



## Legislation Text

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**File #:** 2019-0126, **Version:** 0

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### Title/Name/Summary

16255 LaGrange Road Class 7C Resolution

### History

The applicant, Adam Dotson, Director of Economic Development for Sandrick Law Firm, is petitioning on the behalf of his client, Dr. Ayman Rawda, seeking a Class 7C tax incentive from Cook County pursuant to the abandonment of the subject property at 16255 LaGrange Road and the fulfillment of all other criteria associated with the Class 7C Ordinance. The Cook County Board of Commissioners adopted the Class 7C Commercial Urban Relief Eligibility incentive in 2014, aiming to encourage real estate development in the region. The incentive is intended to encourage commercial projects which would not be economically feasible without assistance. Unlike the more familiar Class 6B and Class 8 incentives, the 7C allows all commercial properties to apply instead of restricting the incentive to only those properties which currently have or are marketed towards industrial uses.

The five year incentive applies to all newly constructed buildings or other structures, including the land upon which they are situated; the utilization of vacant structures abandoned for at least 12 months, including the land upon which they are 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.

Projects which qualify for the Class 7C incentive will receive a reduced assessment level of 10% of the fair market value for the first three years, 15% for the fourth year and 20% for the fifth year. Without the incentive, commercial property would normally be assessed at 25% of its market value.

The subject property consists of a one-story, steel frame structure with masonry walls containing approximately 4,800 square feet of floor area. The property was formerly occupied by a Fat Ricky's Restaurant. The property has been vacant for the last 7 years.

Should the incentive be granted, the petitioner intends to spend approximately \$400,000 to transform the vacant restaurant into a pediatric care center. The office will employ 25 full time and 15 part time employees. The petitioner anticipates that 20 temporary construction jobs will be created as a result of this development.

The building has been vacant for 7 years. The Village has been aware of this vacancy as there has not been an active business license on file for this property during the last 7 years. In addition, the property has been actively marketed. According to CoStar, a commercial property listing service, the current property listing has been on the market for approximately 29 months.

Based on information gained from the Cook County Assessor, the assessed value of the property remained stagnant in 2013 and decreased in 2014 and 2016.

Without the incentive, the petitioner indicates that the current development project will not be economically viable. Specifically, the petitioner mentions that the tax liability without the incentive is not sustainable for office use. The petitioner also notes that the assessed value may increase if any of the improvements made by their client are recognized by the County Assessor.

The petitioner has demonstrated that the subject property meets the following incentive evaluation criteria. The vacant spaces have been totally vacant for 7 years; the property has stagnant or declining assessments in three of the last six years; and an analysis of the impact of the incentives an overall increase in relevant taxes and a significant positive impact on the local community and Cook County. The Village of Orland Park has reviewed the Incentive Classification Initial Questionnaire (IC-IQ), and that the four eligibility factors which must be present to demonstrate that the area is in need of commercial development are satisfied and the village consents to and supports the application.

#### Recommended Action/Motion

I move to recommend to the Village Board of Trustees approval of a resolution determining the necessity and benefit from commercial uses and supporting the granting of Class 7C status pursuant to the Cook County Real Property Classification Ordinance for Certain Real Estate Located at 16255 LaGrange Road in Orland Park, Illinois.