



Enterprise Zone Programs Policy & Guidelines

HISTORIC STRUCTURE REHABILITATION PROGRAM

City of Champaign – Champaign County Enterprise Zone

PROPERTY TAX INCENTIVE PROGRAMS

Program Goals

The purpose of the Enterprise Zone is to enhance the other stimulate economic growth and neighborhood revitalization in economically depressed areas of the community. The Enterprise Zone programs contained in this application share the goals of:

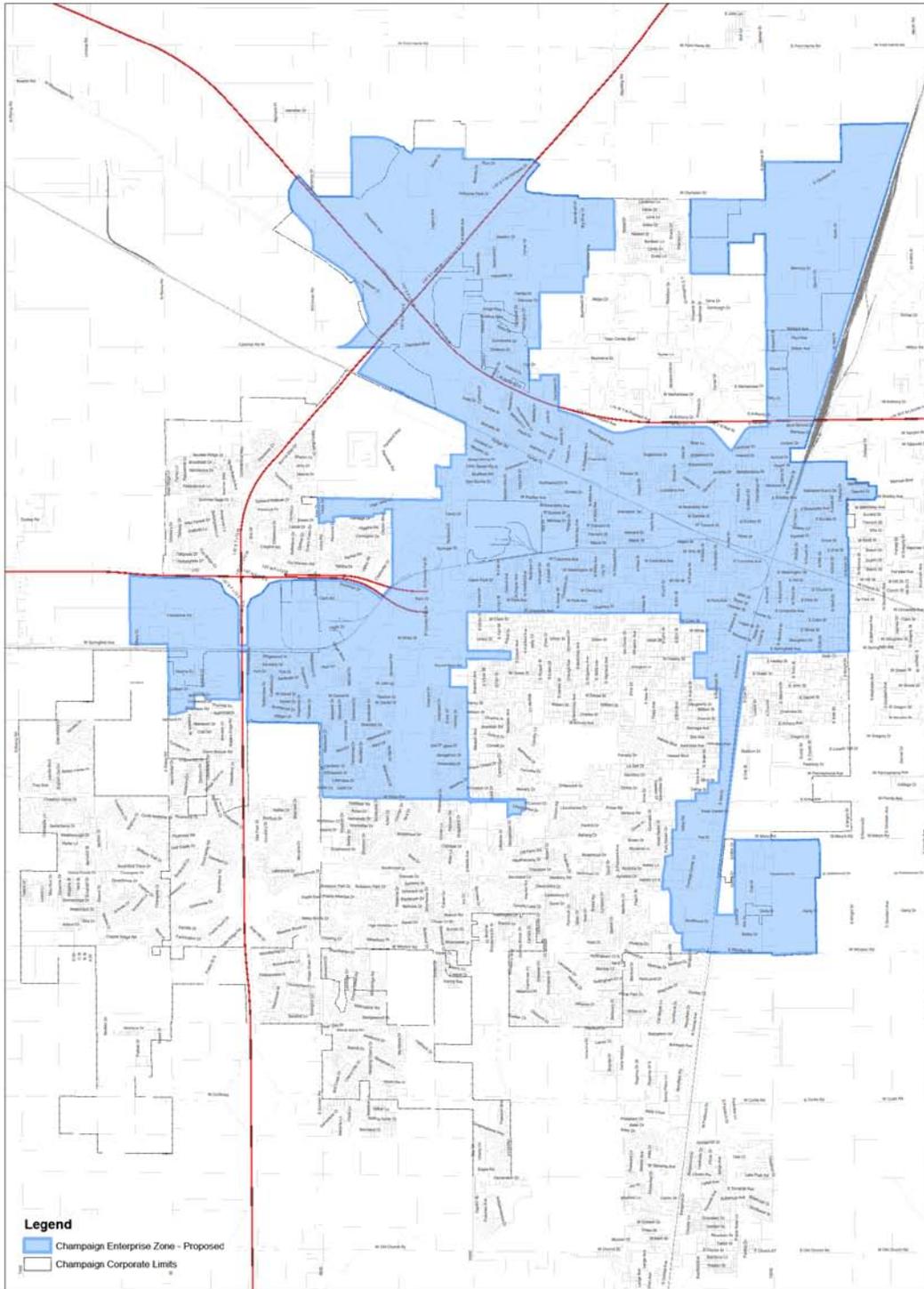
- Promoting job growth
- Encourage reinvestment in declining areas and growing the property tax base
- Encourage infill development and reinvestment in existing building stock
- Establish metrics to allow the programs to be regularly evaluated

Intent

The City of Champaign is seeking to reverse decline in its residential neighborhoods, commercial, and employment centers. The Enterprise Zone Programs are intended to provide financial incentives to existing and prospective property owners and tenants to improve the overall appearance of their homes, buildings, or businesses with a particular emphasis on permanent improvements that increase the overall property tax base and expand job opportunities.

