



## Urbana Enterprise Zone

### Overview of Incentive Programs

*The Enterprise Zone is administered in partnership with Champaign County. Many local taxing partners also participate in the abatement of local property taxes.*

The Urbana Enterprise Zone is designed to encourage investment and reinvestment in the community, grow Urbana's tax base, and promote job growth by encouraging attraction of new businesses and expansion of existing businesses. For projects located within the City of Urbana, contact the City of Urbana Enterprise Zone Administrator. For projects outside the City in Champaign County, contact the Champaign County Deputy Enterprise Zone Administrator. All projects located in the City of Urbana require a building permit issued by the City.

### Locally Administered Incentives

The following incentives are available to qualifying projects within the Urbana Enterprise Zone:

#### **Sales Tax Exemption Certificate for New Building Materials**

A sales tax exemption is available for building materials to be used in an Enterprise Zone on qualifying commercial, industrial and new home construction projects. Mixed use projects consisting of at least 20% commercial square footage are also eligible. Materials must be permanently affixed to the property and purchased from a qualified Illinois retailer. Sales Tax Exemption Certificates are issued directly by the Illinois Department of Revenue. To qualify, commercial, industrial, and mixed-use projects must have a minimum \$1,000 project cost. Residential projects must be new construction and have a minimum project cost of \$1,000.

#### **Property Tax Abatement for Commercial/Industrial Development & Job Creation**

An abatement of property taxes is available on the increased property value resulting from new, eligible commercial and industrial projects. Mixed use projects consisting of at least 20% commercial square footage are also eligible. To qualify, the project cost must be at minimum \$100,000. The actual abatement is calculated based on the amount of new property value created by the project. Additional abatement is offered for projects that create 11 or more full-time jobs, and more for projects that create 50 or more full-time jobs. Properties located in a Tax Increment Finance District are not eligible for a Property Tax Abatement through the Enterprise Zone.

#### **Property Tax Abatement for New Single Family/Duplex Residential Development**

An abatement of property taxes is available on the increased property value resulting from new, eligible single family, zero lot-line, townhome, and duplex residential projects. To qualify, the project cost must be at minimum \$80,000, and result in the creation of at least one new residential unit. The actual abatement is calculated based on the amount of new property value created by the project. Properties located in a Tax Increment Finance District are not eligible for a Property Tax Abatement through the Enterprise Zone.

## Additional Incentives Administered by the State of Illinois

The following Enterprise Zone programs are also available to projects located within the Urbana Enterprise Zone. They are administered by the Illinois Department of Commerce and Economic Opportunity (DCEO) and the Illinois Department of Revenue (IDOR). For more information on these programs, please call 217-785-6169 or visit their website at:

<https://www.illinois.gov/dceo/ExpandRelocate/Incentives/taxassistance/Pages/EnterpriseZone.aspx>

### Enterprise Zone Machinery and Equipment Consumables/Pollution Control Facilities Sales Tax Exemption

A sales tax exemption on purchases of tangible personal property to be used in the manufacturing or assembly process or in the operation of a pollution control facility within an Enterprise Zone is available. Eligibility is based on a business making an investment in an Enterprise Zone of at least \$5 million in qualified property that creates a minimum of 200 fulltime-equivalent jobs, a business investing at least \$40 million in a zone and retaining at least 2,000 jobs, or a business investing at least \$40 million in a zone which causes the retention of at least 90 percent of the jobs existing on the date it is certified to receive the exemption.

### Enterprise Zone Utility Tax Exemption

A state utility tax exemption on gas, electricity and the Illinois Commerce Commission's administrative charge and telecommunication excise tax is available to businesses located in Enterprise Zones. Eligible businesses must make an investment of at least \$5 million in qualified property that creates a minimum of 200 full-time equivalent jobs in Illinois, an investment of \$20 million that retains at least 1,000 full-time-equivalent jobs, or an investment of \$175 million that creates 150 full-time equivalent jobs in Illinois. The majority of the jobs created must be located in the Enterprise Zone where the investment occurs.

### Enterprise Zone Investment Tax Credit

A state investment tax credit of 0.5 percent is allowed a taxpayer who invests in qualified property in a Zone. Qualified property includes machinery, equipment and buildings. The credit may be carried forward for up to five years. This credit is in addition to the regular 0.5 percent investment tax credit, which is available throughout the state, and up to 0.5 percent credit for increased employment over the previous year.

