



# Board of Commissioners of Cook County

118 North Clark Street  
Chicago, IL

## Legislation Details (With Text)

<b>File #:</b>	19-5983	<b>Version:</b>	1	<b>Name:</b>	CLASS 7c AMENDMENT TAX INCENTIVE ORDINANCE
<b>Type:</b>	Ordinance Amendment	<b>Status:</b>			Approved
<b>File created:</b>	10/2/2019	<b>In control:</b>			Business and Economic Development Committee
<b>On agenda:</b>	10/24/2019	<b>Final action:</b>			11/21/2019
<b>Title:</b>	PROPOSED ORDINANCE AMENDMENT				

### TAX INCENTIVE ORDINANCE

BE IT ORDAINED, by the Cook County Board of Commissioners, that Chapter 74 TAXATION, ARTICLE II REAL PROPERTY TAXATION, DIVISION 2 CLASSIFICATION SYSTEM FOR ASSESSMENT Sec. 74-63 (11of the Cook County Code is hereby amended as Follows:

#### Sec. 74-63 Assessment classes

\*\*\*

(11) Class 7c or Commercial Urban Relief Eligibility ("CURE"). Real estate used primarily for commercial purposes, consisting of all newly constructed buildings or other structures, including the land upon which they are situated; or abandoned property, including the land upon which such property is situated; or all buildings and other structures which are substantially rehabilitated to the extent such rehabilitation has added to their value, including qualified land related to the rehabilitation. Land qualifies when the rehabilitation adds vertical or horizontal square footage to the improvements. The amount of land eligible for the incentive shall be in such proportion as the square footage added by the rehabilitation bears to the total square footage of the improvements on the parcel.

a. An applicant must obtain from the municipality in which the real estate is located or the County Board if the real estate is located in an unincorporated area, an Ordinance or Resolution expressly stating that:

(i) The property, site, or area is deemed a redevelopment priority by the municipality, and

(ii) The municipality or County Board, as the case may be, has determined that the incentive provided by Class 7c is necessary for development to occur on that specific real estate and that the municipality or County Board, supports and consents to the Class 7c application to the Assessor.

In addition, the Ordinance or Resolution shall:

1. Describe the redevelopment objective of the municipality;
2. State the applicant's intended use of the property; and
3. State that an Economic Disclosure Statement, as defined in this Division, was received and filed by the municipality or County Board, as the case may be.

If a municipality enacts enabling legislation which a.) identifies, by permanent index numbers, specific retail corridors or geographies within the boundaries of such municipality that it deems to be distressed and in need of development; b.) authorizes the submission of applications for a Class 7c incentive for properties within such retail corridors, and c.) designates the authorized officer of the such municipality, then applicants for a Class 7c incentive located in such retail corridors may obtain and submit, in lieu of an Ordinance or Resolution, a letter from the authorized officer of the

municipality approving the submission of the Class 7c incentive application and a certified copy of the municipal enabling legislation.

A copy of the authorized officer letter and a certified copy of the municipal enabling legislation shall be included with the Class 7c application and submitted to the Cook County Bureau of Economic Development for verification prior to filing of the application with the Assessor.

In addition, the letter from the authorized officer shall:

1. Describe the redevelopment objective of the municipality;
2. State the applicant's intended use of the property; and
3. State that an Economic Disclosure Statement, as defined in this Division, was received and filed by the municipality or County Board, as the case may be.

(a) Subsection title or delete. Text of subsection.

Following verification that the Class 7c application is in a retail corridor, as defined herein, and has been properly submitted with a letter from an authorized officer and a certified copy of the municipal enabling legislation, the Bureau of Economic Development will forward the application to the Assessor's Office for filing.

