



Memorandum

To: Josef Kurlinkus, Village Administrator

From: Region 1 Planning Council

Date: February 2, 2026

Subject: Economic Return on Investment Analysis: 11243 Main St Redevelopment

This memorandum evaluates the economic and fiscal return associated with the proposed redevelopment of the Village-owned property at 11243 Main Street by Ambassador Homes, LLC. The project represents a \$4.9 million private investment and would create a mixed-use Main Street development with 21 residential units and approximately 9,000 square feet of ground-floor retail.

The project currently achieves a 9.5 percent return on cost, slightly below the 10 percent return typically required by lenders, resulting in an estimated feasibility gap of approximately \$250,000. The developer has requested a one-time Village participation to address this gap and allow the project to proceed.

A Village investment of approximately \$250,000 would be offset through new property and sales tax revenues and short-term economic impacts. Using conservative assumptions, **the combined Village property and sales tax revenues are estimated at approximately \$35,000-\$40,000 annually, indicating the Village's investment could be recaptured in roughly seven years.**

Construction is expected to occur in 2026-2027 and is projected to generate \$9.7 million in total economic output and support about 36 job-years of employment in Winnebago County. These impacts include direct construction employment, indirect supplier activity, and induced household spending.

Based on comparable properties in the same Roscoe tax code, the completed development is expected to generate around \$140,000 annually in total property tax revenue, with the Village's direct share estimated at approximately \$7,500 per year. Most property tax revenue would flow to school districts and other taxing bodies, **resulting in a total public-sector payback period of approximately two years.**

Depending on the tenants, the retail component is expected to generate approximately \$3.0 million in annual taxable sales, based on conservative retail sales assumptions.¹ Under current sales tax allocations, the Village of Roscoe is projected to receive approximately \$30,000 annually.

Overall, the proposed redevelopment leverages a limited, one-time Village investment to unlock substantial private capital, activate a Village-owned site, and generate long-term property and sales tax revenue. The requested participation is consistent with common economic development practices for mixed-use Main Street redevelopment.

¹ According to research firm CoStar, U.S. retailers' average sales per square foot was \$325 in 2020.