**Property tax abatements are offered with the support of the following local taxing partners:**



City of Urbana, Champaign County, Urbana School District, Urbana Park District, Champaign-Urbana Mass Transit District, Parkland College, Cunningham Township



# Urbana Enterprise Zone

## Local Property Tax Abatement Programs

*The Enterprise Zone is administered in partnership with Champaign County. Many local taxing partners also participate in the abatement of local property taxes.*

The Urbana Enterprise Zone Property Tax Abatement Programs provide financial incentives to property owners and tenants to make permanent improvements that increase the overall property tax base and expand job opportunities in Urbana.

For projects within the City of Urbana, contact the City of Urbana Enterprise Zone Administrator at (217) 384-3272 or at [ezone@urbanaininois.us](mailto:ezone@urbanaininois.us). For projects outside the City in Champaign County, contact the Champaign County Deputy Enterprise Zone Administrator. All projects located in the City of Urbana require a building permit issued by the City on or after January 1<sup>st</sup>, 2016.

The Urbana Enterprise Zone offers two programs for the abatement of local property taxes:

### **Think Urbana: Property Tax Abatement for New Single Family/Duplex Residential Development**

An abatement of property taxes is permitted on the increased property value resulting from new, eligible single family, zero lot-line townhome and duplex residential projects. The project cost must be at minimum \$80,000 to qualify. The project must result in the creation of at least one new residential unit. The actual abatement will be calculated based on the amount of new property value created by the project. Please note that properties also located in a Tax Increment Finance District are not eligible for a Property Tax Abatement through the Enterprise Zone.

### **Property Tax Abatement for Commercial/Industrial Development & Job Creation**

An abatement of property taxes is available on the increased property value resulting from new, eligible projects for commercial, industrial and mixed use properties. Mixed use projects consisting of at least 20% commercial square footage are also eligible. The project cost must be at minimum \$100,000 to qualify for abatements. Additional abatement is offered for projects that create 11 or more full time jobs and even more for projects that create 50 or more full-time jobs. The actual abatement will be calculated based on the amount of new property value created by the project. Please note that properties also located in a Tax Increment Finance District are not eligible for a Property Tax Abatement through the Enterprise Zone.

### **Property tax abatements are offered with the support of the following local taxing partners:**

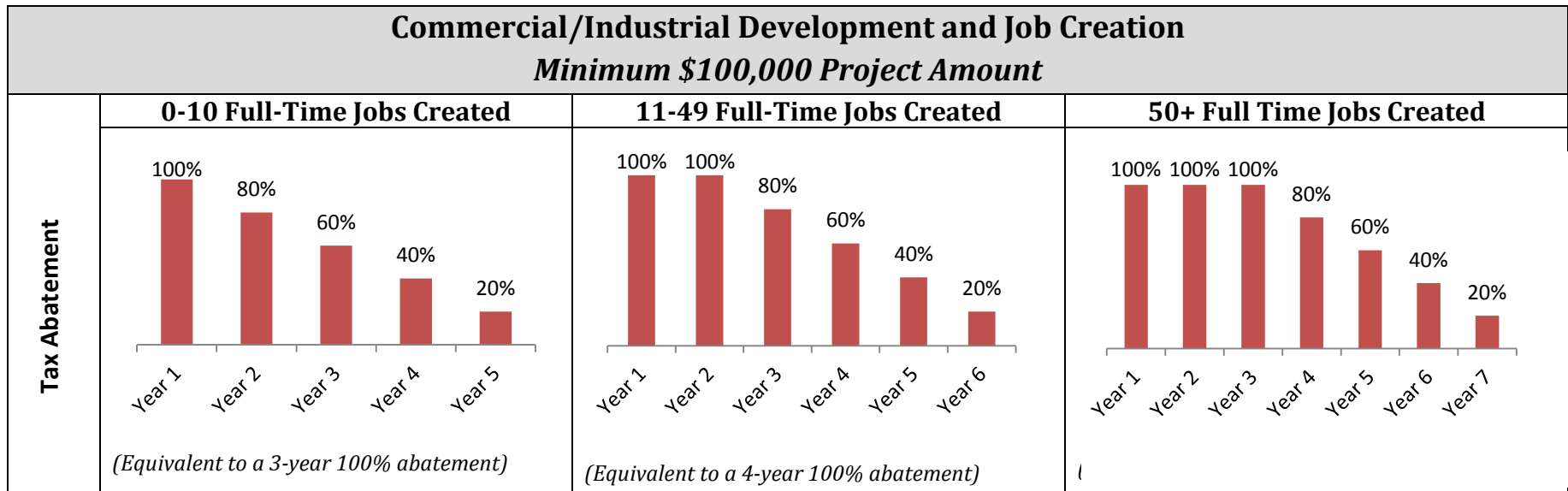
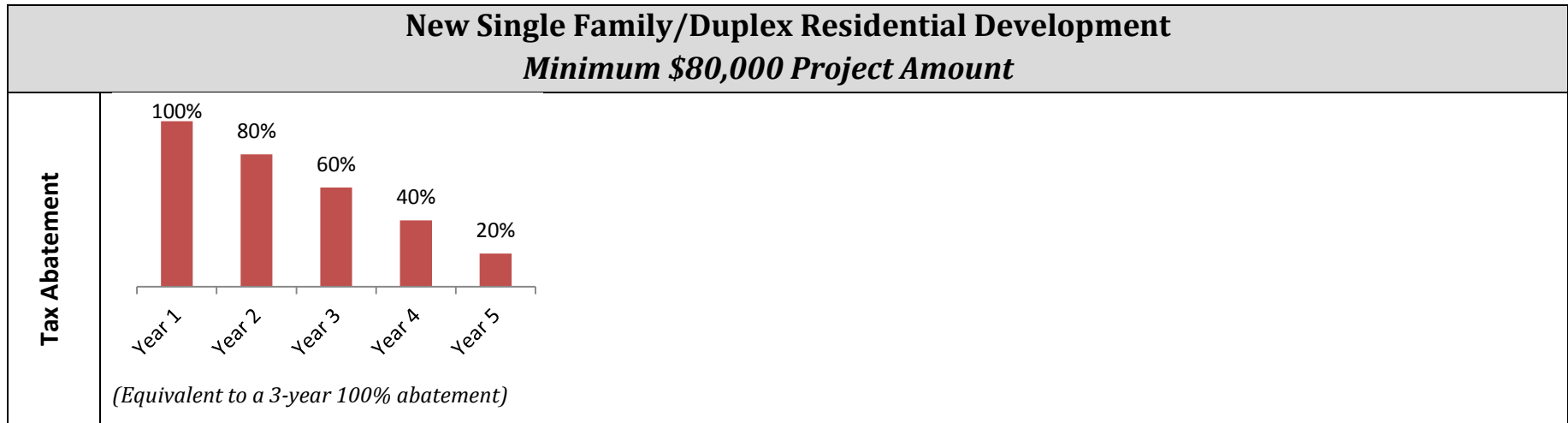


