



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)
Total Assessment After Project	\$100,000	\$27,333
(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
Total Taxes Abated	\$6,108	\$6,108
Total Taxes Paid (7)	\$8,074	\$22,256
(7) $\text{Total Taxes Paid} = ([\text{Yearly Taxes on Full EAV}] \times [\text{Number of Years}]) - [\text{Total Taxes Abated}]$		

^o 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 Assessment	\$30,000	\$10,000
Increase in Assessment After Project	\$150,000	\$50,000
Homestead Exemption <i>(other exemptions may apply)</i>	NA	(\$6,000)
Total Assesment After Project	\$180,000	\$54,000
(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) <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 ([Total Assessment EAV] - [Initial Land EAV]) x [3]				
(6) <u>Taxes After EZ Over 5 Years</u> = [Taxes on Full EAV] - [EZ Abatement]				

Total Taxes		
	Over 5 Year Period	Over 10 Year Period
Total Taxes Abated	\$13,003	\$13,003
Total Taxes Paid (7)	\$15,014	\$43,032
(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 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)
Total Assesment After Project	\$265,000	\$82,333
(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
Total Taxes Abated	\$20,392	\$20,392
Total Taxes Paid (7)	\$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.

Project Construction Cost	\$200,000
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Assessed Market Value & EAV		
	Market Value (1)	EAV (2)
Initial Land Value	\$200,000	\$66,667
Increase in Assessed Market Value	\$100,000	\$33,333
Total Land and Building Value after Project	\$300,000	\$100,000
(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%	\$29,315	\$17,589	\$11,726
City of Urbana	1.35%	\$6,731	\$4,039	\$2,692
Champaign County	0.86%	\$4,318	\$2,591	\$1,727
Urbana Park District	1.20%	\$6,007	\$3,604	\$2,403
Parkland College	0.53%	\$2,630	\$0	\$2,630
CUMTD	0.33%	\$1,641	\$985	\$656
Cunningham Township	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) $\text{Taxes After EZ Over 5 Years} = [\text{Taxes on Full EAV}] - [\text{EZ Abatement}]$				

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

^o 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.

Project Construction Cost	\$700,000
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Assessed Market Value & EAV		
	Market Value (1)	EAV (2)
Initial Land Value	\$50,000	\$16,667
Increase in Assessed Market Value	\$400,000	\$133,333
Total Land and Building Value after Project	\$450,000	\$150,000
(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%	\$43,973	\$31,269	\$12,703
City of Urbana	1.35%	\$10,097	\$7,180	\$2,917
Champaign County	0.86%	\$6,477	\$4,606	\$1,871
Urbana Park District	1.20%	\$9,010	\$6,407	\$2,603
Parkland College	0.53%	\$3,944	\$2,805	\$1,139
CUMTD	0.33%	\$2,462	\$1,750	\$711
Cunningham Township	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) $\text{Taxes After EZ Over 5 Years} = [\text{Taxes on Full EAV}] - [\text{EZ Abatement}]$				

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

^o 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.

Project Construction Cost	\$120,000
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Assessed Market Value & EAV		
	Market Value (1)	EAV (2)
Initial Land Value	\$75,000	\$25,000
Increase in Assessed Market Value	\$925,000	\$308,333
Total Land and Building Value after Project	\$1,000,000	\$333,333
(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%	\$97,717	\$90,388	\$7,329
City of Urbana	1.35%	\$22,437	\$20,754	\$1,683
Champaign County	0.86%	\$14,393	\$13,314	\$1,080
Urbana Park District	1.20%	\$20,022	\$18,520	\$1,502
Parkland College	0.53%	\$8,765	\$8,108	\$657
CUMTD	0.33%	\$5,470	\$5,060	\$410
Cunningham Township	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]				

Total Taxes		
	Over 5 Year Period	Over 10 Year Period
Total Taxes Abated	\$159,979	\$159,979
Total Taxes Paid (7)	\$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 1st, 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.

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

(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 1st, 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.

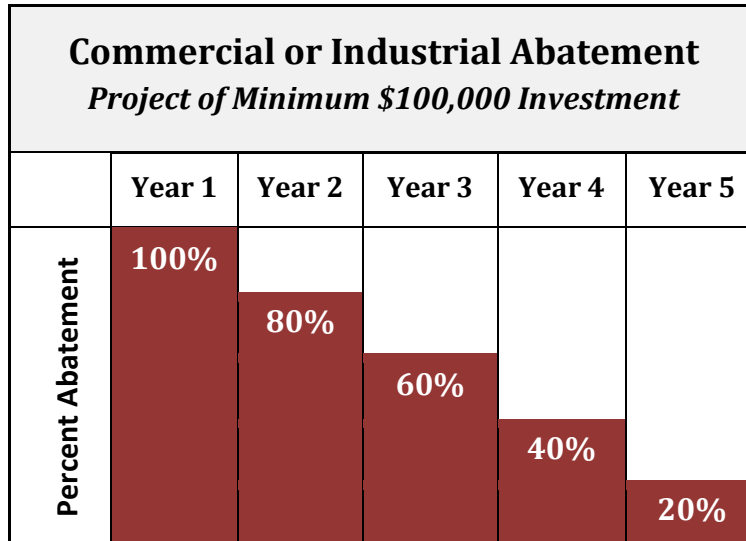
The Enterprise Zone Administrator reserves the right to amend this definition of a full-time job as needed to reflect changes in the living wage levels. However, projects admitted under a full-time job definition will be subject to only that definition for the duration of its incentives.

