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Cook County Assessor

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**February 15, 2006**

**The attached ordinance reflects changes to the Cook County Classification Ordinance made on February 15, 2006. The version adopted by the Cook County Board included editorial strikeouts and underlining. Those editorial marks have been eliminated from this version in order to make it easier to read. The Assessor's Office is not responsible for any errors or omissions found in this version.**

**If you wish to have a certified copy of the Ordinance language, that can be obtained from the Clerk of the Cook County Board.**

**DOWNTOWN**  
118 N. Clark St. 3<sup>rd</sup> Floor  
(312)443-7550  
TDD (312)603-6181

**SKOKIE**  
5600 Old Orchard Rd.  
Rm. 149  
(847)470-7237

**MAYWOOD**  
1500 Maybrook Square  
Rm.082  
(708)865-6032

**BRIDGEVIEW**  
10200 S. 76<sup>th</sup> Ave.  
Rm. 237  
(708)974-6451

**ROLLING MEADOWS**  
2121 Euclid Ave.  
Rm. 237  
(847)818-2444

**MARKHAM**  
16501 S. Kedzie Ave.  
Rm. 237  
(708)210-4100

**REAL PROPERTY ASSESSMENT CLASSIFICATION ORDINANCE,  
AS AMENDED**

**BE IT ENACTED BY THE COOK COUNTY BOARD OF COMMISSIONERS:**

The Real Property Assessment Classification Ordinance, as from time to time amended (November 29, 1976; June 6, 1977; September 19, 1977; May 16, 1978; January 2, 1979; March 3, 1980; September 2, 1980; October 3, 1983; April 2, 1984; November 18, 1985; May 19, 1986; June 20, 1988; September 5, 1989; December 18, 1989; March 16, 1992; December 6, 1994; November 19, 1996; May 6, 1997; November 23, 1999; April 18, 2000; September 6, 2001, December 4, 2001, April 9, 2002, July 13, 2004, December 14, 2004 and February 15, 2006) is hereby amended to read as follows:

The Cook County Board of Commissioners finds and declares:

- (1) that in certain areas of Cook County there is a lack of viable industrial and commercial buildings, which is contributing to substantial unemployment in such areas;
- (2) that if existing industrial and commercial structures were improved and utilized fully, and if new industrial and commercial structures were developed, the County's economic well-being would be improved by an increase in the level of economic activity, by increased employment opportunities and by a growth in the real property tax base;
- (3) that because of the blighted or depressed condition of the areas where such development is needed, the ordinary unaided operation of private enterprise cannot accomplish the necessary modernization, rehabilitation and development, therefore provision must be made for public assistance and encouragement of such private enterprises;
- (4) that the creation of new property tax classifications for (a) new development of industrial structures, or the substantial rehabilitation and re-utilization of existing industrial structures, for the County as a whole as well as for specific areas of special need, and (b) new development of commercial structures, or the substantial rehabilitation and re-utilization of existing commercial structures in areas that are depressed, blighted or threatened with blight, is an appropriate and necessary method of providing such assistance and encouragement, and will result in increasing the tax base in such areas and for the entire County; and
- (5) that the creation of a new property tax classification for the rehabilitation and new construction of certain multifamily rental housing will increase and improve the stock of decent, safe and affordable housing for low- and moderate-income households in Cook County, and will remove the blight or potential blight of deteriorating housing stock while also increasing the tax base of the County.

- (6) that the amendment of real estate assessment classifications for the purpose of lowering the assessment level for certain retention and development of the most affordable permanent housing available to homeless and very low income individuals.
- (7) that the creation of a new property tax classification, to facilitate commercial and industrial development through remediation of property, contamination of which is not attributable to the owner, is an appropriate and necessary method of providing assistance and encouragement to achieve remediation and utilization of such property, which will result in increasing employment opportunities as well as the tax base in the areas in which such sites are located and in the entire County.
- (8) that the Class L tax classification will encourage the preservation and rehabilitation of historically and architecturally significant buildings, will enhance the general character of real estate in the County and contribute to the economic well-being of the County by increasing the level of economic activity, increasing employment opportunities and contributing to the long-term growth of the real property tax base.
- (9) that the reduction of the assessment level for Class 3 properties will encourage the preservation and retention of existing rental housing units which is necessary and beneficial to the population of Cook County.

#### Section 1.

(A) Cook County hereby establishes the system of classifying real estate for the purposes of assessment for taxation set forth in the following Sections.

(B) Definitions:

(1) For the purpose of this Ordinance, the definition of "real estate" shall be:

"Not only the land itself, whether laid out in town or city lots, or otherwise, with all things contained therein, but also all buildings, structures and improvements, and their permanent fixtures, of whatsoever kind, thereon, and all rights and privileges belonging or in anywise pertaining thereto."

Included therein is any vehicle or similar portable structures used or so constructed as to permit its being used as a dwelling for one or more persons; if such structure is resting in whole on a permanent foundation.

(2) For the purpose of this Ordinance, the definition of "market value" shall be:

"That value, estimated at the price it would bring at a fair voluntary sale."

- (3) For the purposes of this Ordinance, the definition of "real estate used for residential purposes" shall be:

"Any improvement or portion thereof occupied solely as a dwelling unit."

- (4) For the purposes of this Ordinance, the definition of "single room occupancy building" shall be:

"A multi-unit residential building in which at least 90 (ninety) percent of the units are single room occupancy units, excluding rooms occupied by management employees, and in which at least 75 (seventy-five) percent of the annual occupancy of the SRO units is for monthly terms."

- (5) For the purposes of this Ordinance, the definition of "single room occupancy unit" shall be:

"A room rented as sleeping or living quarters with or without cooking facilities located in the same room as the sleeping or living quarters, and with or without individual bathrooms."

- (6) For the purposes of this Ordinance, the definition of "real estate used for industrial purposes" shall be:

"Any real estate used primarily in manufacturing, as defined in Section 1 (B) (7), or in the extraction or processing of raw materials unserviceable in their natural state to create new physical products or materials, or in the processing of materials for recycling, or in the transportation or storage of raw materials or finished physical goods in the wholesale distribution of such materials or goods for sale or leasing."

- (7) For the purposes of this Ordinance, the definition of "manufacturing" shall be:

"The material staging and production of goods used in procedures commonly regarded as manufacturing, processing, fabrication, or assembling which changes existing material into new shapes, new qualities, or new combinations and including research and development associated with the production of goods."

- (8) For the purposes of this Ordinance, the definition of an "area in need of commercial development" shall be:

"Any area within Cook County which satisfies the provisions of Section 4A of this Ordinance."

- (9) For the purposes of this Ordinance, the definition of "real estate used for commercial purposes" shall be:

"Any real estate used primarily for buying and selling of goods and services, or for otherwise providing goods and services, including any real estate used for hotel and motel purposes."

- (10) For the purposes of this Ordinance, the definition of "community area" shall be:

"An area within the City of Chicago so designated and identified by the Social and Economic Characteristics of Chicago's Population: Community Area Profiles, December, 1992, or revisions thereto, or in Cook County outside the City of Chicago, as defined by the municipality concerned or by the County in unincorporated areas."

- (11) Except as otherwise specified in Section 2 below, for the purposes of this Ordinance, the definition of "abandoned property" shall be:

"Buildings and other structures that, after having been vacant and unused for at least 24 continuous months, have been substantially rehabilitated or purchased for value by a purchaser in whom the seller has no direct financial interest."