In order to determine Class 7c applications, an application for Class 7c shall be submitted to the Assessor and the Bureau of Economic Development. Upon receipt of the application and all the necessary supporting data, the Economic Development Advisory Committee of the County, within 30 days return the application to the Assessor with a finding stating whether the conditions of Subsections (a)(1)-(a)(4) of this Section are present. The Assessor shall review the application, supporting data, findings of the Committee and other appropriate facts. Where the Assessor finds the conditions of Subsections (a)(1)-(a)(4) of this Section exist, the Assessor shall, within 30 days of the receipt of the Committee's findings, certify the commercial development project eligible for Class 7c treatment under this Division.

Where the Economic Development Advisory Committee does not return a finding stating whether the conditions of Subsections (a)(1)-(a)(4) of this Section are present within 30 days, and upon further application of the requesting party, the Assessor may review the application, supporting data, and other appropriate facts and certify the commercial development project eligible for Class 7c treatment and grant the incentive.

1. That the Property's (the real estate that is subject of the Incentive application) Assessed Value, Equalized Assessed Value or Real estate taxes for three of the last six years, have declined or remained stagnant due to the depressed condition;
2. There is a reasonable expectation that the development, re-development or rehabilitation of the commercial development project is viable and likely to go forward on a reasonably timely basis if granted Class 7c designation and will therefore result in the economic enhancement of the property;
3. Certification of the commercial development project for Class 7c designation will materially assist development, redevelopment or rehabilitation of the property and the commercial development project would not go forward without the full incentive offered under Class 7c; and
4. Certification of the commercial development project for Class 7c designation is reasonably expected to ultimately result in an increase in real property tax revenue and employment opportunities of the property.

b. A certified copy of the Ordinance or Resolution, or authorization letter and certified copy of the municipal enabling legislation (if applicable), need not be filed at the time of filing the Class 7c eligibility application with the Assessor, but must be filed with the Assessor no later than the date an assessment appeal is filed to request the class change to Class 7c. If the Resolution is not filed at the

time of the eligibility application, the applicant may instead file, at that time, a letter from the municipality or the County, as the case may be, confirming that a Resolution or Ordinance supporting the incentive has been requested.

c. A copy of the Resolution or letter confirming that a Resolution has been requested, whichever is filed with the application, will be forwarded by the Assessor's Office to the Secretary of the County Board for distribution to the members of the County Board from the affected districts.

d. Class 7c applications for newly constructed or substantially rehabilitated buildings and other structures must be made to the Assessor within one year prior to the commencement of such new construction or substantial rehabilitation to qualify for a Class 7c incentive. With respect to abandoned property, the Class 7c application must be made to the Assessor prior to the commencement of the reoccupation of the vacant and unused property. For the purpose of this Incentive [Class 7c] "abandoned property" shall mean

property where the buildings and other structures, or portions thereof, have been vacant and unused for more than 12 continuous months and as established by rule of the Assessor.

e. This classification shall continue for a period of three years from the date such new construction (excluding demolition, if any) such substantial rehabilitation was completed and initially assessed, or in the case of abandoned property, from the date of substantial occupancy.

f. Class 7c incentives that are granted are renewable. The incentive shall be phased out after five years, pursuant to Section 74-64(8). After expiration of the last incentive period, the real estate shall revert to the applicable classification under this Division.

g. The Assessor may adopt rules consistent with this subsection necessary to ensure proper review of all factors relevant to determine eligibility and continued eligibility for the benefits provided under Class 7c.

h. Class 7c Applications must be received by the Assessor's Office on or before November 30, 2019, to receive consideration.

i. Renewal. The Class 7c Incentive shall be limited to only one renewal. The applicant may apply for a renewal on or after the third year of the Incentive, but before the expiration of the fifth year of the Incentive. The applicant must obtain the municipal enabling Ordinance and present such municipal Ordinance to the Board of Commissioners of Cook County as to whether it will validate the renewal. The Incentive may be renewed unless otherwise limited herein.

j. Effective Year. The Class 7c Incentive shall be effective for the tax year the application for the Incentive is filed. In addition, the Class 7c Incentive may be applied for only one year prior to the tax year in which the Incentive was applied via a certificate of error

