



CLASS L ELIGIBILITY BULLETIN

Definitions and Eligibility

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

1. ***Property Use and Designation.*** The real estate is to be used for commercial, industrial, multi-family residential or not-for-profit purposes and has been individually designated as a landmark or is a contributing building in a designated historic or landmark district.
2. ***Property Location.*** The property must be located within a municipality or area designated as a Certified Local Government as defined above.
3. ***Investment by Owner.*** The owner's investment in the substantial rehabilitation of the building must equal at least 50% (exclusive of grants, tax credits and other incentives) of the building's full market value as determined by the Assessor in the year prior to the commencement of the rehabilitation.
4. ***Local Government Ordinance or Resolution.*** The municipality in which the real estate is located (or the County Board, if located in an unincorporated area) must, by lawful ordinance or resolution, state (1) that the incentive is necessary for the substantial rehabilitation, (2) that it supports the granting of the incentive, and (3) that it has reviewed and accepted its Preservation Commission's recommendation of the project (see Application Procedures below).
5. ***Filing Application and Local Ordinance Prior to Start of Rehabilitation.*** The eligibility application, accompanied by a certified copy of a municipal or County ordinance and other required documentation (see Application Procedures below) must be filed with the Assessor prior (no more than one year) to the commencement of rehabilitation.
6. ***Preservation Commission Review.*** After the substantial rehabilitation has been completed, the local Preservation Commission must review the project to determine that it meets the Standards of the Commission. The applicant must furnish the Assessor with a copy of the determination of the Preservation Commission before the real estate can be designated as Class L.
7. ***Triennial Reassessment Reports.*** In the reassessment year for the area in which the real estate is located, Class L recipients must file a report with the Assessor as to the continued landmark status of the property and the number of persons employed at the site. This form is available from the Assessor's Office.

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

Certified Local Government: “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.”

Preservation Commission: “A commission or similar body established by a Certified Local Government pursuant to 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 historic and/or architectural significance.”

Landmark: “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 elements, which have been preserved and designated as historic structures, if the remainder of the building has been demolished and replaced.

Contributing Building: “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.

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

Substantial Rehabilitation: “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.”

Assessment Level

Properties with Class L designation will be assessed at 16% of fair market value for the first ten years, 23% in the eleventh year and 30% in the twelfth year.

Required Information and Documentation

The Eligibility Application must be filed with the Assessor prior (no more than one year) to the start of substantial rehabilitation. The Assessor will review the Application and supporting documentation to determine eligibility for the Class L classification.

A. Before Rehabilitation

1. Eligibility Application Form, including, but not limited to, the following:
 - a. Names and addresses of the owner(s) of the property, including any beneficial owner(s) if title to the property is held in trust;
 - b. Description of the property including gross square foot area of the building, the precise nature and extent of the intended use of the property, extent of vacancy, photographs of the interior and exterior of the building;
 - c. The estimated dates of commencement and completion of rehabilitation, and the proposed use after rehabilitation.
2. Supporting Documents:
 - a. Certified copy of an ordinance or resolution adopted by the municipality in which the real estate is located which expressly states that the local government: 1) finds the Class L incentive is necessary for the rehabilitation of the property; 2) supports and consents to the granting of the incentive; and 3) approves the local Preservation Commission recommendation specifying the project budget and the proposed scope of work which meets or exceeds the Standards of the United States Department of the Interior for Rehabilitation, Preservation, Restoration and Reconstruction of historic properties;
 - b. A certified copy of the ordinance or resolution need not be filed with the Assessor's Office at the time the Class L eligibility application is filed, but the ordinance or resolution must be filed with the Assessor's Office 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 with the eligibility application a letter from the municipality or the County, as the case may be, confirming that a resolution or ordinance supporting the incentive has been requested.
 - c. Plans and drawings showing the scope of the rehabilitation;

- d. If requesting Class L treatment of the land, include documentation establishing that the building has been vacant or unused for 24 continuous months prior to the date of application.

B. At Completion of Rehabilitation Submit:

1. An Incentive Appeal Form to change the property classification from its current class to Class L.
2. A copy of the Preservation Commission recommendation specifying the project budget and the proposed scope of work, which meets or exceeds the Standards of the United States Department of the Interior for Rehabilitation, Preservation, Restoration and Reconstruction of Historic Properties.
3. Proof of rehabilitation costs including copies of building permits and contractor's sworn statements or certificates for payment.
4. Owner's affidavit, with supporting documentation, attesting to the owner's financial investment in the rehabilitation and all other funding sources for the project including grants and tax credits.

Maintenance of Class L

The owner must file an affidavit provided by the Assessor's Office during each triennial reassessment year for the assessment district in which the property is located. The affidavit will attest to the continued landmark status of the property and the number of persons employed at the site. Failure to file the affidavit before the established deadline may result in loss of the incentive for the period relating to the non-filing.

Renewal of Class L

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:

- A. 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;
- B. 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;
- C. 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 the Commissioners from the affected districts.

Questions about Class L incentive program may be directed to the Specific Properties Department of the Cook County Assessor's Office, 118 N. Clark St., Chicago, Illinois 60602 (312) 603-7529.