- (12) For the purposes of this Ordinance, the definition of "in need of substantial revitalization" shall be:

"An area no less than 10 contiguous acres or more than 1 contiguous square mile in size which is in a state of extreme economic depression evidenced by such factors, as defined in the rules and regulations as promulgated by the Office of the Cook County Assessor, among others, as: (a) substantial unemployment; (b) a low level of median family income; (c) aggravated abandonment, deterioration, and underutilization of properties; (d) a lack of viable industrial and commercial buildings whose absence significantly contributes to the depressed economic and unemployment conditions in the area; (e) a clear pattern of stagnation or decline of real estate taxes within the area as a result of its depressed condition; (f) a manifest lack of economic feasibility for private enterprise to accomplish the necessary modernization, rehabilitation and development of the area without public assistance and encouragement; and (g) other factors which evidence an imminent threat to public health, welfare and safety."

- (13) For purposes of this Ordinance and more particularly Section 2 thereof, real estate while under lease or license to a unit of local government for an annual rental or fee of not more that ONE DOLLAR (\$1.00), shall not be deemed to be "improved" as a

result of any alterations, additions or modifications consisting of the construction, landscaping, maintenance, or beautification of parks, parkways, parking lots, playgrounds, or similar public facilities operated or maintained for the public benefit. During the term of such lease or license, including extensions thereof, the real estate which is the subject of such lease or license shall be treated as though such alterations, additions, or modifications have not been made.

- (14) For purposes of this Ordinance, the definition of "multifamily residential real estate" shall be:

"Real estate which is used primarily for residential purposes and consists of an existing multifamily building containing seven or more dwelling units."

- (15) For purposes of the Class 9 provisions of this Ordinance only, the definition of "major rehabilitation" shall be:

"The extensive renovation or replacement of primary building components or systems as further prescribed by rule of the Assessor."

- (16) For purposes of this Ordinance, the definition of a "low- or moderate-income person or household" shall be:

"A person or household occupying a single dwelling unit and whose combined annual income is equal to or less than the income limits for low-income families for the Chicago Metropolitan Statistical Area as determined by the Secretary of the United States Department of Housing and Urban Development pursuant to Section 3 (b) (2) of the United States Housing Act of 1937, as amended. A household consists of all the occupants of a legal dwelling unit, related or unrelated."

- (17) For purposes of this Ordinance, the definition of "targeted area" shall be:

"Census tracts in the City of Chicago or census block groups in the County of Cook outside of the City of Chicago, as defined and identified by the U.S. Census Bureau's most recent census, in which at least 51% of the residents are low- or moderate-income persons."

- (18) For purposes of this Ordinance, the definition of "rents affordable to low- and moderate-income persons and households" shall be:

"Gross rents that do not exceed 30 percent of the adjusted income of a household whose income equals 55% of the median income for the Chicago Metropolitan Statistical Area, with adjustments for number of bedrooms in the units, as determined annually by the Secretary of the United States Department of Housing and Urban Development, or rents for units occupied by households receiving

housing assistance under Section 8 of the United States Housing Act of 1937, as amended. 'Gross rents' shall be the rental cost of the unit plus any allowances for tenant-paid utilities (except telephone), services and appliances."

- (19) For purposes of this Ordinance, the definition of "HUD" shall be:

"The United States Department of Housing and Urban Development (HUD)."

- (20) For purposes of this Ordinance, the definition of a "Section 8 contract" shall be:

"A contract for project-based assistance for a multifamily housing project under Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f)."

- (21) For purposes of this Ordinance, the definition of "Fair Market Rent" or "HUD FMR" shall be:

"The fair market rental established under Section 8(c) of the United States Housing Act of 1937 (42 U.S.C. 1437f)."

- (22) For purposes of this Ordinance, the definition of an "expiring contract" shall be:

"A project based assistance contract under Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) which, under the terms of the contract, will expire."

- (23) For purposes of this Ordinance, the definition of the "Mark Up To Market option" shall be:

"A contract renewal option, pursuant to Section 524 (a)(4)(A) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 [MAHRA] (Title V of Public Law No. 105-65, October 27, 1997, 111 Stat. 1384ff), as amended by section 531 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000 (Pub. L. No. 106-74, October 20, 1999, 113 Stat. 1109ff), for eligible properties located in strong markets, where a Rent Comparability Study conducted by HUD has determined that comparable market rents are above 100% of the HUD Fair Market Rent, and for which HUD is authorized to approve renewal terms providing rents higher than the HUD FMR. The Mark Up To Market option includes increasing rents from the HUD FMR to the level of an existing use restriction on a property."

- (24) For purposes of this Ordinance, the definition of the "Mark Up To Market option under HUD's discretionary authority" shall be:

“A contract renewal option, pursuant to Section 524 (a)(4)(C) or (D) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 [MAHRA] (Title V of Public Law No. 105-65, October 27, 1997, 111 Stat. 1384ff), as amended by section 531 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent\_Agencies Appropriations Act, 2000 (Pub. L. No. 106-74, October 20, 1999, 113 Stat. 1109ff), providing rents higher than the HUD FMR, based on the exercise of HUD’s discretionary authority, for properties which do not necessarily meet the usual eligibility criteria, but do meet a special set of statutory criteria, in that a vulnerable population is affected; there is a low vacancy rate in the area, which would make tenant based assistance difficult to use, or a lack of comparable housing; or the project is a high priority for the local community, as demonstrated by a contribution of State or local funds to the property.

- (25) For purposes of this Ordinance, the definition of “Section 8 contract renewal under the Mark Up To Market option” shall be:

“Renewal of a Section 8 contract for an additional 5 years under the Mark Up To Market option, after a determination of eligibility by HUD pursuant to its authority under Section 524(a)(4)(A), (C), or (D) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 [MAHRA] (Title V of Public Law No. 105-65, October 27, 1997, 111 Stat. 1384ff), as amended by section 531 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000 (Pub. L.No. 106-74, October 20, 1999, 113 Stat. 1109ff).”

- (26) For the purposes of the Class C provisions of this Ordinance, the definition of "Site" shall be:

"The real estate which is remediated and developed for industrial or commercial use. The site must be identified by permanent index number, and must be delineated by an accurate legal description if it comprises less than the whole of any parcel at the time of application."

- (27) For the purposes of this Ordinance, the definition of "Site Remediation Program" or "Program" shall be:

"Remediation of the site as appropriate for the planned industrial or commercial use, according to a Remedial Action Plan approved by the Illinois Environmental Protection Agency (IEPA), pursuant to its Site Remediation Program, under the authority of Title XVII of the Illinois Environmental Protection Act (415 ILCS 5/58, et seq.).

- (28) For the purposes of this Ordinance, the definition of "Remedial Action Plan" shall be:

"A plan addressing remediation of the entire site, approved by the IEPA pursuant to its Site Remediation Program. The plan must include, as applicable: an executive summary; remediation objectives appropriate for the described planned industrial or commercial use; remedial technologies selected; confirmation sampling plan; applicable preventive, engineering, and institutional controls and monitoring procedures; cost estimates and timetable."

- (29) For the purposes of this Ordinance, the definition of "No Further Remediation Letter" shall be:

"A letter from the IEPA, addressing the entire site, approving or approving with conditions a Remedial Action Completion report."

- (30) For the purpose of this Ordinance, the definition of "Certified Local Government" shall be:

"A unit of local government fulfilling the requirements of the National Historic Preservation Act of 1966, as amended, 16 U.S.C. 470a [the 'Act'] that has been certified by the Illinois State Historic Preservation Officer pursuant to the Act."

