



# COOK COUNTY BUREAU OF ECONOMIC DEVELOPMENT

## Commit to Cook – Tax Incentive Programs

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[www.cookcountyil.gov/economicdevelopment](http://www.cookcountyil.gov/economicdevelopment)



# BUILT IN COOK LOAN PROGRAMS AND INDUSTRIAL REVENUE BONDS

## Background

The BUILT (Broadening Urban Investment to Leverage Transportation) in Cook Loan Program was developed by the administration of Cook County Board President Toni Preckwinkle to support economic development. The intent of the \$30 million Loan Program is to promote economic development, stimulate job growth and improve public facilities while stabilizing the tax base of Suburban Cook County. All loan programs may have prevailing wage requirements (Davis-Bacon) and require applicants to meet with CCBED for an initial assessment.

### BUILT in Cook Loan Program

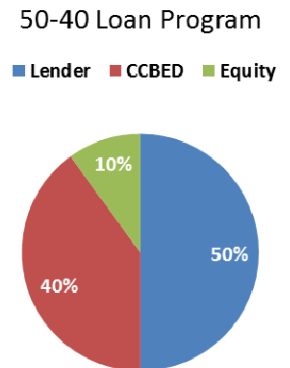
- ◆ The BUILT in Cook Loan Program will finance:
  - ◇ Transit-oriented, mixed use developments (TOD)
  - ◇ Cargo-oriented development near freight rail lines and terminals (COD)
  - ◇ Mixed-use hospitality/service sector projects
  - ◇ Business development loans.
- ◆ Company must be in business at least (3) years and/or show credit worthiness via a formal bank commitment for the 1st mortgage financing. Applicants must create and retain jobs and/or improve blighted areas.
- ◆ Loans may finance: acquisition, site preparation, construction/rehabilitation, machinery and equipment, infrastructure improvements and project related soft costs.
- ◆ Minimum transaction is \$500,000. Maximum amount is \$5,000,000, or \$35,000 per job created or retained, whichever is less. Maximum loan to value including the senior loan is 90%, and the maximum CCBED for any project cannot exceed 30% of total project costs.

### Emerging Business Development Loan Program (EBDL)

- ◆ Applicants must be an enterprise that has been certified by Cook County as a minority and/or woman owned business or enterprise.
- ◆ Loans will typically be used to finance assets needed to provide construction, procurement or public services to public or institutional users.
- ◆ Loan amount per transaction is \$35,000 to \$500,000. Financing cannot exceed 50% of the total project costs. Technical assistance (accounting, legal, and/or business mentoring) may be required as a part of the approval.

## BUILT 50-40 Loan Program

- ◆ The 50-40 Loan Program is targeted to small businesses in Suburban Cook County. The company must be in business at least (3) years and have proof of credit via a formal bank commitment.
- ◆ Loans may finance: acquisition, site preparation, construction/rehabilitation, machinery and equipment, infrastructure improvements and project related soft costs.
- ◆ Loan amount per transaction is \$70,000 to \$500,000, or \$35,000 per full-time equivalent job created or retained, whichever is less. The program may only be used to finance up to 40% of total project costs. An equity contribution of 10% is required. Loans terms and amortization schedules shall be matched with the assets being financed by the program. Only one CCBED loan can be outstanding to the company and/or ownership group at any given time. Technical assistance (accounting, legal, and/or business mentoring) to support the loan may be required as a part of the approval.



## Industrial Revenue Bonds

- ◆ Cook County Bureau of Economic Development (CCBED) has the ability to issue tax-exempt Industrial Development Revenue Bonds (IRBs) on the behalf of manufacturing companies located or planning to locate in Suburban Cook County. The IRBs can be used by manufacturing companies to finance qualified capital expenditures.
- ◆ The intent of the CCBED IRB program is to support job creation and retention activities as it relates to manufacturing companies in Suburban Cook County. The recommended minimum IRB amount is \$1,500,000.
- ◆ The program is available to manufacturing companies that have not incurred more than \$10 million of capital expenditures for a period of three years prior and three years after bond closing (6 year period). Additionally, the manufacturer cannot have outstanding tax-exempt debt of more than \$40 million anywhere in the United States.

# PROPERTY TAX INCENTIVES AND NO CASH BID

## Background

Cook County Property Tax Incentives Programs encourage private business investment, employment, the revitalization of properties, and rehabilitation of landmark buildings. Programs are designed to assist business by providing a reduction in the assessment level over a period of time. All property tax incentive applications must have support and consent of the municipality in order to be considered.

With the exception of 6b SER, all projects must involve new construction, substantial rehabilitation, or the re-occupancy of abandoned property.

### Class 6b

- ◆ Property used for industrial purposes
- ◆ Qualified properties will be assessed at 10% for 10 years, 15% for the 11th year, and 20% for the 12th year. Incentive may be renewed in year 10 for an additional 10 years.

### Class 7a, 7b

- ◆ Property used for commercial purposes
  - ◇ 7a = projects less than \$2 million
  - ◇ 7b = projects more than \$2 million
- ◆ Qualified properties will be assessed at 10% for 10 years, 15% for the 11th year, and 20% for the 12th year. Incentive may not be renewed.



Fox Motors Ground Breaking Ceremony, 2014

## Class 7c Commercial Urban Relief Eligibility (CURE)

- ◆ Property used for commercial purposes
- ◆ Qualified properties will be assessed at 10% for 3 years, 15% for the 4th year, and 20% for the 5th year. Incentive may be renewed for an additional 5 years.

### Class 8

- ◆ Properties may be commercial or industrial, and must be located in a distressed area or the following five townships: Bloom, Bremen, Rich, Thornton, Calumet.
- ◆ Qualified properties will be assessed at 10% for 10 years, 15% for the 11th year, and 20% for the 12th year. Incentive may be renewed in year 10 for an additional 10 years.

### Class 6b Sustainable Emergency Relief (SER)

- ◆ Property must be used for industrial purposes and the company must have 10 years tenancy in the same location.
- ◆ Applicant must provide evidence of economic hardship and may not be receiving any other Cook County property tax incentive.
- ◆ Qualified properties will be assessed at 10% for 10 years, 15% for the 11th year, and 20% for the 12th year. Incentive may not be renewed.

### Class 6b and 8 Temporary Emergency Economic Recovery Modification (TEERM)

- ◆ Properties must have been 100% vacant for 12 months with no change in ownership.
- ◆ Qualified properties will be assessed at 10% for 10 years, 15% for the 11th year, and 20% for the 12th year. Incentive may not be renewed.

### No Cash Bid

- ◆ The No Cash Bid Program is a tool designed to assist municipalities and taxing bodies in the acquisition of tax delinquent property allowing the transformation of parcels through privately funded redevelopment and public works programs.
- ◆ Any city, village, township, and park district within the boundaries of Cook County, or the Cook County Forest Preserve District may submit a request to participate. Other applicants interested in the No Cash Bid Program will be "Third Party Requestors" to a request from one of the qualifying taxing districts previously noted.

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