City of Urbana, Champaign County, Urbana School District, Urbana Park District, Champaign-Urbana Mass Transit District, Parkland College, Cunningham Township



# Urbana Enterprise Zone Property Tax Abatement Programs Overview

These graphs provide an overview of the incentives offered for qualifying projects. Note that tax abatements are only offered on the incremental value generated as a result of the project.





# Examples of Property Tax Abatements in the Urbana Enterprise Zone

## Example 1.A: New Single Family Home on An Undeveloped Lot

Distributed over a 5-year period, this project would qualify for an effective 3-year, 100% abatement of taxes on the increased property value for each district except Parkland.

Assessed Market Value & EAV		
	Market Value (1)	EAV (2)
Initial Land Assessment	\$20,000	\$6,667
Increase in Assessment After Project	\$80,000	\$26,667
Homestead Exemption <i>(other exemptions may apply)</i>	NA	(\$6,000)
<b>Total Assessment After Project</b>	<b>\$100,000</b>	<b>\$27,333</b>
(1) As Assessed		
(2) One third of assessed market value		

Taxes by Taxing Partner				
Taxing Partner	2014 Tax Rate (3)	Over a 5 Year Period		
		Taxes on Full EAV (4)	EZ Abatement (5)	Taxes After EZ (6)
School District	5.86%	\$8,013	\$3,635	\$4,378
City of Urbana	1.35%	\$1,840	\$835	\$1,005
Champaign County	0.86%	\$1,180	\$535	\$645
Urbana Park District	1.20%	\$1,642	\$745	\$897
Parkland College *	0.53%	\$719	\$0	\$719
CUMTD	0.33%	\$449	\$203	\$245
Cunningham Township	0.25%	\$340	\$154	\$186
(3) Decided by Tax Partners				
(4) $\text{Taxes on Full EAV Over 5 Years}^\circ = [\text{Tax Rate}] \times [\text{Total EAV Assessment After Project}] \times [5]$				
(5) $\text{EZ Abatement Over 5 Years} = [2014 \text{ Tax Rate}] \times ([\text{Total Assessment EAV}] - [\text{Initial Land EAV}]) \times [3]$				
(6) $\text{Taxes After EZ Over 5 Years} = [\text{Taxes on Full EAV}] - [\text{EZ Abatement}]$				

Total Taxes		
	Over 5 Year Period	Over 10 Year Period
<b>Total Taxes Abated</b>	\$6,108	\$6,108
<b>Total Taxes Paid (7)</b>	\$8,074	\$22,256
(7) $\text{Total Taxes Paid} = ([\text{Yearly Taxes on Full EAV}] \times [\text{Number of Years}]) - [\text{Total Taxes Abated}]$		

<sup>o</sup> All tax calculations use Revenue Year 2014 tax rates and assume the same rate in future years. Examples do not include adjustment for additional exemptions beyond the Homestead Exemption.