- (31) For purposes of this Ordinance, the definition of "Preservation Commission" shall be:

"A commission or similar body established by a Certified Local Government pursuant to the National Historic Preservation Act of 1966, as amended, 16 U.S.C. 470a [the 'Act'], generally for the purpose of identifying, preserving, protecting, recommending for designation and encouraging the continued use and the rehabilitation of areas, properties and structures having historical and/or architectural significance."

- (32) For purposes of this Ordinance, the definition of "State Historic Preservation Officer" shall be:

"The Director of the Illinois Historic Preservation Agency. 20 ILCS 3405/4; 20 ILCS 3410/2."

- (33) For purposes of this Ordinance, the definition of "Illinois Historic Preservation Agency" shall be:

"The Illinois Historic Preservation Agency, established pursuant to the Historic Preservation Agency Act (20 ILCS 3405/1, et seq.) and the Illinois Historic Preservation Act (20 ILCS 3410/1, et seq.)."

- (34) For the purposes of this Ordinance, the definition of "Landmark" shall be:

"A building which is specifically designated as a historic or Landmark structure pursuant to a local ordinance, approved by a Certified Local Government, pursuant to its criteria, which have been certified by the Illinois Historic Preservation Agency."

The definition of "Landmark" does not include a facade or other architectural element which has been preserved and designated as a historic structure, if the remainder of the building has been demolished and replaced.

- (35) For the purposes of the Class L provisions of this Ordinance only, the definition of "Substantial Rehabilitation" shall be:

"The extensive renovation or replacement of primary building systems of the Landmark and/or the significant improvement of the condition of the Landmark, as further prescribed by rule of the Assessor; which meets or exceeds the Standards of the United States Department of the Interior for Rehabilitation, Preservation, Restoration, and Reconstruction of historic properties; and which has been completed in accordance with plans approved by the Certified Local Government within which the Landmark is located."

- (36) For purposes of this Ordinance, the definition of "Contributing Building" shall be:

"A building which is a historic structure within a specifically designated historic or landmark district pursuant to a local ordinance, approved by a Certified Local Government, which has been certified by the Illinois Historic Preservation Agency, and which meets the following criteria:

- A) the building was constructed within or present during the period of historical significance of the district; and
- B) the building relates to the significant features, qualities and/or themes that give the district its historic, cultural and/or architectural significance; and
- C) the building substantially retains its design, materials and appearance from the period of historical significance of the district; or if substantially altered, the changes are reversible such that, through the Substantial Rehabilitation of the building, the building will be

returned to a state that substantially retains its design, materials and appearance from the period of historical significance of the district.

- (37) For purposes of the Class L provisions of this Ordinance, the definition of “Period of Historical Significance” shall be

“The period of development history (represented by the buildings in the district) for which the district is significant.”

- (38) For the purposes of this Ordinance, the definition of “South Suburban Tax Reactivation Pilot Program” shall be:

“A pilot project in the townships of Bloom, Bremen, Calumet, Rich and Thornton administered by the Cook County Department of Planning and Development, or other authorized entity, wherein marketable properties located in the targeted townships are identified and then purchased through the no cash bid process pursuant to Chapter 35 of the Illinois Compiled Statutes.”

- (39) For purposes of this Ordinance, the definition of “marketable” shall be:

“Tax delinquent commercial and/or industrial parcels targeted by the South Suburban Tax Reactivation Program which have been identified by the Cook County Department of Planning and Development, or other authorized entity, as a property, that if developed, would bring economic benefit to the affected taxing districts.”

## Section 2.

Real estate is divided into the following assessment classes:

Class 1: Unimproved real estate.

Class 2: Real estate

1. used as a farm, or
2. used for residential purposes when improved with a house, an apartment building of not more than six living units, or residential condominium, a residential cooperative or a government-subsidized housing project, if required by statute to be assessed in the lowest assessment category, or
3. improved with a building put to commercial and residential use, of six or less units where the building measures less than 20,000 square feet of above grade space .

Real estate improved with a single room occupancy building, as defined herein, provided (1) that at least one-third of the single room occupancy units are leased at no more than 80 (eighty) per cent of the current "Fair Market Rent Schedule for Existing Housing for Single Room Occupancy units as set by the United States Department of Housing and Urban Development" (hereinafter "FMR schedule"); (2) that no single room occupancy units are leased at rents in excess of 100 (one hundred) per cent of the current FMR schedule; (3) that the overall maximum average rent per unit for all single room occupancy units in the building shall not exceed 90 (ninety) percent of the current FMR schedule; and (4) that the subject property is in substantial compliance with all local building, safety and health codes and requirements. In the event that the owner fails to comply with these requirements, the Class 2 classification shall be revoked.

Class 3: All improved real estate used for residential purposes which is not included in any other class.

Class 4: Real estate owned and used by a not-for-profit corporation in furtherance of the purposes set forth in its charter unless used for residential purposes. If such real estate is used for residential purposes, it shall be classified in the appropriate residential class.

Class 5a: All real estate not included in Class 1, Class 2, Class 3, Class 4, Class 6b, Class C, Class 7a, Class 7b, Class 8, Class 9, Class S or Class L of this section.

Class 5b: All real estate used for industrial purposes as defined herein and not included in any other class.

Class 6b: Real estate used primarily for industrial purposes, as defined herein, consisting of all newly constructed buildings or other structures, including the land upon which they are situated; or abandoned property, as defined herein, 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.

An applicant must obtain from the municipality in which the real estate is located or the Board of Commissioners of Cook County if the real estate is located in an unincorporated area, an ordinance or resolution expressly stating that the municipality or County Board, as the case may be, has determined that the incentive provided by Class 6b is necessary for development to occur on that specific real

estate and that the municipality or County Board, as the case may be, supports and consents to the Class 6b application to the Assessor. A certified copy of the ordinance or resolution need not be filed at the time of filing the Class 6b 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 6b. If the resolution is not filed at the time of the eligibility application, the applicant shall 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.

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 Cook County Board for distribution to the Commissioners from the affected districts.

In the case of abandoned property, if the municipality or the Board of Commissioners, as the case may be, finds that special circumstances justify finding that the property is "abandoned" for purpose of Class 6b, even though it has been vacant and unused for less than 24 months, that finding, along with the specification of the circumstances, shall be included in the resolution or ordinance supporting and consenting to the Class 6b application. Such resolution or ordinance shall be included with the eligibility application. If the ordinance or resolution is that of a municipality, the approval of the Board of Commissioners of Cook County is required to validate such shortened period of qualifying abandonment, and a resolution to that effect shall be included with the Class 6b eligibility application. The applicant must obtain the municipal enabling ordinance with the required finding of special circumstances and present such municipal ordinance to the Board of Commissioners of Cook County prior to its determination as to whether it will validate such a shortened period of qualifying abandonment and provide a County resolution to that effect. A certified copy of an ordinance or resolution finding that special circumstances exist, as well as a certified copy of a County ordinance or resolution validating the shortened period of qualifying abandonment need not be filed at the time of filing the Class 6b 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 6b. If the resolution is not filed at the time of the eligibility application, the applicant shall instead file, at that time, a letter from the municipality or the County as the case may be, confirming that a resolution or ordinance regarding special circumstances has been requested.

