



October 18, 2022

Board of Cook County Commissioners
118 North Clark St.
Chicago, IL 60602

Dear Commissioner:

On behalf of the Building Owners and Managers Association of Chicago (BOMA/Chicago), I am writing to offer qualified support for the ordinance amending Cook County's Classification System to create a new Class 7d to provide tax incentives for grocery stores located in food deserts.

You might be wondering... why would a trade association that represents 240 commercial office, institutional, and public buildings be interested in grocery stores? Perhaps you are even more curious why a group of commercial office buildings that makes up approximately 80 percent of all rentable office space in downtown Chicago and provides over 33,000 jobs would offer support for tax incentives that do not directly impact its members.

To be clear, we support reevaluation of the classification system for all commercial properties. Reforming classification will boost efforts to attract and retain businesses and benefit all County residents.

The introduction of this specific ordinance illustrates that Cook County's classification system is not working. The current classification system penalizes commercial properties and the business tenants they house by assessing them at 250% the rate of residential properties. As a result, [Chicago has the second highest commercial property taxes in the nation](#), second only to Detroit.

There's no doubt that many industries and neighborhoods are suffering, from the South and West Suburbs to downtown's LaSalle Street corridor. Since the onset of Covid two and a half years ago, the commercial office industry and Chicago's downtown has remained under extreme stress. Workers are still only trickling back into the office while vacancy (at 19%) and available sublease space (at 21%) in the Central Business District have increased nearly 50% and 100% respectively. As property tax policies increase the burden on commercial properties, investors are increasingly shifting to other cities across the nation. Simultaneously, businesses are opting to condense their space, close their doors, or move away to other counties or states. As a consequence, Cook County loses jobs and tax base growth.

It is essential to homeowners, business owners, and commercial property owners alike that Cook County's property tax policies support thriving commercial corridors, for all industries in all parts of the county.

Working together, we can thoughtfully address classification in a way that provides relief to the Southland while supporting thriving commercial corridors in all our neighborhoods and downtowns – to the benefit of all residents.

We urge the Cook County Board to consider this ordinance to entice and support grocery stores in food deserts. But please don't stop there. More work must be done, and soon, to provide much needed economic relief to an expanded group of commercial industries across the County.

Without a holistic reevaluation of the classification system, we will see more ordinances like this that will be enacted in a piecemeal fashion. Let's work together to reform the classification system to create a fairer system for all commercial industries with the shared goals of generating jobs, maximizing real property value, and growing our tax base.

I look forward to the opportunity to discuss this issue with you in more detail. Should you have any questions, please reach out to me at amasters@bomachicago.org or 773.354.5512. Thank you for your attention to this matter and for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Amy Masters".

Amy Masters
Director of Government and External Affairs