\* Parkland College does not participate in residential abatement

### Example 1.B: New Single Family Home on An Undeveloped Lot

Distributed over a 5-year period, this project would qualify for an effective 3-year, 100% abatement of taxes on the increased property value for each district except Parkland.

Assessed Market Value & EAV		
	Market Value (1)	EAV (2)
Initial Land Assesment	\$30,000	\$10,000
Increase in Assessment After Project	\$150,000	\$50,000
Homestead Exemption <i>(other exemptions may apply)</i>	NA	(\$6,000)
<b>Total Assesment After Project</b>	<b>\$180,000</b>	<b>\$54,000</b>
(1) As Assessed		
(2) One third of assessed market value		

Taxes by Taxing Partner				
Taxing Partner	2014 Tax Rate (3)	Over a 5 Year Period		
		Taxes on Full EAV (4)	EZ Abatement (5)	Taxes After EZ (6)
School District	5.86%	\$15,830	\$7,739	\$8,091
City of Urbana	1.35%	\$3,635	\$1,777	\$1,858
Champaign County	0.86%	\$2,332	\$1,140	\$1,192
Urbana Park District	1.20%	\$3,244	\$1,586	\$1,658
Parkland College *	0.53%	\$1,420	\$0	\$1,420
CUMTD	0.33%	\$886	\$433	\$453
Cunningham Township	0.25%	\$672	\$328	\$343
(3) Decided by Tax Partners				
(4) $\text{Taxes on Full EAV Over 5 Years}^\circ = [\text{Tax Rate}] \times [\text{Total EAV Assessment After Project}] \times [5]$				
(5) $\text{EZ Abatement Over 5 Years} = [2014 \text{ Tax Rate}] \times ([\text{Total Assessment EAV}] - [\text{Initial Land EAV}]) \times [3]$				
(6) $\text{Taxes After EZ Over 5 Years} = [\text{Taxes on Full EAV}] - [\text{EZ Abatement}]$				

Total Taxes		
	Over 5 Year Period	Over 10 Year Period
<b>Total Taxes Abated</b>	\$13,003	\$13,003
<b>Total Taxes Paid (7)</b>	\$15,014	\$43,032
(7) $\text{Total Taxes Paid} = ([\text{Yearly Taxes on Full EAV}] \times [\text{Number of Years}]) - [\text{Total Taxes Abated}]$		

° All tax calculations use Revenue Year 2014 tax rates and assume the same rate in future years. Examples do not include adjustment for additional exemptions beyond the Homestead Exemption.

\* Parkland College does not participate in residential abatement

### Example 1.C: New Single Family Home on An Undeveloped Lot

Distributed over a 5-year period, this project would qualify for an effective 3-year, 100% abatement of taxes on the increased property value for each district except Parkland.

Assessed Market Value & EAV		
	Market Value (1)	EAV (2)
Initial Land Assesment	\$40,000	\$13,333
Increase in Assessment After Project	\$225,000	\$75,000
Homestead Exemption <i>(other exemptions may apply)</i>	NA	(\$6,000)
<b>Total Assesment After Project</b>	<b>\$265,000</b>	<b>\$82,333</b>
(1) As Assessed		
(2) One third of assessed market value		

Taxes by Taxing Partner				
Taxing Partner	2014 Tax Rate (3)	Over a 5 Year Period		
		Taxes on Full EAV (4)	EZ Abatement (5)	Taxes After EZ (6)
School District	5.86%	\$24,136	\$12,136	\$12,000
City of Urbana	1.35%	\$5,542	\$2,787	\$2,755
Champaign County	0.86%	\$3,555	\$1,788	\$1,768
Urbana Park District	1.20%	\$4,945	\$2,487	\$2,459
Parkland College *	0.53%	\$2,165	\$0	\$2,165
CUMTD	0.33%	\$1,351	\$679	\$672
Cunningham Township	0.25%	\$1,024	\$515	\$509
(3) Decided by Tax Partners				
(4) $\text{Taxes on Full EAV Over 5 Years}^\circ = [\text{Tax Rate}] \times [\text{Total EAV Assessment After Project}] \times [5]$				
(5) $\text{EZ Abatement Over 5 Years} = [2014 \text{ Tax Rate}] \times ([\text{Total Assessment EAV}] - [\text{Initial Land EAV}]) \times [3]$				
(6) $\text{Taxes After EZ Over 5 Years} = [\text{Taxes on Full EAV}] - [\text{EZ Abatement}]$				