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.

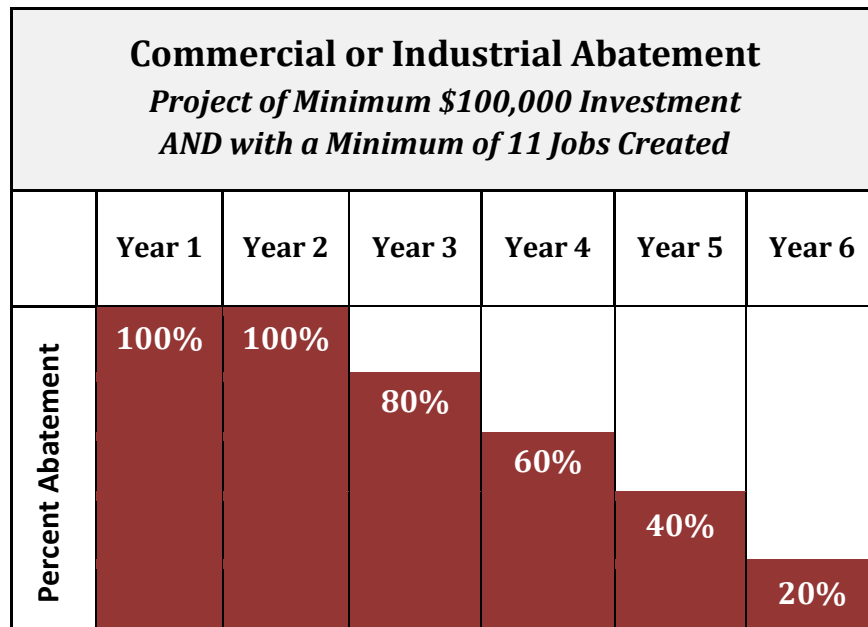
For both six and seven year abatements, at least eleven full-time jobs must be created by June 1 in the second revenue year in which the full value of the project has been assessed; this timeline gives businesses a maximum of 17 months to create at least 11 jobs. Otherwise, the level of abatement will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

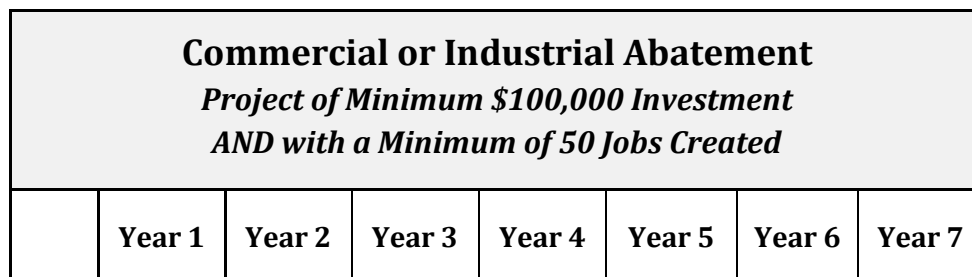
After meeting the stated job creation target, businesses must maintain at least 90 percent of the target for the duration of the abatement otherwise the abatements will be reduced or discontinued.

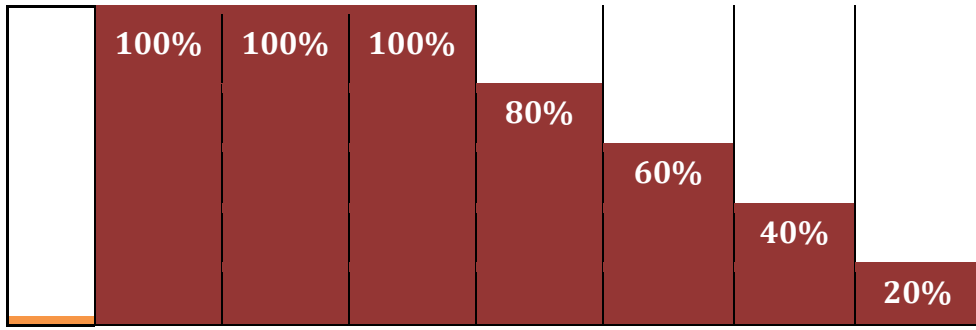


(equivalent to a 3-year, 100% abatement)



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





(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*
Sales Tax Exemption Certificate	0.5% of total eligible construction material costs, not to exceed \$50,000. Free if materials cost is less than \$5,000
Property Tax Abatement	5 year abatement: \$260
	6 year abatement: \$624
	7 year abatement: \$728
Enterprise Zone Boundary Amendment	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.

Construction Materials Cost of the Project	City of Urbana Enterprise Zone Fee
< \$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