

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: January 10, 2023

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Angela Mesaros, Director of Economic and Community Development

Topic: Amendment to Economic Development Incentives – 18676 Dixie Highway

PURPOSE

The Façade and Property program is an integral component of the Tax Increment Financing Districts (TIFs), created by the Village to leverage private investment with public funds. The program provides financial assistance for the improvement and maintenance of existing commercial buildings to increase the assessed valuation and marketability of the area. One of the goals of this program is to promote the revitalization of properties and assist with upgrades to buildings.

PROCESS

In 2000, the Village established the Southgate Tax Increment Financing District (TIF). The funds available in the Southgate TIF District fund balance are \$169,888. A large portion of this balance is dedicated to incentives for the Maple Tree Inn and improvements to the Village-owned public parking lot. The remaining fund balance amount that is not committed to specific projects is \$22,901.

In October 2022, the owner of the building at 18676 Dixie Highway, EMA Building Corporation applied for incentives to offset the cost of improvements for the re-occupancy of tenant space. The applicant obtained three bids for incentives to make improvements, which included replacing flooring, doors, and signage. The lowest bid was estimated to be \$22,500.

The Village Board agreed to reimburse the owner of the property 50% of the estimated rehabilitation costs (\$11,250). During construction, the actual cost incurred by the Owner exceeded the estimate by \$2,000. This program allows for reimbursement of up to 50% of the eligible costs with a maximum reimbursement of \$25,000.

OUTCOME

Staff is recommending approval of an amendment to the incentive agreement to reimburse the owner \$12,250 from the Southgate TIF Incentive Program to cover 50% of the actual cost incurred.

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FINANCIAL IMPACT

- **Funding Source:** Southgate Tax Increment Financing (TIF) Fund
- **Budgeted Amount:** \$72,000
- **Cost:** \$12,250

LEGAL REVIEW

Completed

RECOMMENDED BOARD ACTION

Authorize an amendment to the agreement with EMA Building Corporation to provide financial assistance from the Southgate TIF Façade and Property Improvement Program in the amount of \$12,250 for building improvements at 18676 Dixie Highway.

ATTACHMENT(S)

First Amendment to the Agreement to reimburse eligible expenses at 18676 Dixie Highway