Total Taxes		
	Over 5 Year Period	Over 10 Year Period
<b>Total Taxes Abated</b>	\$20,392	\$20,392
<b>Total Taxes Paid (7)</b>	\$22,327	\$65,046
(7) $\text{Total Taxes Paid} = ([\text{Yearly Taxes on Full EAV}] \times [\text{Number of Years}]) - [\text{Total Taxes Abated}]$		

° All tax calculations use Revenue Year 2014 tax rates and assume the same rate in future years. Examples do not include adjustment for additional exemptions beyond the Homestead Exemption.

\* Parkland College does not participate in residential abatement

## Example 2: Commercial Building Expansion with 3 Full-Time New Jobs

Distributed over a 5-year period, this project would qualify for an effective 3-year, 100% abatement of taxes on the increased property value for each district.

<b>Project Construction Cost</b>	<b>\$200,000</b>
----------------------------------	------------------

<b>Assessed Market Value &amp; EAV</b>		
	<b>Market Value (1)</b>	<b>EAV (2)</b>
Initial Land Value	\$200,000	\$66,667
Increase in Assessed Market Value	\$100,000	\$33,333
<b>Total Land and Building Value after Project</b>	<b>\$300,000</b>	<b>\$100,000</b>
(1) As Assessed		
(2) One third of assessed market value		

<b>Taxes by Taxing Partner</b>				
<b>Taxing Partner</b>	<b>2014 Tax Rate (3)</b>	<b>Over a 5 Year Period</b>		
		<b>Taxes on Full EAV (4)</b>	<b>EZ Abatement (5)</b>	<b>Taxes After EZ (6)</b>
<b>School District</b>	5.86%	\$29,315	\$17,589	\$11,726
<b>City of Urbana</b>	1.35%	\$6,731	\$4,039	\$2,692
<b>Champaign County</b>	0.86%	\$4,318	\$2,591	\$1,727
<b>Urbana Park District</b>	1.20%	\$6,007	\$3,604	\$2,403
<b>Parkland College</b>	0.53%	\$2,630	\$0	\$2,630
<b>CUMTD</b>	0.33%	\$1,641	\$985	\$656
<b>Cunningham Township</b>	0.25%	\$1,244	\$746	\$498
(3) Decided by Tax Partners				
(4) $\text{Taxes on Full EAV Over 5 Years}^\circ = [\text{Tax Rate}] \times [\text{Total EAV Assessment After Project}] \times [5]$				
(5) $\text{EZ Abatement Over 5 Years} = [2014 \text{ Tax Rate}] \times [\text{Increase in EAV Assessment}] \times [3]$				
(6) $\text{Taxes After EZ Over 5 Years} = [\text{Taxes on Full EAV}] - [\text{EZ Abatement}]$				

<b>Total Taxes</b>		
	<b>Over 5 Year Period</b>	<b>Over 10 Year Period</b>
<b>Total Taxes Abated</b>	\$29,553	\$29,553
<b>Total Taxes Paid (7)</b>	\$22,332	\$74,217
(7) $\text{Total Taxes Paid} = ([\text{Yearly Taxes on Full EAV}] \times [\text{Number of Years}]) - [\text{Total Taxes Abated}]$		

<sup>o</sup> All tax calculations use Revenue Year 2014 tax rates and assume the same rate in future years. Examples also do not include adjustment for any property tax exemptions.



**Example 3: New Commercial Building on Vacant Lot with 11 Full-Time New Jobs**

Distributed over a 6-year period, this project would qualify for an effective 4-year, 100% abatement of taxes on the increased property value for each district except Parkland.

<b>Project Construction Cost</b>	<b>\$700,000</b>
----------------------------------	------------------

<b>Assessed Market Value &amp; EAV</b>		
	<b>Market Value (1)</b>	<b>EAV (2)</b>
Initial Land Value	\$50,000	\$16,667
Increase in Assessed Market Value	\$400,000	\$133,333
<b>Total Land and Building Value after Project</b>	<b>\$450,000</b>	<b>\$150,000</b>
(1) As Assessed		
(2) One third of assessed market value		

