



HOFFMAN ESTATES

GROWING TO GREATNESS

March 1, 2018

President Toni Preckwinkle
& Finance Committee Chairman John Daley
Cook County
118 N. Clark St.
Chicago, IL 60602

**Re: Proposed Ordinance Amendment Substitute to the
Property Tax Incentive – Prevailing Wage Requirement**

Dear President Preckwinkle and Chairman Daley:

As you are aware, the Cook County Finance Committee meets on March 1, 2018 to discuss the proposed ordinance amendments changing a number of the Property Tax Incentive program available through Cook County. These amendments change the incentive program by adding prevailing wage and apprenticeship requirements for all construction occurring on a property which receives the incentive. The Village of Hoffman Estates is strongly opposed to these changes.

After reading though the proposed amendments, what was once a strong, yet simple economic development tool intended to level the property tax playing field for communities in Cook County competing against neighboring counties and states, is now trying to address other larger social issues with the unintended consequence of lessening the overall economic benefit of the original incentive.

Ninety-nine percent (99%) of Hoffman Estates is within Cook County while the remaining 1% is in Kane County, so our community is literally on the border of Kane County competing daily to retain or bring companies to Cook County where property taxes are already the number one issue brought up when a company considers relocation or expansion. Adding more red tape and regulations to successful tax incentive programs, of which the 6b and 7c are primarily utilized in Hoffman Estates, reduces the benefits of the program. Potential companies needing the incentive to make property taxes comparable will look to Kane or DuPage counties to make their development financial pro-forma pencil out.

Additionally, regarding the requirement of contractors being part of an apprenticeship program, several companies which have utilized the property tax program and invested in Cook County often utilize local contractors to construct, maintain or expand their facility. This local contractor may be a small company within Hoffman Estates or the surrounding area which pays prevailing wage rates to their employees but may not be large enough to participate in a US Department of Labor recognized apprenticeship program. Therefore this smaller contractor would not be eligible to bid or work on the hometown project. This apprenticeship program requirement has the potential of increasing the cost of development and actually limiting the ability of smaller Cook County contractors to work on these type of developments.

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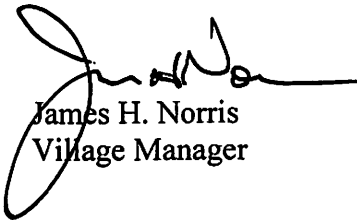
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Lastly, I strongly urge you to not complicate and devalue highly successful economic development tools that have worked to keep Cook County communities competitive with communities in neighboring counties and states. The issues that these amendments are trying to impact are important issues that need to be addressed, but there are other ways to do so without threatening the future tax bases of all governments in Cook County. Thank you for your time and attention to this and want you to know that the Village of Hoffman Estates highly values our relationship with Cook County and want to continue to work together to make it a great place through economic development. Please contact me if you have any questions.

Sincerely,



James H. Norris
Village Manager

JHN/ds