This classification shall continue for a period of twelve years from the date such new construction (excluding demolition, if any) or such substantial rehabilitation was completed and initially assessed, or in the case of abandoned property, from the date of substantial reoccupancy. This incentive may be renewed during the last year a property is entitled to a 16% assessment level, if the following requirements are met:

1. the taxpayer notifies the Assessor's Office of his intent to request renewal of the incentive from the municipality, or the Board of Commissioners of Cook County if the real estate is located in an unincorporated area, and;
2. the municipality in which the real estate is located or the Board of Commissioners of Cook County, if the real estate is located in an unincorporated area, adopts a resolution expressly stating that the municipality or County Board, as the case may be, has determined that the industrial use of the property is necessary and beneficial to the local economy, and supports and consents to renewal of the Class 6b and;
3. a copy of that resolution and a completed renewal application are filed with the Office of the Assessor before the expiration of the 16% assessment level period.

The number of renewal periods is not limited as long as the property continues to apply and qualify for Class 6b. Any property which applies for Class 6b treatment on or before the adoption date of this ordinance change will be eligible for this renewal term at the end of their original incentive period subject to the above requirements

If, on the effective date of this Ordinance, a property is receiving Class 6b treatment, but the assessment level is higher than 16%, that taxpayer may apply for renewal as outlined above and receive a 16% assessment level for the prescribed period beginning after the filing and approval of the resolution and renewal application. However, as of that effective date, the tax payer's assessment is higher than 16% and the taxpayer is granted a renewal of the incentive for subsequent years, no reduction of the current assessment level based on renewal of the incentive will be granted.

The notice of intent to request renewal which is filed with the Assessor's Office will be forwarded by the Assessor's Office to the secretary of the Cook County Board for distribution to Commissioners from the affected districts.

If no renewal is obtained, the incentive shall be phased out over the next two years, pursuant to Section 3 below. After expiration of the last incentive period, the real estate shall revert to the applicable classification under this Ordinance.

Additionally, for newly constructed or substantially rehabilitated buildings and other structures to qualify for Class 6b classification, an eligibility application must be made to the Assessor within one year prior to the commencement of such new construction or substantial rehabilitation. With respect to abandoned property, the eligibility application must be made to the Assessor no later than ninety days after purchase for value if such property is encompassed within the definition herein of

abandoned property by reason of purchase for value; or within one year prior to the commencement of substantial rehabilitation if such property is encompassed within that definition by reason of substantial rehabilitation.

The Assessor may adopt rules consistent with the foregoing necessary to ensure proper review of all factors relevant to determine eligibility for the benefits provided under Class 6b.

The Assessor shall provide by rule for the filing of triennial reassessment reports by all Class 6b recipients as to the use of the property and the number of persons employed at the Class 6b site. Such reports shall be verified. Failure to file such reports within the time established by the Assessor's rules shall result in loss of the incentive for the period relating to the non-filing.

Class C: Real estate which is to be used for industrial or commercial purposes, including abandoned property, as defined in Section 1B(11) including the land upon which such property is situated; or vacant land; where such real estate because of contamination has undergone environmental testing and remediation and has received a "No Further Remediation Letter" from the Site Remediation Program, as defined above.

To be eligible for a Class C classification an applicant must have received a "No Further Remediation Letter" confirming achievement of the remediation objectives based on the industrial or commercial use.

The owner of the property is rendered ineligible for the Class C classification by having previously owned or operated the Site, directly or indirectly, or having been a partner or being associated through a family or business relationship with anyone who has owned or operated the Site, which ownership or operation caused the contamination which was remediated pursuant to a Site Remediation. A present owner who can successfully demonstrate that he was not responsible for the contamination may be eligible for Class C classification.

An applicant must obtain from the municipality in which the real estate is located or the Board of Commissioners of Cook County if the real estate is located in an unincorporated area, an ordinance or resolution expressly stating that the municipality or County Board, as the case may be, has determined that the incentive provided by Class C is necessary for development to occur on that specific real estate and that the municipality or County Board, as the case may be, supports and consents to the Class C application to the Assessor. A certified copy of the ordinance or resolution must be filed at the time of application for the Class C classification. A copy of that ordinance or resolution, whichever is submitted, will be forwarded by the Assessor's Office to the secretary of the Cook County Board of Commissioners for distribution to the Commissioners from the affected districts.

To qualify for the Class C classification, an application for Class C classification must be made within one year of the receipt of the "No Further Remediation Letter." Where an application for Class C classification encompasses less than all of the contiguous property owned by the applicant upon which remediation has been completed, the one year limitation will be waived for any subsequent separate application for Class C classification for the remainder or for additional portions of the property, provided that such subsequent application is made within 7 years.

Additionally, to qualify for the Class C classification, the estimated remediation costs, including site investigation, testing, oversight, remediation and removal costs, monitoring, and engineering and legal fees associated with the remediation process, must total at least \$100,000, or alternatively, must total at least 25% of the market value of the real estate as determined by the Assessor's property record card in the year prior to the remediation, whichever is less.

The initial Class C classification shall continue for a period of twelve years for both industrial and commercial property. For industrial property, this incentive may be renewed during the last year a property is entitled to a 16% assessment level, if the following requirements are met:

1. the taxpayer notifies the Assessor's Office of his intent to request renewal of the incentive from the municipality, or the Board of Commissioners of Cook County if the real estate is located in an unincorporated area, and;
2. the municipality in which the real estate is located or the Board of Commissioners of Cook County, if the real estate is located in an unincorporated area, adopts a resolution expressly stating that the municipality or County Board, as the case may be, has determined that the industrial use of the property is necessary and beneficial to the local economy, and supports and consents to renewal of the Class C and;
3. a copy of that resolution and a completed renewal application are filed with the Office of the Assessor before the expiration of the 16% assessment level period.

The number of renewal periods is not limited as long as the property continues to apply and qualify for Class C. Any property which applies for Class C treatment on or before the adoption date of this ordinance change will be eligible for this renewal term at the end of their original incentive period subject to the above requirements

The notice of intent to request renewal which is filed with the Assessor's Office will be forwarded by the Assessor's Office to the secretary of the Cook County Board for distribution to Commissioners from the affected districts.

If, on the effective date of this Ordinance, a property is receiving Class C treatment, but the assessment level is higher than 16%, that taxpayer may apply for renewal as outlined above and receive a 16% assessment level for the prescribed period beginning after the filing and approval of the resolution and renewal application. However, if as of that effective date, the tax payer's assessment is higher than 16% and the taxpayer is granted a renewal of the incentive for subsequent years, no reduction of the current assessment level based on renewal of the incentive will be granted. If no renewal is obtained, the incentive shall be phased out over the next two years, pursuant to Section 3 below. After such ten-year period expiration of the last incentive period, the real estate shall revert to the applicable classification under this Ordinance.

For commercial properties, once the original twelve year incentive period has expired, the commercial Class C incentive will expire. The incentive classification will not be subject to renewal and the real estate shall revert to the applicable classification under this Ordinance.

The Assessor shall review the application and supporting documentation to determine eligibility for the Class C classification. The Assessor may adopt rules consistent with the foregoing necessary to ensure proper review of all factors relevant to determine initial and continued eligibility for the benefits provided under the Class C classification.

The Assessor shall provide by rule for the filing of triennial reassessment reports by all Class C recipients as to the use of the property and the number of persons employed at the Class C site. Such reports shall be verified. Failure to file such reports within the time established by the Assessor's rules shall result in loss of the incentive for the period relating to the non-filing.