<b>Taxes by Taxing Partner</b>				
<b>Taxing Partner</b>	<b>2014 Tax Rate (3)</b>	<b>Over a 5 Year Period</b>		
		<b>Taxes on Full EAV (4)</b>	<b>EZ Abatement (5)</b>	<b>Taxes After EZ (6)</b>
<b>School District</b>	5.86%	\$43,973	\$31,269	\$12,703
<b>City of Urbana</b>	1.35%	\$10,097	\$7,180	\$2,917
<b>Champaign County</b>	0.86%	\$6,477	\$4,606	\$1,871
<b>Urbana Park District</b>	1.20%	\$9,010	\$6,407	\$2,603
<b>Parkland College</b>	0.53%	\$3,944	\$2,805	\$1,139
<b>CUMTD</b>	0.33%	\$2,462	\$1,750	\$711
<b>Cunningham Township</b>	0.25%	\$1,866	\$1,327	\$539
(3) Decided by Tax Partners				
(4) $\text{Taxes on Full EAV Over 5 Years}^\circ = [\text{Tax Rate}] \times [\text{Total EAV Assessment After Project}] \times [5]$				
(5) $\text{EZ Abatement Over 5 Years} = [2014 \text{ Tax Rate}] \times [\text{Increase in EAV Assessment}] \times [4]$				
(6) $\text{Taxes After EZ Over 5 Years} = [\text{Taxes on Full EAV}] - [\text{EZ Abatement}]$				

<b>Total Taxes</b>		
	<b>Over 5 Year Period</b>	<b>Over 10 Year Period</b>
<b>Total Taxes Abated</b>	\$55,344	\$55,344
<b>Total Taxes Paid (7)</b>	\$22,484	\$100,311
(7) $\text{Total Taxes Paid} = ([\text{Yearly Taxes on Full EAV}] \times [\text{Number of Years}]) - [\text{Total Taxes Abated}]$		

<sup>o</sup> All tax calculations use Revenue Year 2014 tax rates and assume the same rate in future years. Examples also do not include adjustment for any property tax exemptions.

**Example 4: New Industrial Building on Vacant Lot with 50 Full-Time New Jobs**

Distributed over a 7-year period, this project would qualify for an effective 5-year, 100% abatement of taxes on the increased property value for each district except Parkland.

<b>Project Construction Cost</b>	<b>\$120,000</b>
----------------------------------	------------------

<b>Assessed Market Value &amp; EAV</b>		
	<b>Market Value (1)</b>	<b>EAV (2)</b>
Initial Land Value	\$75,000	\$25,000
Increase in Assessed Market Value	\$925,000	\$308,333
<b>Total Land and Building Value after Project</b>	<b>\$1,000,000</b>	<b>\$333,333</b>
(1) As Assessed		
(2) One third of assessed market value		

<b>Taxes by Taxing Partner</b>				
<b>Taxing Partner</b>	<b>2014 Tax Rate (3)</b>	<b>Over a 5 Year Period</b>		
		<b>Taxes on Full EAV (4)</b>	<b>EZ Abatement (5)</b>	<b>Taxes After EZ (6)</b>
<b>School District</b>	5.86%	\$97,717	\$90,388	\$7,329
<b>City of Urbana</b>	1.35%	\$22,437	\$20,754	\$1,683
<b>Champaign County</b>	0.86%	\$14,393	\$13,314	\$1,080
<b>Urbana Park District</b>	1.20%	\$20,022	\$18,520	\$1,502
<b>Parkland College</b>	0.53%	\$8,765	\$8,108	\$657
<b>CUMTD</b>	0.33%	\$5,470	\$5,060	\$410
<b>Cunningham Township</b>	0.25%	\$4,147	\$3,836	\$311
(3) Decided by Tax Partners				
(4) <u>Taxes on Full EAV Over 5 Years</u> ° = [Tax Rate] x [Total EAV Assessment After Project] x [5]				
(5) <u>EZ Abatement Over 5 Years</u> = [2014 Tax Rate] x [Increase in EAV Assessment] x [5]				
(6) <u>Taxes After EZ Over 5 Years</u> = [Taxes on Full EAV] - [EZ Abatement]				

<b>Total Taxes</b>		
	<b>Over 5 Year Period</b>	<b>Over 10 Year Period</b>
<b>Total Taxes Abated</b>	\$159,979	\$159,979
<b>Total Taxes Paid (7)</b>	\$12,971	\$185,921
(7) <u>Total Taxes Paid</u> = ( [Yearly Taxes on Full EAV] x [Number of Years] ) - [Total Taxes Abated]		

° All tax calculations use Revenue Year 2014 tax rates and assume the same rate in future years. Examples also do not include adjustment for any property tax exemptions.



# Property Tax Abatement for New Single Family/Duplex Residential Development

The Property Tax Abatement for New Single or Two Family Residential Development program is designed to assist in building residential homes within the Urbana Enterprise Zone. The benefit is provided through an abatement of local property taxes on the increased value of the property after construction of a new residence.