Effective date: This ordinance shall be in effect immediately upon adoption

**Sponsors:** TONI PRECKWINKLE (President)

**Indexes:**

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
11/21/2019	1	Board of Commissioners	approve	Pass
11/20/2019	1	Business and Economic Development Committee		
10/24/2019	1	Board of Commissioners	refer	Pass

## PROPOSED ORDINANCE AMENDMENT

## TAX INCENTIVE ORDINANCE

**BE IT ORDAINED**, by the Cook County Board of Commissioners, that Chapter 74 TAXATION, ARTICLE II REAL PROPERTY TAXATION, DIVISION 2 CLASSIFICATION SYSTEM FOR ASSESSMENT Sec. 74-63 (11) of the Cook County Code is hereby amended as Follows:

### Sec. 74-63 Assessment classes

\*\*\*

(11) Class 7c or Commercial Urban Relief Eligibility ("CURE"). Real estate used primarily for commercial purposes, consisting of all newly constructed buildings or other structures, including the land upon which they are situated; or abandoned property, including the land upon which such property is situated; or all buildings and other structures which are substantially rehabilitated to the extent such rehabilitation has added to their value, including qualified land related to the rehabilitation. Land qualifies when the rehabilitation adds vertical or horizontal square footage to the improvements. The amount of land eligible for the incentive shall be in such proportion as the square footage added by the rehabilitation bears to the total square footage of the improvements on the parcel.

a. An applicant must obtain from the municipality in which the real estate is located or the County Board if the real estate is located in an unincorporated area, an Ordinance or Resolution expressly stating that:

(i) The property, site, or area is deemed a redevelopment priority by the municipality, and

(ii) The municipality or County Board, as the case may be, has determined that the incentive provided by Class 7c is necessary for development to occur on that specific real estate and that the municipality or County Board, supports and consents to the Class 7c application to the Assessor.

In addition, the Ordinance or Resolution shall:

1. Describe the redevelopment objective of the municipality;
2. State the applicant's intended use of the property; and
3. State that an Economic Disclosure Statement, as defined in this Division, was received and filed by the municipality or County Board, as the case may be.

If a municipality enacts enabling legislation which a.) identifies, by permanent index numbers, specific retail corridors or geographies within the boundaries of such municipality that it deems to be distressed and in need of development; b.) authorizes the submission of applications for a Class 7c incentive for properties within such retail corridors, and c.) designates the authorized officer of the such municipality, then applicants for a Class 7c incentive located in such retail corridors may obtain and submit, in lieu of an Ordinance or Resolution, a letter from the authorized officer of the municipality approving the submission of the Class 7c incentive application and a certified copy of the municipal enabling legislation.

A copy of the authorized officer letter and a certified copy of the municipal enabling legislation shall be included with the Class 7c application and submitted to the Cook County Bureau of Economic Development for verification prior to filing of the application with the Assessor.

In addition, the letter from the authorized officer shall:

1. Describe the redevelopment objective of the municipality;

2. State the applicant's intended use of the property; and
3. State that an Economic Disclosure Statement, as defined in this Division, was received and filed by the municipality or County Board, as the case may be.

(a) Subsection title or delete. Text of subsection.

Following verification that the Class 7c application is in a retail corridor, as defined herein, and has been properly submitted with a letter from an authorized officer and a certified copy of the municipal enabling legislation, the Bureau of Economic Development will forward the application to the Assessor's Office for filing.

In order to determine Class 7c applications, an application for Class 7c shall be submitted to the Assessor and the Bureau of Economic Development. Upon receipt of the application and all the necessary supporting data, the Economic Development Advisory Committee of the County, within 30 days return the application to the Assessor with a finding stating whether the conditions of Subsections (a)(1)-(a)(4) of this Section are present. The Assessor shall review the application, supporting data, findings of the Committee and other appropriate facts. Where the Assessor finds the conditions of Subsections (a)(1)-(a)(4) of this Section exist, the Assessor shall, within 30 days of the receipt of the Committee's findings, certify the commercial development project eligible for Class 7c treatment under this Division.