Class 7a: Real estate used primarily for commercial purposes, as defined herein, comprising a qualified commercial development project, as determined pursuant to Section 4A hereunder, located in an "area in need of commercial development", where total development costs, exclusive of land, do not exceed \$2 million, consisting of all newly constructed buildings or other structures including the land upon which they are situated; or abandoned property, as defined herein, 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.

In the case of abandoned property, if the municipality or the Board of Commissioners, as the case may be, finds that special circumstances justify finding that the property is “abandoned” for purposes of Class 7a even though it has been vacant and unused for less than 24 months, that finding, along with the specification of the circumstances, shall be included in the resolution or ordinance supporting and consenting to the Class 7a application. Such resolution or ordinance must be filed with the eligibility application. If the ordinance or resolution is that of a municipality, the approval of the Board of Commissioners of Cook County is required to validate such shortened period of qualifying abandonment and a resolution to that effect shall be included with the Class 7a eligibility application filed with the Assessor.

This classification shall continue for a period of twelve years from the date such new construction (excluding demolition, if any) or such substantial rehabilitation was completed and initially assessed, or in the case of abandoned property, from the date of substantial reoccupancy. After such twelve year period, the real estate shall revert to the applicable classification under this Ordinance.

The Assessor shall provide by rule for the filing of triennial reassessment reports by all Class 7a recipients as to the use of the property and the number of persons employed at the Class 7a site. Such reports shall be verified. Failure to file such reports within the time established by the Assessor's rules shall result in loss of the incentive for the period relating to the non-filing.

Class 7b: Real estate used primarily for commercial purposes, as defined herein, comprising a qualified commercial development project, as determined pursuant to Section 4A hereunder, located in an "area in need of commercial development", where total development costs, exclusive of land, exceed \$2 million, consisting of all newly constructed buildings or other structures, including the land upon which they are situated; or abandoned property, as defined herein, 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.

In the case of abandoned property, if the municipality or the Board of Commissioners, as the case may be, finds that special circumstances justify finding that the property is “abandoned” for purposes of Class 7b even though it has been vacant and unused for less than 24 months, that finding, along with the specification of the circumstances, shall be included in the resolution or ordinance supporting and consenting to the Class 7b application. Such resolution or ordinance must be filed with the eligibility application. If the ordinance or resolution is that of a

municipality, the approval of the Board of Commissioners of Cook County is required to validate such shortened period of qualifying abandonment and a resolution to that effect shall be included with the Class 7b eligibility application filed with the Assessor.

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

The Assessor shall provide by rule for the filing of triennial reassessment reports by all Class 7b recipients as to the use of the property and the number of persons employed at the Class 7b site. Such reports shall be verified. Failure to file such reports within the time established by the Assessor's rules shall result in loss of the incentive for the period relating to the non-filing.

Class 8: Real estate used primarily for industrial and commercial purposes, consisting of all newly constructed buildings or other structures, including the land upon which they are situated; or abandoned property, as defined herein, 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.

Such real estate must be located in:

- (1) an area which has been certified as in need of substantial revitalization in accordance with the provisions of Section 4B herein, or
- (2) an Enterprise Community as proposed and approved by the Cook County Board of Commissioners on June 22, 1994 or the Chicago City Council on May 18, 1994 and the municipality in which such real estate is located or, if in an unincorporated area, the County must by lawful resolution determine that such real estate is consistent with an overall plan for the rehabilitation of the area, or
- (3) one of the townships targeted by the South Suburban Tax Reactivation Program.

In the case of abandoned property, if the municipality or the Board of Commissioners, as the case may be, finds that special circumstances justify finding that the property is “abandoned” for purpose of Class 8, even though it has been vacant and unused for less than 24 months, that finding, along with the specification of the circumstances, shall be included in the resolution or ordinance supporting and consenting to the Class 8 application. Such resolution or ordinance shall be filed with the eligibility application. If the ordinance or resolution is that of a municipality, the approval of the Board of Commissioners of Cook County is required to validate such shortened period of qualifying abandonment, and a resolution to that effect shall be included with the Class 8 eligibility application filed with the Assessor.

A copy of any resolution received will be forwarded by the Assessor’s Office to the secretary of the Cook County Board of Commissioners for distribution to the Commissioners from the affected districts.

For industrial properties this classification shall continue for a period of twelve years from the date of new construction (excluding demolition, if any) or substantial rehabilitation was completed and initially assessed, or in the case of abandoned property, from the date of substantial reoccupancy. During the tenth year, an application may be filed with the Assessor’s Office for renewal of the incentive for an additional ten year period. This incentive may be renewed during the last year a property is entitled to a 16% assessment level, if the following requirements are met:

1. the taxpayer notifies the Assessor’s Office of his intent to request renewal of the incentive from the municipality, or the Board of Commissioners of Cook County if the real estate is located in an unincorporated area, and;
2. the municipality in which the real estate is located or the Board of Commissioners of Cook County, if the real estate is located in an unincorporated area, adopts a resolution expressly stating that the municipality or County Board, as the case may be, has determined that the industrial use of the property is necessary and beneficial to the local economy, and supports and consents to renewal of the Class 8 and;
3. a copy of that resolution and a completed renewal application are filed with the Office of the Assessor before the expiration of the 16% assessment level period.

A copy of the request for renewal of the incentive will be forwarded by the Assessor’s Office to the secretary of the Cook County Board for distribution to the Commissioners from the affected districts. If, on the effective date of this Ordinance, a property is receiving Class 8 treatment, but the assessment level is higher than 16%, that taxpayer may apply for renewal as outlined above and receive a 16% assessment level for the prescribed period beginning after the filing and approval of

the resolution and renewal application. However, on that effective date the tax payer's assessment is higher than 16% and the taxpayer is granted a renewal of the incentive for subsequent years, no reduction of the current assessment level based on renewal of the incentive will be granted.

Any property which has applied for Class 8 treatment at the time this ordinance is adopted will be eligible for renewal based on the foregoing requirements. The number of renewal periods is not limited as long as the property properly applies for and qualifies for Class 8. If no renewal is obtained, the incentive shall be phased out over the next two years, pursuant to Section 3 below. After expiration of the last incentive period the real estate shall revert to the applicable classification under this Ordinance.

In the case of commercial properties, this classification shall continue for a period of twelve years from the date such new construction (excluding demolition, if any) or substantial rehabilitation was completed and initially assessed, or in the case of abandoned property, for the date of substantial reoccupancy. After such time the real estate shall revert to the applicable classification under this ordinance.

The Assessor may adopt rules consistent with the foregoing necessary to insure proper review of the application, supporting data and all other pertinent factors.

The certification of an area as in need of substantial revitalization shall expire five years from the date such certification is granted. The Assessor shall notify the applicant of the date of expiration of certification one year before the date of the expiration of the certification. Such certification, pursuant to the same criteria, may be extended for one additional five-year period subject to reapplication by the appropriate local governing body within the period from one year to six months prior to the expiration of the initial five-year period.

The Assessor shall provide by rule for the filing of triennial reassessment reports by all Class 8 recipients as to the use of the property and the number of persons employed at the Class 8 site. Such reports shall be verified. Failure to file such reports within the time established by the Assessor's rules shall result in loss of the incentive for the period covered by the non-filing.

Class 9: All real estate otherwise entitled to Class 3 classification under this Ordinance provided that such real estate, consisting of land and existing buildings and structures, (1) is multifamily residential real estate, as defined herein, (2) either has undergone major rehabilitation, as defined herein, or is new construction, or both, (3) has at least 35% of the dwelling units leased at rents affordable to low-or-moderate-income persons or households, as defined herein, and (4) is in substantial compliance with all applicable local building, safety and health requirements and codes.

