



Elliott & Associates
PROPERTY TAX ATTORNEYS

1430 Lee Street
Des Plaines, IL 60018

Main: 847.298.8300

Fax: 847.298.8388

www.elliottlaw.com

January 28, 2018

Mr. Erik Varela, Esq
Special Assistant
Governmental & Legislative Affairs
Office of the President
69 W. Washington, Suite 1415
Chicago, Illinois 60602

Re: The Illinois Property Tax Lawyer's Association's recommendation to reject pending amendment to add "Prevailing Wage/apprenticeship Requirement" to incentive classification.

Dear Mr. Varela,

I am writing to you on behalf of the Illinois Property Tax Lawyers Association. We have reviewed the attached draft of the proposed amendment to the tax incentive ordinance. We wanted to express our concern regarding this proposal and what we believe will be unintended consequences if it is adopted.

It is well known that the incentives were adopted many years ago to attract and retain manufacturing and warehousing in Cook County. For the most part the incentives are designed to encourage occupancy of vacant buildings, substantial rehab or new construction. They were not intended to serve as a labor or wage protection tool. As you know, there have been several amendments to the incentive ordinance that were passed in 2017 and subsequently either repealed (the attached apprenticeship amendment to the class 8 incentives) or amended (the attached amendment waiving the requirement of the wage and compliance with laws affidavit).

We understand that the apprenticeship amendment was repealed at the urging of numerous associations and individuals who indicated that such a burden would greatly limit the effectiveness of the class 8 incentive. Most small mom and pop contractors and subcontractors that economically perform the construction work on smaller projects do not have apprenticeship programs in place nor are they large enough to afford to have such programs in place. Yet, they provide an important resource for getting incentive properties built or rehabbed for re-occupancy. To eliminate this affordable building choice for incentive properties will make many incentive projects unfeasible. It seems illogical to expand this apprenticeship requirement to all incentives when it was just repealed for class 8 incentives.

Similarly, to impose a prevailing wage requirement to incentive projects will also add to the increasing costs of obtaining and maintaining incentives and likely detract from the original purpose of the incentives which was to encourage development and revitalization of distressed areas and properties. While we sympathize with Labor and their desire to maximize earnings for construction workers, imposing further requirements on incentives will only result in less



Elliott & Associates

PROPERTY TAX ATTORNEYS

development, more ongoing vacancy and fewer jobs as investors determine that the cost of potential incentive projects will begin to make projects unfeasible.

We echo the concerns expressed in John Nyhan's memo (see attached) regarding the numerous technical problems with the proposed amendment. As Mr. Nyhan points out it is arguably unconstitutional to change the rules for existing incentives. Furthermore, what message are we sending to prospective investors considering locating in Cook County when they see the County considering proposals that change the rules after a vested incentive is in place.

The proposal also imposes a burdensome requirement of supplying monthly payroll records to the County. Such a proposal seems to put at risk the very labor it seeks to protect by making very private information potentially accessible to the public and competition.

Thank you for your time and consideration. We appreciate the effort being made on the part of the President's office to consider the impact of this proposal from everyone's perspective. We know we all share the same common objective which is to help Cook County grow and prosper in what is becoming a more challenging and competitive environment for all government, property owners, labor and business.

Respectively submitted,

Joanne Elliott

On behalf of
Illinois Property Tax Lawyers Association

1430 Lee Street
Des Plaines, IL 60018

Main: 847.298.8300

Fax: 847.298.8388

www.elliottlaw.com