



COOK COUNTY ASSESSOR'S OFFICE

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CLASS C ELIGIBILITY BULLETIN

Incentive Benefits

The Class C classification is designed to encourage industrial and commercial development throughout Cook County by offering a real estate tax incentive for the remediation of contaminated properties including abandoned property or vacant land. Such remediation will improve the health and safety of the County's residents and may result in an increase of the County's tax base and employment opportunities.

Under the incentive provided by Class C, industrial and commercial real estate would be eligible to apply for the Class C level of assessment from the date of receipt of a "No Further Remediation Letter" confirming achievement of remediation objectives based on the industrial or commercial use. The incentive level of assessment of qualifying properties will extend to both the land and other structures in their entirety. To qualify for the Class C classification, an application must be made within one year of the receipt of the "No Further Remediation Letter." Industrial and commercial properties receiving the initial Class C will be assessed at 10% of market value for the first 10 years, 15% in the 11th year and 20% in the 12th year. For industrial property, the incentive may be renewed during the last year a property is entitled to a 10% assessment level up until expiration of the incentive. The incentive constitutes a substantial reduction in the level of assessment and results in significant tax savings. In the absence of this incentive, industrial and commercial real estate would normally be assessed at 25% and 25% of their market value, respectively.

Eligibility Requirements

Real estate is eligible for Class C status under the following conditions:

1. The real estate must be used primarily for industrial or commercial purposes.
2. The real estate, because of contamination, has undergone environmental testing and remediation and is in receipt of a "No Further Remediation Letter" from the Illinois Environmental Protection Agency's Site Remediation Program.
3. An Eligibility Application and supporting documents have been timely filed with the Office of the Assessor according to deadlines as set forth in the "What Must Be Filed" and "Time for Filing" sections of this Bulletin.
4. The municipality in which such real estate is located (or the County Board, if the real estate is located in an unincorporated area) must, by lawful resolution or ordinance, expressly state that it supports and consents to the filing of a Class C Application and that it finds Class C necessary for development to occur on the subject property.

5. The present owner(s) must successfully demonstrate that they were not responsible, directly or indirectly, for the contamination which was remediated pursuant to a Site Remediation Program.
6. 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.

The following definitions, as set forth in Section 1 of the Cook County Real Property Assessment Classification Ordinance, pertain to the Class C incentive provision:

Industrial purposes: "Any real estate used primarily in manufacturing ... 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 or partially finished physical goods in the wholesale distribution of such materials or goods for sale or leasing."

Manufacturing: "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."

Commercial purposes: "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."

Site: "The real estate which is remediated and developed for industrial or commercial use. The site must be identified by property 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."

Site Remediation Program: "Remediation of the site as appropriate for the planned industrial or commercial use, according to a Remedial Action Plan approved by the Illinois Environmental 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.)."

No Further Remediation Letter: "A letter from the IEPA, addressing the entire site, approving or approving with conditions a Remedial Action completion report."

What Must Be Filed

In the case of real estate rehabilitation or new development, an applicant has one year from the receipt of a "No Further Remediation Letter" to file 1) a Class C Eligibility Application with supporting documents and information and 2) a certified copy of an ordinance or resolution adopted by the municipality in which the real estate is located (or with the County Board, if the real estate is located in an unincorporated area), expressly stating that it supports and consents to the filing of a Class C application and that it finds Class C necessary for the development to occur. The owner has one year from filing to commence construction. When construction is complete or substantial occupancy has occurred, the owner must file an "Incentive Appeal Form" for reclassification.

In the case of an operating establishment, the owner has one year from receipt of the “No Further Remediation Letter” to file 1) a Class C Eligibility Application with supporting documents and information and 2) a certified copy of an ordinance or resolution adopted by the municipality in which the real estate is located (or the County Board, if the real estate is located in an unincorporated area) expressly stating that it supports and consents to the filing of a Class C Application and that it finds Class C necessary for the operation of the subject property. At this time, the owner must also file 3) an “Incentive Appeal Form” to reclassify the property.

The following items are supporting documents and information that must be included in the Class C Eligibility Application:

1. The full legal name, title, company, street address, city, state, ZIP code and telephone number of the owner.
2. Identify all property index numbers (PINs) at the site and specify remediated PINs.
3. The remediation site base map must be of sufficient detail and accuracy to show all of the following:
 - A. A distance of at least 1,000 feet around the remediation site at a scale no smaller than one inch equal to 200 feet;
 - B. Map scale, north arrow orientation, date, and location of the remediation site with respect to township, range and section;
 - C. Approximate boundary lines of the remediation site, with the owners of adjacent properties clearly indicated, if reasonably identifiable;
 - D. Surrounding land uses (e.g., residential property, industrial/ commercial property, agricultural property, and conservation property).
4. Identify the current and post-remediation uses of the remediation site.
5. Submit a complete copy of the “No Further Remediation Letter” and attachments as received from the Illinois Environmental Protection Agency (IEPA).
6. Submit by affidavit itemized remediation costs, noting all costs incurred at the IEPA, all remediation and removal costs, all monitoring and engineering costs, and all legal fees.

No final action on a request for reclassification to Class C will be taken until an Appeal and Eligibility Application, along with the required documentation as described therein, are completed and filed with the Office of the Assessor.

In addition, during the term of the incentive, the Class C recipient must file a triennial affidavit attesting to the use of the property and the number of workers employed at the Class C site. The Assessor will mail Class C recipients the affidavit forms at the time of their triennial reassessments. The affidavit must be signed, notarized and returned to the Assessor within three weeks. Failure to file the triennial affidavits within that time will result in the loss of the incentive.

Time for Filing

In all instances, owners must file an application for Class C within one year of receipt of a "No Further Remediation Letter" from the IEPA's Site Remediation Program. The owner must submit all items listed in "What Must be Filed" in this bulletin.

Class C is renewable (for industrial property only) during the last year in which a property is entitled to a 10% assessment level and up until the expiration of the incentive by filing a renewal application and a certified copy of a resolution or ordinance adopted by the municipality in which the real estate is located (or by the County Board, if located in an unincorporated area of Cook County), expressly stating that it supports and consents to the renewal of the Class C incentive and that it has determined that the industrial use of the property is necessary and beneficial to the local economy. The notice of intent to request renewal will be forwarded by the Assessor's Office to the Cook County Board. The owners must notify the Assessor's Office of their intent to request renewal at the time they request a resolution or ordinance agreeing to the renewal from the municipality or County Board. The number of renewal period requests is not limited. 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.

Questions regarding Class C may be directed to the Development Incentives Department of the Office of the Cook County Assessor, Room 301, 118 North Clark Street, Chicago, Illinois 60602, (312) 603-7529.