To qualify for the Class 9 classification, the applicant must:

- (1) file an eligibility application with the Assessor prior to commencement of rehabilitation and/or of new construction;
- (2) either undertake and complete a major rehabilitation of the subject property, or undertake and complete construction of a new building;
- (3) maintain the subject property, including any new construction, in substantial compliance with all local building, safety and health codes and requirements for the duration of the Class 9 classification period;
- (4) lease, for the duration of the Class 9 classification period, at least 35% of the dwelling units of the subject property, including any new construction, to tenants at rents which will not exceed rents affordable to low- and moderate-income persons or households;
- (5) agree to make a current listing of Class 9 tenants and their income available to the Assessor upon request,
- (6) further agrees to annually provide the tenants with a list of the permissible Class 9 rents,
- (7) agree to notify tenants of the upcoming Class 9 expiration at least one year prior to the termination of the incentive treatment, and
- (8) file annually with the Assessor, on or before a date determined by the Assessor, for the duration of the Class 9 classification period, a sworn statement verifying continuous compliance with the Class 9 provisions of this Ordinance.

No applicant shall discriminate on the basis of race, color, sex, marital status, religion, national origin or ancestry, or on any other basis prohibited under federal, state or local law.

Upon completion of the major rehabilitation, the applicant must supplement the application by submitting evidence showing that major rehabilitation did, in fact, occur, the date that the major rehabilitation was completed and that the real estate complies with all applicable local building, safety and health requirements and codes. Upon completion of the new construction, the applicant must supplement the application by submitting an occupancy permit showing the date that the new construction was completed and ready for occupancy, and evidence that the real

estate complies with all applicable local building, safety and health requirements and codes.

Beginning January 1, 2000, the Class 9 classification shall have an initial duration of ten years from the date that the major rehabilitation was completed. That period may be extended for additional ten year periods if: (1) an application is filed with the Assessor at least 12 months before the expiration of the incentive period (2) the applicant presents evidence that the real estate currently complies with all applicable local building, safety and health requirements and codes and (3) the Assessor determines that all application qualifications, except the major rehabilitation or new construction requirement, were maintained during the incentive period.

When the Class 9 classification is due to expire or is terminated by action of the owner or the Assessor, the property owner shall, in a manner and form determined by the Assessor, notify all Class 9 tenants of the date of the termination of Class 9 classification. Once the Class 9 classification is terminated, the real estate shall revert to the applicable classification under this Ordinance.

Class S: Real estate otherwise entitled to Class 3 classification under this ordinance, consisting of land and existing buildings and structures, which is subject to a Section 8 contract that has been renewed under the "Mark Up To Market" option, as defined herein. The portion of the land and building eligible for the incentive shall be in such proportion as the number of Section 8 units bears to the total number of units. Said proportion shall be applied only to property used for residential purposes, and not to portions of the property, if any, used for commercial purposes.

Property qualifies for the Class S classification if its Section 8 contract has been renewed under the Mark Up To Market option, pursuant to one of the following alternatives:

1. HUD has approved renewal of the Section 8 contract under the Mark Up to Market option, after finding that:
  - A. The property has received a physical inspection score of at least 60, in an inspection by HUD's Real Estate Assessment Center, confirming that the property is decent, safe, sanitary and in good repair with no uncorrected Exigent Health and Safety (EHS) violations; and
  - B. The property does not have a low-and-moderate-income use restriction that cannot be eliminated by unilateral action by the owner. If, however, the current rent is lower than the use restriction, HUD may use the Mark Up To Market option to increase the rents to the use restriction level, which would be a renewal qualifying for the S classification; and

- C. A Rent Comparability Study conducted by HUD has demonstrated that comparable market rents are above 100% of the HUD Fair Market Rent.
2. HUD has approved a contract renewal for 5 years of the Section 8 contract under its discretionary authority relating to the Mark Up To Market option, after finding that the property meets at least one of the required criteria:
    - A. A vulnerable population is affected, or
    - B. There is a low vacancy rate in the area, which would make tenant based assistance difficult to use, or a lack of comparable housing, or
    - C. The project is a high priority for the local community, as demonstrated by a contribution of State or local funds to the property.

Additional requirements for qualification for the S classification are:

1. At least 20% of the living units must be Section 8 units for qualifying low and moderate-income persons.
2. The owner(s) must agree to retain at least the existing number of Section 8 units for at least 5 years after the expiration of the expiring or expired Section 8 contract.
3. *For the duration of the Class S classification period, applicant must file annually with the Assessor, on or before a date determined by the Assessor, a sworn statement verifying continuous compliance with the Class S provisions of this Ordinance.*
4. *Applicant must agree to notify the Assessor's Office if the Section 8 contract is terminated prior to its expiration date. Applicant shall provide to the Assessor's office a copy of any Notice of Default or Notice of Abatement received from HUD.*

When the applicant applies to HUD for a contract renewal under the Mark Up To Market Option, no less than 120 days prior to the expiration of the contract, the applicant shall notify the Assessor's Office of the application, on a form provided by that office. Upon receiving approval of the contract renewal from HUD, the applicant shall file an application for the incentive with the Assessor's Office, on a form provided by that office. The application shall be supported by a copy of HUD's letter approving the contract renewal and a copy of the executed renewal contract.

Any property which, as of the effective date of this Amendment to the Classification Ordinance, has an existing Section 8 contract with a Mark Up To Market option may

apply for Class S classification for the any portion of the 2001 assessment year encompassed within the contract term, and for the remainder of the contract term, including any renewals approved with the Mark Up To Market option.

The classification shall continue until the expiration or termination of the Section 8 contract.

The incentive may be renewed if the Section 8 contract is again renewed under the “Mark Up To Market” option. Upon filing an application with HUD, no less than 120 days prior to termination of the contract, for renewal of the Section 8 contract under the Mark Up To Market option, the taxpayer shall provide notice to the Assessor’s Office of its application for renewal. The taxpayer shall provide a copy to the Assessor’s Office of HUD’s approval of the contract renewal, or notification of other action.

The Assessor’s Office shall adopt rules consistent with the foregoing necessary to ensure proper review of all factors relevant to determine initial and continued eligibility for the benefits provided under Class S.

Class L: Real estate which:

- 1) is designated as a Class 3, Class 4, Class 5a or Class 5b pursuant to this Ordinance, and
- 2) is a Landmark or Contributing Building as defined in this Ordinance; and
- 3) has undergone Substantial Rehabilitation, as defined in this Ordinance. The Substantial Rehabilitation must constitute an investment b the owner of at least 50% of the building’s full market value as determined by the Assessor in the assessment year prior to the commencement of the Substantial Rehabilitation.

Generally, the incentive shall apply only to the building and will not apply to the land underneath the building. However, if the entire building has been vacant and unused for at least 24 continuous months prior to the filing of the eligibility application with the Assessor, the land upon which the building is situated shall also be eligible for the incentive.

Prior to filing a Class L eligibility application with the Assessor, an applicant must obtain an ordinance or resolution from the unit of local government in which the real estate is located which expressly states that the local government:

- 1) has determined that the incentive provided by Class L is necessary for the Substantial Rehabilitation of the property; and

- 2) supports and consents to the granting of the incentive; and
- 3) has reviewed and accepted its Preservation Commission's written recommendation of the project for the Class L incentive. This recommendation will specify the project's budget and the proposed scope of work and will specify that the project will meet or exceed the Standards of the United States Department of the Interior for Rehabilitation, Preservation, Restoration, and Reconstruction of historic properties.

