

MEMORANDUM

To: Village Manager Cara Pavlicek
From: Deputy Director of Development & Planning Services Amy McEwan
Date: 2026-04-28
Subject: A Resolution Approving an Amended and Restated Economic Incentive and Development Agreement Between the Village of Northbrook and Hometown Coffee Northbrook, LLC (1290 Shermer Road)

Overview

Hometown Coffee Northbrook, LLC has requested an amendment to the Agreement originally approved on November 12, 2024, to modify the incentive from a loan to a sales tax rebate consistent with other Village incentive agreements for high sales generating developments.

Fiscal Impact

As the existing property currently generates no sales tax revenue for the Village, this amended and restated incentive agreement provides the same sales tax rebate as previously approved and removes the loan provision. This will have no negative impact to the Village's cash flow projections in the adopted FY27 budget.

Recommendation

Approval.

Background

Hometown Coffee Northbrook, LLC entered into a lease at 1290 Shermer Road in 2024, and on November 12, 2024 the Village Board of Trustees approved an Economic Incentive and Development Agreement with the operator to finance certain costs related to the development through an economic loan. Since that time the operator has redesigned their proposed development to meet the newly approved zoning codes, completed the interior demolition, and is in the final permit review stages to begin renovating the existing building for a coffee shop and venue space.

It is anticipated that the Development will generate substantial sales tax revenues to the Village from the operation of a Hometown Coffee & Juice. In addition, Hometown has demonstrated, through investment in downtown locations in other neighboring communities, that it has been a catalyst for expansion of existing businesses and for new private investment and economic growth in central business districts of the towns in which it is located. This investment in the property and the location of the development is expected to bring increased sales tax revenues for the Village which assists, and will continue to assist, the Village in

providing essential municipal services to members of the public.

Based upon discussions with the operator it has determined that the previously approved advance "loan" style incentive backed by future sales tax proceeds can be modified to a traditional sales tax rebate under consistent terms with other sales tax rebate agreements previously approved for high sales tax generating developments in the Village. The sales tax rebate, maximum total rebate of \$1.5 million dollars, and 15 year term remain the same as the approved economic incentive and development agreement. As the existing property currently generates no sales tax revenue for the Village, the amendment to the agreement to remove the loan provision and rebate future new sales tax generated by the Operator will have no negative impact to the Village's cash flow projections in the adopted FY27 budget.

Included for consideration by the Board is a draft resolution approving the proposed amended and restated economic incentive and development agreement between the Village and Hometown Coffee Northbrook, LLC.

[Amended and Restated Economic Incentive Agreement](#)
[A Resolution Approving Amended and Restated Economic Incentive_Agreement with Hometown](#)