use			✓	
Plan/Code Conformance	✓	✓	✓	✓
Project Experience	✓		✓	
Timeline			✓	

Based on the evaluation of proposals across all criteria—including development experience, financial capacity, project scope, public benefits, design quality, and projected fiscal impact—staff finds that Holladay Properties' proposal demonstrates the strongest overall balance of development experience, financial capacity, project readiness, design quality, and long-term fiscal benefit to the Village.

Alternatively, the Southland Development Authority's proposal offers a public parking component through the construction of a parking garage that would accommodate Village staff and public events. Consideration of public parking is warranted, as the proposed development would eliminate an existing public parking lot, which has an impact on the community.

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Staff recommends that the Village Board identify a preferred developer from among the recommended two (2) proposals. Upon selection of a preferred developer, staff further requests direction to proceed with the solicitation of alternate bids and proposals, in accordance with the requirements of the Tax Increment Financing (TIF) Act.

Alternate bids and proposals for the sale and development of the property must be submitted to the Village by **5:00 p.m. on Tuesday, February 24, 2026**. Any alternate bids and proposals received will be presented to the Village Board at its regularly scheduled meeting on **February 24, 2026, at 7:00 p.m.**, in the Village Hall Board Room. Should additional proposals be received, staff will evaluate the submissions and return to the Village Board at a future meeting with a recommendation for final developer selection.

FINANCIAL IMPACT

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

LEGAL REVIEW

Completed

RECOMMENDED BOARD ACTION

After reviewing the Staff Review Committee's analysis, the Village Board is requested to take the following actions:

- 1) Select one of the proposals as the preferred developer, and
- 2) Pass an ordinance directing the Village Manager to solicit alternate bids and proposals for the sale and redevelopment of the properties located at 2024 Chestnut Road and 2066 Ridge Road.

ATTACHMENT(S)

Resolution