A certified copy of the ordinance or resolution need not be filed with the Assessor at the time the Class L eligibility application is filed, but the ordinance or resolution must be filed with the Assessor no later than the date an assessment appeal is filed to request the class change to Class L.

If the ordinance or resolution is not filed at the time the eligibility application is filed, the applicant shall instead, include the following items with the eligibility application:

- 1) 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, and
- 2) a copy of the Preservation Commission's recommendation of the project.

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 Cook County Board for distribution to the Commissioners from the affected districts.

Additionally, to qualify a Landmark building or Contributing Building for Class L classification, an eligibility application must be made to the Assessor within one year prior to the commencement of Substantial Rehabilitation. After the Substantial Rehabilitation has been completed, the Preservation Commission shall review the project to determine that it is eligible hereunder. The applicant must supplement the eligibility application with a copy of the determination of the Preservation Commission prior to classification of the real estate as Class L.

The initial Class L classification shall continue for a period of twelve years from the date such Substantial Rehabilitation was completed and initially assessed.

For property which was initially classified as Class 3, 4 or 5b, this incentive may be renewed during the last year a property is entitled to a 16% assessment level, if the following requirements are met:

1. the taxpayer notifies the Assessor's Office of his intent to request renewal of the incentive from the municipality, or the Board of Commissioners of Cook County if the real estate is located in an unincorporated area, and;
2. the municipality in which the real estate is located or the Board of Commissioners of Cook County, if the real estate is located in an unincorporated area, adopts a resolution expressly stating that the municipality or County Board, as the case may be, has determined that the use of the property is necessary and beneficial to the local economy, and supports and consents to renewal of the Class L and;
3. a copy of that resolution and a completed renewal application are filed with the Office of the Assessor before the expiration of the incentive period.

The number of renewal periods is not limited as long as the property continues to apply and qualify for Class L. The notice of intent to request renewal which is filed with the Assessor's Office will be forwarded by the Assessor's Office to the secretary of the Cook County Board for distribution to Commissioners from the effected districts.

If, as of this Ordinance's effective date, a property is receiving Class L treatment, but the assessment level is higher than 16%, that taxpayer may apply for renewal as outlined above and receive a 16% assessment level for the prescribed period beginning after the filing and approval of the resolution and renewal application. However, if as of the effective date, the tax payer's assessment is higher than 16% and the taxpayer is granted a renewal of the incentive for subsequent years, no reduction of the current assessment level based on renewal of the incentive will be granted. If no renewal is obtained, the incentive shall be phased out over the next two years, pursuant to Section 3 below. After expiration of the last incentive period, the real estate shall revert to the applicable classification under this Ordinance.

For commercial properties, once the original twelve year incentive period has expired, the commercial Class L incentive will expire. The incentive classification will not be subject to renewal and the real estate shall revert to the applicable classification under this Ordinance.

The Assessor shall adopt rules consistent with the foregoing necessary to ensure proper review of all factors relevant to determine initial and continued eligibility for the benefits provided under Class L.

The Assessor shall provide by rule for the filing of triennial reassessment reports by all Class L recipients as to the continued Landmark status of the property and the number of persons employed at the Class L site. Failure to file such reports within the time established by the Assessor's rules may result in loss of the incentive for the period relating to the non-filing.

Section 3.

The Assessor shall assess, and the Board of Appeals shall review assessments on real estate in the various classes at the following percentages of market value:

- Class 1: 22%
- Class 2: 16%
- Class 3: 26%, 24% in tax year 2006, 22% in tax year 2007, and 20% in tax year 2008 and subsequent years
- Class 4: 30%
- Class 5a: 38%
- Class 5b: 36%
- Class 6b: 16% for first 10 years and for any subsequent 10 year renewal periods; if the incentive is not renewed, 23% in year 11 and 30% in year 12.
- Class C: Industrial properties: 16% for first 10 years, 23% in year 11 and 30% in year 12; commercial properties: 16% for first 10 years, 23% in year 11 and 30% in year 12.
- Class 7a: 16% for first 10 years, 23% in year 11 and 30% in year 12.
- Class 7b: 16% for first 10 years, 23% in year 11 and 30% in year 12.

- Class 8: Industrial properties: 16% for first 10 years and for any subsequent 10 year renewal periods; if the incentive is not renewed, 23% in year 11 and 30% in year 12; commercial properties: 16% for first 10 years, 23% in year 11 and 30% in year 12.
- Class 9: 16% for an initial 10 year period, renewable upon application for additional 10-year periods.
- Class S: 16% for the term of the Section 8 contract renewal under the Mark Up To Market option, as defined herein, and for any additional terms of renewal of the Section 8 contract under the Mark Up To Market option.
- Class L: Renewable properties: 16% for first 10 years and for any subsequent 10 year renewal periods; if the incentive is not renewed, 23% in year 11 and 30% in year 12; commercial properties: 16% for first 10 years, 23% in year 11 and 30% in year 12.

#### Section 4.

- (A) To qualify as a commercial development project under Class 7a or 7b, it is necessary that the project be located in an area in need of commercial development in that:
- (1) the area is, or has been within the last 10 years, designated by federal, state or local agency as a conservation, blighted or renewal area or an area encompassing a rehabilitation or redevelopment plan or project adopted under the Illinois Urban Renewal Consolidation Act of 1961, as amended, or the Commercial Renewal Redevelopment Areas Act of 1967, as amended, or that the area is located in a federal Empowerment Zone or Enterprise Community, as proposed and approved by the Cook County Board of Commissioners on June 22, 1994 or the Chicago City Council on May 18, 1994, or the Commercial District Development Commission Ordinance of the City of Chicago or designation(s) of like effect adopted under any similar statute or ordinance; and
  - (2) real estate taxes within said area, during the last six years, have declined, remained stagnant or potential real estate taxes are not being fully realized due to the depressed condition of the area; and
  - (3) 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 7a or 7b designation and will therefore result in the economic enhancement of the area; and

- (4) certification of the commercial development project for Class 7a or 7b designation will materially assist development, re-development or rehabilitation of the area and the commercial development project would not go forward without the full incentive offered under Class 7a or 7b; and
- (5) certification of the commercial development project for Class 7a or 7b designation is reasonably expected to ultimately result in an increase in real property tax revenue and employment opportunities within the area.

Prior to filing a Class 7a or 7b eligibility application with the Assessor, an applicant must obtain from the municipality in which the real estate is located, or the Board of Commissioners of Cook County if the real estate is located in an unincorporated area, an ordinance or resolution expressly stating that the municipality or County Board, as the case may be, has determined that factors (1) through (5) are present and that the municipality or County Board, as the case may be, supports and consents to the Class 7a or 7b application to the Assessor. A certified copy of such ordinance or resolution shall be included with the Class 7a or 7b application at the time of filing the application with the Assessor. A copy of the ordinance or resolution, whichever is submitted, will be forwarded by the Assessor's Office to the secretary of the Board of Commissioners for distribution to the Commissioners from the affected districts. The application shall include any other information deemed necessary by the Assessor. The applicant must demonstrate that the commercial development project qualifies for the Class 7a or 7b classification and shall bear the expense of doing so.

Inasmuch as the County desires to encourage economic development in the neighborhoods of Cook County, support the increased use of the incentive by smaller projects and to limit the expense of such applications, the Assessor shall liberally construe the requirements of factors (1) through (5) for Class 7a applications.

