

SUBSTITUTE
ORDINANCE

WHEREAS, Section 2-45-165 of the Municipal Code of Chicago establishes the procedures by which the City Council may consider and request revocation of tax incentives for development; and

WHEREAS, Section 2-45-165 does not cover the whole scope of reasons to revoke a tax incentive, and it is in the interest of the City to maintain proper oversight of the tax incentives within the City; and,

WHEREAS, An example resolution has been provided in Exhibit A to demonstrate the process by which the City Council may revoke a tax incentive via resolution; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The recitals to this Ordinance are incorporated into this ordinance as set forth herein.

SECTION 2. Section 2-45-165 of the Municipal Code of Chicago is hereby amended by deleting the language struck through and by inserting the language underscored, as follows:

2-45-165 Revocation of property tax incentives.

(a) Purpose and definitions.

(1) This section establishes the process and procedure for the City to exercise its authority under Section 74-73 of the Cook County Tax Incentive Ordinance, Classification System for Assessment, to request revocation of certain Cook County tax incentive classifications, including Class 6b; Class 6b (special circumstances); Class 6b TEERM; Class 6b SER; Class 6b CEERM; Class 7a; Class 7b; Class 7c; Class 7d; Class 8; Class 8 TEERM; and Class 8 CEERM; Class 8 MICRO; Class C; and Class L.

(Omitted text not affected by this ordinance)

(e) *Review and decision-making criteria.* The act of revoking a property tax incentive is a legislative action that must be made in the best interests of the public health, safety, and general welfare, while also recognizing the rights of individual taxpayers. In reviewing and making decisions on proposed resolutions to revoke a property tax incentive, factors that the Committee may consider include, but are not limited to, the following:

(i) The circumstances outlined in Section 74-73 of the Cook County Code, and failure to comply with the requirements of Sections 74-71 or 74-72 of the Cook County Code;

(ii) Failure to adequately maintain or invest in the project in order to meet, or cause to be met, the stated redevelopment objectives or as otherwise required under any applicable redevelopment agreement between the City and the taxpayer;

(iii) Failure to submit any reports required to be submitted to the county or the City under applicable law or any redevelopment agreement between the City and the taxpayer;

(iv) An event of default under any applicable redevelopment agreement between the City and the taxpayer; or

(v) Failure to comply with any applicable environmental laws or regulations if such environmental laws or regulations are considered in issuing the applicable tax incentive;

(vi) In instances of applicant-occupied properties, wherein the applicant has accumulated such debt or violated the Code as provided in this subsection (e)(vi); or properties not occupied by the applicant, but in which one or more tenants collectively representing 75% of the occupied space have accumulated such debt or violated the Code as provided in this subsection (e)(vi); or both:

(1) Outstanding debts to the City or City sister agencies outstanding for more than two payment periods or six months, whichever is greater, after receiving notification of debts due and owing, for amounts not currently under appeal or subject to an approved payment plan, including, but not limited to, debts in the any of the following categories:

- (A) Property-related violation remediation debts or resulting liens;
- (B) Water and other utility bill debts; or
- (C) Municipal fine debts;

(2) Failure to secure or maintain licenses or permits which are required by the terms of the tax incentive application or any applicable redevelopment agreement;

(3) Repeated or substantial violations of the Code, including the Chicago Zoning Ordinance or Building Code, which continue or remain unaddressed after the City has notified the property owner of the violations and provided reasonable time to cure;

(vii) Unless otherwise addressed in a property's redevelopment agreement, a property remaining vacant or substantially underutilized for a total period of 12 or more successive months after the effective date of the ordinance requesting incentive classification, without due cause for the delay documented to the satisfaction of the Department;

(viii) Failure to commence construction or redevelopment, without documented due cause, within timeframes required by any applicable redevelopment agreement or timeframes set in the application for or other representations made in obtaining the incentive;

(ix) Failure to execute a redevelopment agreement, if required by law, within 270 days of the effective date of the ordinance requesting incentive classification;

(x) Appealing taxes or otherwise taking actions to receive the incentive benefit prior to receiving required City certification of completion; or

(xi) Fraud or material misrepresentation by the applicant in obtaining the incentive.

(Omitted text not affected by this ordinance)

Section 3. This ordinance shall be in force and effect upon passage and publication.