

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: June 25, 2024

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Angela Mesaros, Director of Economic and Community Development

Topic: Resolution of Support Cook County Class 8, 18225 Dixie Highway

PURPOSE

The Village, previously, passed a resolution in support of a Cook County Class 8 property tax incentive, and entered into a redevelopment agreement (RDA) with Homewood Brewing Company to construct a restaurant and craft brewery on the former Bogart's property at 18225 Dixie Highway. Originally when the Village approved the Class 8 resolution, it was and appropriate for the property – there was a building that was vacant at the time of purchase. Subsequently, the new owners (Homewood Brewery) decided to tear down the vacant structure and construct a new building. The Class 8 resolution needs to be corrected to appropriately identify the Class 8 (for the new building) as “new construction.” Homewood Brewing Company's construction is near completion. The business has requested a new resolution of support that specifically states that the project is “new construction.”

PROCESS

The Village acquired the property at 18225 Dixie Highway in a tax foreclosure sale in 2018. At that time, the building had been vacant for approximately nine years. In 2020, the Village established the Dixie Highway/Miller Court Tax Increment Financing District (TIF), which includes this property. The intent was to secure the property and provide incentives for suitable development.

In April 2022, the Village Board approved a redevelopment agreement and resolution in support of a Cook County Class 8 incentive for the construction of the Homewood Brewing Company at 18225 Dixie Highway. When the Village approved the resolution, it was correct for the situation because there was a building that was vacant at the time of purchase. Subsequently, the new owners decided to tear down the existing building and construct a new building. New construction is one of the four different ways that a property can be eligible for a Class 8 status. A new resolution of support must be approved to state that the project is “new construction.”

OUTCOME

Redevelopment of the former Bogart's property will result in the development of an underutilized vacant property at the gateway to downtown Homewood and will improve the

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overall physical conditions of the area and augment the area's mix of commercial uses. Homewood Brewing Company has constructed a restaurant and craft brewery and is anticipated their opening in the near future. A restaurant is a targeted business and will be an attraction to Homewood.

Cook County has recognized the property tax issue for the Chicago Southland and created the Class 8 Cook County Tax Incentive Program. The Class 8 real estate tax incentive is designed to encourage industrial and commercial development in areas experiencing economic stagnation. Under this incentive program, qualified commercial real estate is assessed at 10 percent of market value for the first 10 years, 15 percent in the 11th year, and 20 percent in the 12th year. The program identifies five (5) Cook County townships that have automatic certification for the incentive; the subject property is located in Thornton Township, one of the five designated townships. A Class 8 for this property will help bring the tax burden more in line with the competition in neighboring counties where the property tax rate is as much as 45% less.

FINANCIAL IMPACT

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

LEGAL REVIEW

Completed

RECOMMENDED BOARD ACTION

Pass a resolution supporting Class 8 status under the Cook County Real Property Assessment classification ordinance for real estate located at 18225 Dixie Highway.

ATTACHMENT(S)

- Resolution