The Assessor shall adopt rules, including a provision to ensure a proper review of the application and supporting data.

Certification of a commercial development project shall not be denied by reason of insufficient size if it otherwise qualifies hereunder. In determining what constitutes the "full incentive offered" as provided in factor (4) above, consideration may be given to any lawful inter-governmental participation agreements under which the project developer has agreed, as a precondition to Class 7a or 7b certification, to share a portion of future profits with the appropriate taxing districts.

For Class 7a applications, where the Assessor finds that factors (1) through (5) exist, he shall, within 60 days after receipt of the application and necessary supporting data, certify the commercial development project eligible for Class 7a treatment under this Ordinance

In order to determine Class 7b applications, upon receipt of the application and all the necessary supporting data, the Assessor shall forward it to the Economic Development Advisory Committee of Cook County. The Committee shall within thirty days return the application to the Assessor with a finding stating whether factors (1) through (5) are present. Upon receipt of a written request from the Committee no later than seven days prior to the expiration of the thirty day period, the Assessor may extend for a period not to exceed an additional thirty days the time for return of the application with the Committee's finding. The Assessor shall review the application, supporting data, findings of the Committee and other appropriate facts. Where the Assessor finds factors (1) through (5) exist, he shall, within 30 days of the receipt of the Committee's findings, certify the commercial development project eligible for Class 7b treatment under this Ordinance.

Class 7a and 7b certifications shall lapse within one year from the date of issuance unless new construction or substantial rehabilitation, or in the case of abandoned property, reoccupation of the commercial development project has commenced prior to its expiration.

- (B) To be certified as an area in need of substantial revitalization for purposes of Class 8 classification it is necessary: (1) that the municipality in which the area is located or, if an unincorporated area, the County determine by lawful resolution that the area is in a state of economic depression and that it is not economically feasible for private enterprise to accomplish the necessary modernization, rehabilitation, and development of the area without public assistance and encouragement, or a determination of similar import; (2) that the municipality or, if in an unincorporated area, the County apply to the Assessor for certification of the area as one in need of substantial revitalization; (3) that, upon receiving an application to certify an area as in need of substantial revitalization, the Assessor shall review the application, supporting data and other appropriate factors relevant to a determination of the severity of the economic conditions of the area. In determining whether the "in need of substantial revitalization " requirement is met, the Assessor shall give strong consideration and substantial weight to the fact that an area is located in a federal Empowerment Zone or Enterprise Community, as proposed and approved by the Cook County Board of Commissioners on June 22, 1994 or the Chicago City Council on May 18, 1994.

Upon finding that existing factors convincingly demonstrate that the area is in need of substantial revitalization, as defined in this Ordinance, the Assessor shall grant such certification to the area. In making this determination statistical data relevant to the surrounding area as well as the specific area for which certification is sought may be considered. The surrounding area for the City of Chicago shall be the "community area" as defined herein; for all other areas in the County it shall be, where applicable, the municipality in which the area is located.

If a municipality within an Enterprise Community, as proposed and approved by the Cook County Board of Commissioners on June 22, 1994, or the Chicago City Council on May 18, 1994, determines by municipal resolution that the area is in a state of economic depression and that it is not economically feasible for private enterprise to accomplish the necessary modernization, rehabilitation, and development of the area without public assistance and encouragement, or a determination of similar import and submits a request for Class 8 certification, such certification shall be automatic pursuant to this ordinance. However, each property eligible for a Class 8 incentive within the certified area must file their application in a timely manner.

- (C) Effective January 1, 2001, any Class 6a incentive that is still active can be renewed. The Class 6a incentive is defined in the Cook County Real Property Classification Ordinance adopted and approved on March 16, 1992. The renewal procedures described in Section 2 of this amendment of the Ordinance apply to Class 6a as well.

#### Section 5.

Where a single parcel of real estate is partially included in two or more of the above-described classes, each portion shall be assessed at the assessment level herein prescribed for that class.

#### Section 6.

All portions of this Ordinance are severable, and if any of its provisions or any sentence, clause or paragraph shall be held unconstitutional by any court of competent jurisdiction, the decision of such court shall not affect or impair any of the remaining provisions.

#### Section 7.

A written report on the status and progress of the implementation of this Ordinance, or any amendments thereto, and all rules promulgated by the Assessor hereunder, shall be submitted by the Cook County Assessor to the President and Board of Cook County Commissioners annually on or before December 1.

## Section 8.

The incentive provisions of this Ordinance provided to qualifying parcels of real estate for Class 6b, Class C, Class 7a, Class 7b and Class 8 shall expire on December 31, 2009, unless otherwise reviewed by action of the Cook County Board of Commissioners. Real estate granted a Class 6, Class 6a, Class 6b, Class 7 or Class 8 classification on or before December 31, 1994 shall retain such classification under the terms and conditions of the Ordinance prior to January 1, 1995. Real estate for which an application for Class 6a, Class 6b, Class 7 or Class 8 classification is filed with the Assessor on or before December 31, 1994 and which thereafter is determined by the Assessor to be eligible for the classification under the terms and conditions of this Ordinance after January 1, 1995, shall be entitled to receive such classification under such terms and conditions.

Real estate granted a Class 6b, Class 6c, Class 7a, Class 7b or Class 8 classification on or before December 31, 1999 shall retain such classification under the terms and conditions of the Ordinance prior to January 1, 2000. Real estate for which an application for Class 6b, Class 6c, Class 7a, Class 7b or Class 8 classification is filed with the Assessor on or before December 31, 1999, and which thereafter is determined by the Assessor to be eligible for classification under the terms and conditions of this Ordinance existing prior to January 1, 2000, shall be entitled to receive such classification under such terms and conditions.

Real estate granted a Class 6b, Class 7a, Class 7b or Class 8 classification on or before December 31, 2004 shall retain such classification under the terms and conditions of the Ordinance prior to January 1, 2005. Real estate for which an application for Class 6b, Class 7a, Class 7b or Class 8 classification is filed with the Assessor on or before December 31, 2004, and which thereafter is determined by the Assessor to be eligible for classification under the terms and conditions of this Ordinance existing prior to January 1, 2005, shall be entitled to receive such classification under such terms and conditions.

The changes adopted by the Cook County Board on April 18, 2000 will have an effective date of January 1, 2000.

## Section 9.

The assessment level applicable to real estate classified under incentive Classes 6b, C, 7a, 7b, 8, 9 and L shall in no event exceed the assessment level which otherwise would have been applicable to such real estate under the remaining assessment classes provided herein.

## Section 10.

The November 23, 1999 and April 18, 2000 amendments of the Real Property Classification Ordinance shall be effective for the 2000 assessment year and subsequent years.

Section 11.

The 2002 amendment to the Real Property Classification Ordinance concerning Class S shall be effective for the 2001 assessment year and subsequent years.

The 2002 amendment to the Real Property Classification Ordinance concerning Class L shall be effective for the 2002 assessment year and subsequent years.

The 2002 amendment to the Real Property Classification Ordinance concerning Class 3 shall be effective for the 2003 assessment year and subsequent years.

The 2005 amendment to the Real Property Classification Ordinance concerning Class 3 shall be effective for the 2006 assessment year and subsequent years.

Adopted and Approved on this 15<sup>th</sup> day of February, 2006.

Approved:

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JOHN H. STROGER, JR.  
President of the Board of  
Commissioners of Cook County,  
Illinois

Attest:

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DAVID D. ORR  
County Clerk of Cook County, Illinois