

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: Sale of real estate at 2052-2066 Ridge Road and 18027 Harwood Avenue

PURPOSE

The Village purchased the commercial office building and parking lot at the northeast corner of Ridge Road and Harwood Avenue, 2052-2066 Ridge Road and 18027 Harwood Avenue as part of a contract to purchase 17900 Dixie Highway, which is needed for a new elevated water tank. The intent was to sell the building at Ridge and Harwood to a developer for future mixed-use redevelopment. GMA Capital LLC [YAN & Arp LLC] proposes to redevelop the property into a five-story mixed-use building with four floors of 55 residential units and commercial on the ground floor (small grocery store, restaurant with outdoor dining, and a tea & dessert café). Residential amenities would include a rooftop deck with seating, and a gym inside the building for residents.

PROCESS

In April 2022, the Village purchased the property with the intent to sell the building for renovation or redevelopment into a mixed-use residential and commercial development. The subject property was identified as a key transit-oriented development (TOD) site. In December 2022, the Village engaged Williams Architects to perform an architectural and structural assessment of the overall condition of the existing building and to determine if one to three stories could be added vertically to the building. The conclusion of the study was that the existing building could not structurally support additional stories and that demolition of the building would be the most cost-effective option.

The Village received a proposal from GMA to redevelop this property and staff is prepared to move forward to perform due diligence required to determine the feasibility of the redevelopment project. The property currently is tax-exempt. Redevelopment of this property benefits the community by placing it back on the tax rolls and increasing residential housing opportunities in the Central Business District.

Since the site is in the Downtown TOD TIF *Tax Increment Financing district*, the Village may sell the property to encourage the development of property. Before doing so, the Village must

VILLAGE OF HOMEWOOD



provide an opportunity for other interested parties to submit alternate development proposals. To initiate this process, the Village Board must pass an ordinance soliciting alternate proposals for the development of the property.

Alternate proposals for the sale and development of the property must be submitted to the Village by 5:00 p.m. on Tuesday, February 14, 2023. If any alternate bids and proposals are received, they will be submitted to the Village Board at its February 14, 2023 meeting, 7:00 pm in the Village Hall.

OUTCOME

The redevelopment of the building at 2066 Ridge Road will result in the revitalization of the property within close proximity of the Metra station, which is consistent with the Village's transit-oriented development plan. The sale of this property also benefits the community through property tax revenue. The building is located within the Downtown Transit-Oriented Development (TOD) Tax Increment Financing District (TIF). The sale of the property provides additional economic development opportunities in the Downtown TOD area.

FINANCIAL IMPACT

- **Funding Source:** N/A
- **Budgeted Amount:** N/A
- **Cost:** N/A

LEGAL REVIEW

Completed

RECOMMENDED BOARD ACTION

Pass an ordinance directing the solicitation of alternate proposals for the development of the property at 2066 Ridge Road in the Downtown TOD Redevelopment Project Area.

ATTACHMENT(S)

- Ordinance
- Proposal