



Agenda Item Details

Meeting	Dec 06, 2021 - Village Board Regular Meeting Agenda
Category	13. New Business - All Listed Items for Discussion and Possible Action
Subject	C. Resolution Consenting to a Cook County Class 7c Real Estate Tax Assessment Classification for the Property Located at 700 N. Milwaukee Avenue in the Village of Wheeling, Illinois
Type	Action
Preferred Date	Dec 06, 2021
Absolute Date	Dec 06, 2021
Recommended Action	Motion to Approve

From: Patrick Ainsworth, Director of Economic Development

Subject: Request for a Cook County Class 7c Property Tax Classification for the Property at 700 N. Milwaukee Avenue

EXECUTIVE SUMMARY

An application for 7c Real Estate Property Tax Abatement Classification has been submitted by 700 N Milwaukee LLC for the property at 700 N. Milwaukee Avenue. In order to file this request with Cook County, a public hearing has to be held at the December 6, 2021 Village Board Meeting, and a resolution in support of the request for a Class 7c has to be approved by the Village Board. Additionally, an Incentive Agreement has been drafted to accompany this Class 7c request, which is presented with a separate Resolution.

MEMO

BACKGROUND: The former RAM Restaurant property at 700 N. Milwaukee Avenue has been vacant and unused since January 2019. A prospective buyer is under contract to purchase this 2.8-acre property in order to rehabilitate the building, upgrade several components of the restaurant interior, resurface the parking lot, add a new large exterior deck, and operate a beer hall and food hall concept out of the subject building. The prospective buyer, 700 N Milwaukee LLC, ("Applicant"), is requesting a Cook County Class 7c Property Tax Abatement Classification in order to help reactivate this vacant property and to offset the capital costs of upgrading and modernizing this 21-year-old building.

The Applicant currently operates District Brew Yards out of Chicago, and intends to purchase the former RAM Restaurant building and open a second District Brew Yards business out of this 11,668-square-foot building. The Applicant plans to mirror the operations of their current West Town location, which consists of onsite brewing operations, a pour-your-own beer wall featuring 40 beers and hard seltzers that will rotate, a retail space where customers can purchase merchandise and canned beverages that were made onsite, and a food-hall-style restaurant featuring various barbeque and chicken recipes. The Applicant is partnering with Lillie's Q BBQ, an award-winning barbeque company, to run the food operations at this location.

Given the proposed investment and the current property tax rate, the Applicant is requesting a Cook County Class 7c to help offset the immediate and future investment. Should the property be granted the Class 7c, the Applicant will invest between \$400,000 and \$850,000 into the property immediately after obtaining any necessary approvals. The range in the level of investment is based on further exploring the state of the current building envelope once construction commences and the fluctuation of prices for building materials and kitchen equipment. The Applicant has been in communication with Community Development staff regarding the Village's zoning and permitting processes.

CLASS 7c CLASSIFICATION: The Applicant is applying for the Class 7c property tax classification based on substantial reoccupation of abandoned property that has been vacant for more than 12 continuous months and under substantial rehabilitation. This is the first Class 7c request the Village of Wheeling has considered. A Class 7c assigns the assessment rate for the subject property at 10% for the first three years, 15% on the fourth year, and 20% on the fifth year. The assessment rate without a Class 7c is 25%.

FISCAL IMPACT: Since the subject property has been 100% vacant since 2019, no sales tax or food and beverage tax revenue has been generated at this location, no employees have been working at this building, and no noteworthy capital improvements have been made to the building. To help compare the potential property taxation for 2022 with and without the Class 7c, three hypothetical scenarios are presented below:

- Scenario where the building remains vacant and unused = \$ 81,194
- Scenario where improvements are made with no incentive = \$ 248,091
- Scenario where improvements are made, and the incentive is applied = \$ 99,236

The proposed Wheeling location will add up to 30 new full-time positions and potentially create up to \$142,000 in new food and beverage and sales tax once the business is in full operation.

RECOMMENDATION: Economic Development staff has reviewed the application as summarized above and recommends approval of the 7c property tax classification based upon reoccupation of a vacant property greater than 12 months and substantial rehabilitation.

Attachments: Resolution
Class 7c Application Items

[Class 7c Application for 700 N Milwaukee Avenue_Public Doc.pdf \(2,829 KB\)](#)

[EXHIBIT A - Legal Description 700 N Milwaukee \(1\).pdf \(42 KB\)](#)

[700 N Milwaukee Avenue Class 7c Resolution.pdf \(25 KB\)](#)