**Eligibility**

- The project must be a residential property located in the Enterprise Zone
- The project must result in a new, single or two family residential structure including stand-alone residences, townhomes, or other zero-lot line residences
- The project must have a minimum total construction cost of \$80,000, as reported on the building permit submitted to the City of Urbana or the Champaign County Enterprise Zone application
- Projects located within the City of Urbana must have a valid building permit from the City of Urbana issued on or after January 1<sup>st</sup>, 2016, and projects located outside the City must apply to the County Enterprise Zone Deputy Administrator
- The application must be submitted and approved by an Enterprise Zone Administrator
- All fees must be paid within 90 days of building permit issuance

**Participating Tax Partners:** *City of Urbana, Champaign County, Urbana School District, Urbana Park District, Champaign-Urbana Mass Transit District, Cunningham Township*

**Property Tax Abatement Schedule:** Taxes will be abated on the increment generated as a result of the project using the following schedule. Property owners will still be responsible for paying the taxes on the pre-project value of the property.

<b>Single Family / Duplex Residential Abatement</b>					
<i>Project of Minimum \$80,000 Investment</i>					
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>Percent Abatement</b>	<b>100%</b>	<b>80%</b>	<b>60%</b>	<b>40%</b>	<b>20%</b>

*(equivalent to a 3-year, 100% abatement)*



## Property Tax Abatement for Commercial/ Industrial Development & Job Creation

The Property Tax Abatement for Commercial/Industrial Development and Job Creation is designed to assist owners in renovating or constructing new commercial or industrial space for business and employment growth in the City of Urbana. The benefit is given in the form of an abatement of local property taxes on the increased value of the structure resulting from the construction or rehabilitation of a structure.

### Eligibility

- Must be a commercial or industrial property located in the Enterprise Zone
- The project must have a total construction cost of at least \$100,000 as reported on the building permit submitted to the City of Urbana or the Champaign County Enterprise Zone application
- Mixed use projects consisting of at least 20% commercial square footage are also eligible.
- Projects located within the City of Urbana must have a valid building permit from the City of Urbana issued on or after January 1<sup>st</sup>, 2016, and projects located outside the City must apply to the County Enterprise Zone Deputy Administrator.

**Participating Tax Partners:** *City of Urbana, Champaign County, Urbana School District, Urbana Park District, Champaign-Urbana Mass Transit District, Parkland College, Cunningham Township*

**Property Tax Abatement Schedule:** Taxes will be abated on the increment generated as a result of the project using the schedule on the following page. Property owners will still be responsible for paying the taxes on the pre-project value of the property.

**Definition of a Full-Time Job:** A qualifying full-time job is one that pays at least \$10 per hour or annualizes to at least \$18,200. The position must average at least 35 hours of work per week or be a full-time salaried employee. Vacations, paid holidays, and sick time are included in this computation. Overtime is not considered a part of regular hours. Sole proprietor, partner, and independent contractor positions are not eligible.

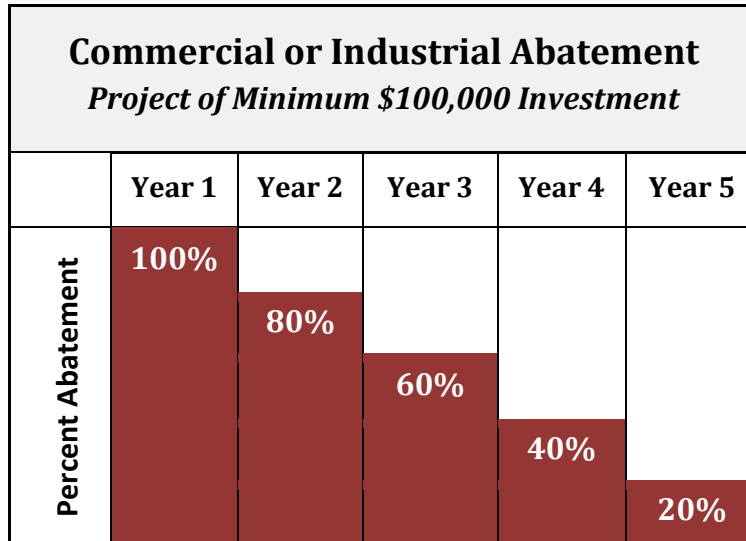
The Enterprise Zone Administrator reserves the right to amend this definition of a full-time job as needed to reflect changes in the living wage levels. However, projects admitted under a full-time job definition will be subject to only that definition for the duration of its incentives.

**Job Reporting:** Projects receiving incentives for job creation will be obligated to commit to a job auditing process to ensure the project meets its job creation target.