Where the Economic Development Advisory Committee does not return a finding stating whether the conditions of Subsections (a)(1)-(a)(4) of this Section are present within 30 days, and upon further application of the requesting party, the Assessor may review the application, supporting data, and other appropriate facts and certify the commercial development project eligible for Class 7c treatment and grant the incentive.

1. That the Property's (the real estate that is subject of the Incentive application) Assessed Value, Equalized Assessed Value or Real estate taxes for three of the last six years, have declined or remained stagnant due to the depressed condition;
  2. There is a reasonable expectation that the development, re-development or rehabilitation of the commercial development project is viable and likely to go forward on a reasonably timely basis if granted Class 7c designation and will therefore result in the economic enhancement of the property;
  3. Certification of the commercial development project for Class 7c designation will materially assist development, redevelopment or rehabilitation of the property and the commercial development property would not go forward without the full incentive offered under Class 7c; and
  4. Certification of the commercial development project for Class 7c designation is reasonably expected to ultimately result in an increase in real property tax revenue and employment opportunities of the property.
- b. A certified copy of the Ordinance or Resolution, or authorization letter and certified copy of the municipal enabling legislation (if applicable), need not be filed at the time of filing the Class 7c eligibility application with the Assessor, but must be filed with the Assessor no later than the date an assessment appeal is filed to request the class change to Class 7c. If the Resolution is not filed at the time of the eligibility application, the applicant may instead file, at that time, a letter from the municipality or the County, as the case may be, confirming that a Resolution or Ordinance supporting the incentive has been requested.
  - c. A copy of the Resolution or letter confirming that a Resolution has been requested, whichever is filed with the application, will be forwarded by the Assessor's Office to the Secretary of the County Board for distribution to the members of the County Board from the affected districts.
  - d. Class 7c applications for newly constructed or substantially rehabilitated buildings and other structures must be made to the Assessor within one year prior to the commencement of such new construction or substantial

rehabilitation to qualify for a Class 7c incentive. With respect to abandoned property, the Class 7c application must be made to the Assessor prior to the commencement of the reoccupation of the vacant and unused property. For the purpose of this Incentive [Class 7c] "abandoned property" shall mean

property where the buildings and other structures, or portions thereof, have been vacant and unused for more than 12 continuous months and as established by rule of the Assessor.

- e. This classification shall continue for a period of three years from the date such new construction (excluding demolition, if any) such substantial rehabilitation was completed and initially assessed, or in the case of abandoned property, from the date of substantial occupancy.
- f. Class 7c incentives that are granted are renewable. The incentive shall be phased out after five years, pursuant to Section 74-64(8). After expiration of the last incentive period, the real estate shall revert to the applicable classification under this Division.
- g. The Assessor may adopt rules consistent with this subsection necessary to ensure proper review of all factors relevant to determine eligibility and continued eligibility for the benefits provided under Class 7c.
- h. ~~Class 7e Applications must be received by the Assessor's Office on or before November 30, 2019, to receive consideration.~~
- i. Renewal. The Class 7c Incentive shall be limited to only one renewal. The applicant may apply for a renewal on or after the third year of the Incentive, but before the expiration of the fifth year of the Incentive. The applicant must obtain the municipal enabling Ordinance and present such municipal Ordinance to the Board of Commissioners of Cook County as to whether it will validate the renewal. The Incentive may be renewed unless otherwise limited herein.
- j. Effective Year. The Class 7c Incentive shall be effective for the tax year the application for the Incentive is filed. In addition, the Class 7c Incentive may be applied for only one year prior to the tax year in which the Incentive was applied via a certificate of error

**Effective date:** This ordinance shall be in effect immediately upon adoption