

MEMORANDUM

To: Village Manager Cara Pavlicek
From: Director of Development & Planning Services Amy McEwan
Date: 2025-12-09
Subject: A Resolution Approving a First Amendment to Economic Incentive and Development Agreement between the Village of Northbrook and Hometown Coffee Northbrook, LLC (1290 Shermer Road)

Overview

The passage of the new zoning code presented opportunities to align the development of Hometown Coffee and Juice with the newly adopted code and additional time was required to complete the enhancements; therefore, this is a request to extend the dates for construction commencement and opening of the facility.

Fiscal Impact

A loan of up to \$1.5 Million is proposed with interest rate of 6% and a 15-year term to be repaid in part through new Village sales tax revenues which are projected to be generated by Hometown Coffee and Juice (a type of sales tax rebate to the business). Based upon the success of this business in Glencoe, Winnetka and Lake Forest, staff is comfortable that Hometown will be able to generate the projected annual sales tax of \$60,000- \$80,000 annually to the Village which will support the incentive. Additionally, the loan would require a balloon payment directly from Hometown should any amount of the loan principal not be repaid by the new sales tax, all described in greater detail in the attached draft agreement. To date, the loan has not been made as it is intended to align with the new construction work associated with the redevelopment.

Recommendation

Approval.

Background

The property known as 1290 Shermer has been on the market and been the location of multiple uses, including medical office, commercial and the Northbrook Public Library. On November 12, 2024 the Village Board approved a loan as a financial incentive to bring Hometown Coffee and Juice to Northbrook. Consistent with that approval, the lease for the property was executed and plans were developed to renovate the facility. The approval of the new zoning code triggered some opportunities to redesign the development, including a small addition optimizing both indoor and outdoor service. While the interior demolition was initiated,

due to reworking their design to align with the new zoning code, Hometown will not meet the construction or restaurant opening targets outlined in the original loan agreement.

Hometown is requesting an amendment to the agreement to allow construction to commence as early as April 30, 2026 but no later than July 31, 2026 and projects the store will be open no later than September 30, 2026. All other conditions and requirements in the agreement remain the same.

Hometown Coffee and Juice indicated that an economic incentive remains necessary to financially proceed with the proposed development. Based on a thorough review of the performance of Hometown's other similar concept restaurants in Glencoe, Winnetka and Lake Forest, it is estimated that the sales tax revenue from the property will be between \$60,000 - \$80,000 annually. The redesigned development enhancements proposed increase the construction investment from \$1.5 Million to \$2.5 Million.

The development remains consistent with the Village comprehensive plan, downtown plan, and new zoning code. In addition, the Economic Strategy Commission recommended providing targeted economic incentives create and maintain a vibrant downtown with complimentary businesses that draw customers from both within and outside of Northbrook. A capital investment of \$2.5 Million combined with projected annual sales make the proposed investment and redevelopment critical for the current and future vitality of the downtown. Staff recommends approval of the amendment and extension of time.

[A Resolution Approving First Amendment to Economic Incentive Agreement with Hometown](#)
[First amendment to economic incentive agreement for Hometown](#)
[Supplemental - Hometown Coffee and Juice Staff Report](#)