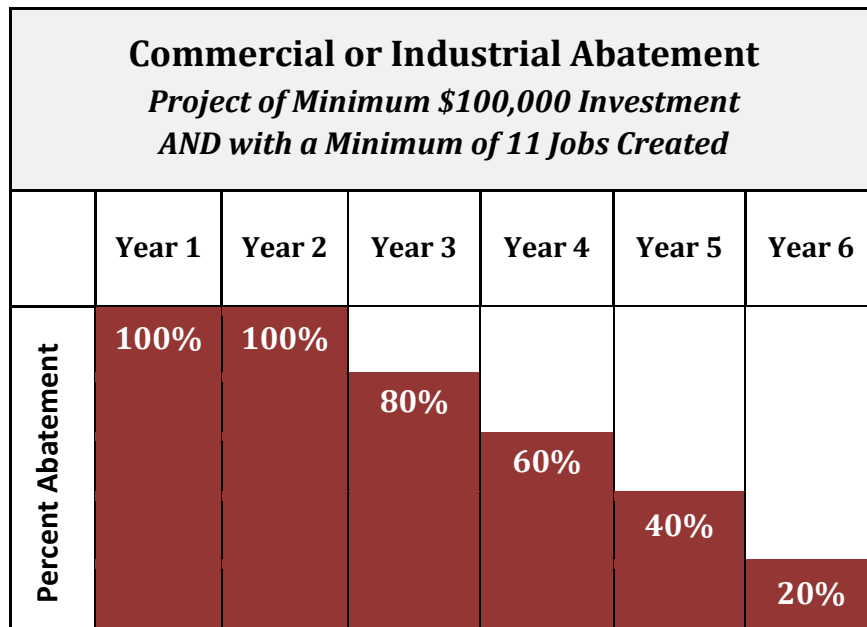
For both six and seven year abatements, at least eleven full-time jobs must be created by June 1 in the second revenue year in which the full value of the project has been assessed; this timeline gives businesses a maximum of 17 months to create at least 11 jobs. Otherwise, the level of abatement will be reduced.

For seven year abatements, at least fifty FTEs must be created by June 1 in the third revenue year in which the full value of the project has been assessed; this gives businesses a maximum of 29 months to create at least 50 jobs. Otherwise, the level of abatement will be reduced.

After meeting the stated job creation target, businesses must maintain at least 90 percent of the target for the duration of the abatement otherwise the abatements will be reduced or discontinued.



*(equivalent to a 3-year, 100% abatement)*



*(equivalent to a 4-year, 100% abatement)*

**Commercial or Industrial Abatement**  
*Project of Minimum \$100,000 Investment*  
*AND with a Minimum of 50 Jobs Created*

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
<b>Percent Abatement</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>80%</b>	<b>60%</b>	<b>40%</b>	<b>20%</b>

*(equivalent to a 5-year, 100% abatement)*



# Urbana Enterprise Zone City of Urbana Fees

The City of Urbana will collect Enterprise Zone fees from the property owning entity for administration of the Zone. Fees for Property Tax Abatements must be submitted within 90 days of receiving a building permit. The City will administer Sales Tax Exemption Certificates after submittal of Sales Tax Exemption Certificate Fees. The following fees apply to projects located within the City of Urbana corporate boundaries. Projects located outside the City of Urbana corporate boundaries may be subject to these fees if they require a City building permit, must conform to City code, and/or are the subject of an annexation agreement with the City of Urbana.

Service	Fee*
<b>Sales Tax Exemption Certificate</b>	0.5% of total eligible construction material costs, not to exceed \$50,000. Free if materials cost is less than \$5,000
<b>Property Tax Abatement</b>	5 year abatement: \$271
	6 year abatement: \$651
	7 year abatement: \$759
<b>Enterprise Zone Boundary Amendment</b>	Requests to approve a Boundary Amendment must be approved by City staff prior to fee assessment. 0.5% of estimated total construction material costs, not to exceed \$1,500.

\*A single project's combined enterprise zone fees may not exceed \$50,000 per state statute.

## Examples of Sales Tax Exemption Fees At Given Building Materials Cost Levels

Fees are calculated at 0.5% of total eligible building material costs for the project. Building materials that are eligible for the sales tax deduction include items that are permanently affixed to real property such as lumber, mortar, glued-down carpets, paint, wallpaper, and similar affixed items.

<b>Construction Materials Cost of the Project</b>	<b>City of Urbana Enterprise Zone Fee</b>
< \$5,000	Free
\$5,000	\$25
\$10,000	\$50
\$100,000	\$500
\$1 million	\$5,000
\$5 million	\$25,000
\$10 million	\$50,000
> \$10 million	\$50,000