

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: February 22, 2022

To: Village President and Board of Trustees

From: Napoleon Haney, Village Manager

Topic: Purchase of Property located at 1225 175th Street

PURPOSE

The Village desires to purchase a three-story commercial office building located at 1221 175th Street (1221 Building) for public purposes. The building is located within the Northeast Tax Increment Financing District. The building is being offered for sale by its owner, 7841 Pines Boulevard LLC.

PROCESS

The 1221 Building has been vacant for several years and has been cited by the Village numerous times for property maintenance violations. The Village recorded numerous liens against the property to recover costs incurred by the Village to remove debris and remediate nuisance vegetation (grass and weed abatement) on the property.

The Village also filed suit against the property owner in the Circuit Court of Cook County to require the owner to either demolish the property or bring the property into compliance with local codes.

On or about November 12, 2021, the Village Manager's Office provided the owners of the 1221 Building with a letter of intent (LOI) outlining the Village's offer to purchase the building for \$200,000. The broker for the 1221 Building made various counter-offers over the past months with the most recent counter offer of \$550,000 being made on January 25, 2022. These counters were rejected.

On February 15, 2022, the Village Manager received an email explaining that the owner of the building decided to accept the Village's offer. The purchase of the building qualifies as a TIF eligible expense and could be funded by proceeds currently available in the Northeast Tax Increment Financing District. Per the November 12, 2021 letter of intent, the Village would agree to assume ancillary costs associated with the purchase including title charges, fees and closing costs. It is the Village's understanding that the owner of the property recently paid off most of the delinquent property taxes since receiving the letter of intent.

VILLAGE OF HOMEWOOD



OUTCOME

The Village attorney coordinated the preparation of a real estate sale contract and a resolution approving the contract for Board consideration and approval.

FINANCIAL IMPACT

Funding Source: Northeast Tax Increment Financing District TIF

- **TIF Fund Balance:** \$1,879,704
- **Purchase Cost:** \$200,000
- **Ancillary Costs:** Estimated at or about \$8,000

LEGAL REVIEW

Completed

RECOMMENDED BOARD ACTION

Pass a resolution approving a purchase contract for the office building at 1221 175th Street, Homewood, IL; authorize the Village President to enter into a real estate sale contract with 7841 Pines Boulevard LLC of Sunny Isles Beach, FL (Boris Motovich); and authorize the Village President, Village Manager, Village Attorney, and other necessary Village officials to take all actions required to complete the purchase and acquisition of the property as provided in the real estate sale contract.

ATTACHMENT(S)

- Letter of Intent
- Resolution Approving Purchase Contract
- Real Estate Sales Contract