Eligible Applicants

- Properties that meet the program guidelines and are located within the Enterprise Zone are eligible to participate in these programs.
- Applicants must be operating legally in accordance with all federal, state and local laws and regulations and be current with all city taxes, fees, and licenses.
- Properties that fall within an existing Tax Increment Finance District are not eligible for the property tax benefits, however may receive the Building Materials Sales Tax Exemption.



Champaign Enterprise Zone

Planning and Development Department

December 23, 2014



Historic Structure Rehabilitation Program

The Historic Structure Rehabilitation Program is designed to assist in the preservation of historically significant buildings in the City of Champaign. The benefit is given in the form of additional abatement of local property taxes on the increased value of the structure resulting from the improvement itself. ***This program is applied in conjunction with all other Enterprise Zone Program.***

Program Goal - Utilize property tax and sales tax abatements to encourage the preservation and restoration of properties listed on the National Register of Historic Places or as a City of Champaign Local Landmark.

Eligible Area – Zone wide

Abatement Period –3 years for Local Landmark properties with 1 additional year for National Register status

Property Tax Abatement Partners - *City of Champaign, Champaign County, Champaign-Urbana Mass Transit District, Champaign Park District,*

Special Notes: All National Register projects must follow the Secretary of Interior standards and seek proper approvals from the Illinois Historical and Preservation Agency. All Local Landmarks must seek a Certificate of Appropriateness for any exterior improvement outside of normal maintenance. Contact Planning and Development staff for more details.

Eligible Improvements

- Interior and Exterior Rehabilitation
- Code Improvements
- Expansion of the building
- Accessibility upgrades
- Energy Efficiency Improvements
- Accessory structure (if contributing to the Historic designation)

Automatically qualifies for Illinois Sales Tax Exemption

PROGRAM APPLICATION

APPLICANT

Name:

Contact Person: (if different from applicant):

Phone:

Email:

Address:

City:

Zip:

PROJECT INFORMATION

Project Address:

City:

Zip:

Property Identification Number: (list all that apply)

Building Permit Number: (If applicable)

Tax Payer of Record:

Property Owner's Address:

City:

Zip:

Year Structure was built:

Is this property located in a Tax Increment Finance District?

Yes

No

Please check all proposed improvements and estimated cost:

Eligible Improvement	Cost
Interior Exterior Rehabilitation	
Code and Nuisance Compliance Repairs	
Accessibility Upgrades	
Building Expansion	
Energy Efficiency Upgrades (Must Be Energy Star Compliant)	
Accessory Structure (If Contributing to historic structure)	
Other Permanent Improvement (Please list)	
Total Cost of Eligible Improvements:	\$

Please include a written description of the proposed project use including its benefits to Champaign.

BUILDING MATERIALS SALES TAX EXEMPTION

CONTRACTOR/SUBCONTRACTOR APPLICATION FORM (1 form for each contractor)

If your project qualifies for Enterprise Zone Property Tax Incentives, your project automatically qualifies for Building Material Sales Tax Exemption status. This status allows each contractor and sub contractor to request a Sales Tax Exemption Certificate for use on all permanent materials associated with the project and purchased in the State of Illinois. These certificates are applied for with the City of Champaign and issued by the State of Illinois. Each sub contractor is responsible for requesting their certificate and for subsequent reporting to the Illinois Department of Revenue on the materials procured.

For FAQ's visit www.revenue.state.il.us/Businesses/Incentives/ExemptionFAQs.htm

Definition of Building Materials

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. Ineligible items include tools, machinery, free standing appliances and carpeting.

Name of Construction Contractor:

Contact Person:

Phone:

Email Address:

Project Address:

\$

Total Contract Amount:

Percentage of this contract that will be materials:

Federal Employer Identification Number (FEIN)

AFFIDAVIT

I hereby declare that I have reviewed the above and that the information provided is true and accurate to the best of my knowledge.

I hereby acknowledge that it is the applicant’s responsibility to submit on an annual basis for the duration of the project, form EZ-1 with the Illinois Department of Revenue.

I certify under penalty of perjury under the laws of the State of Illinois, that the sales tax exemption granted for building materials purchased through this Enterprise Zone, will be utilized at the project address listed on this application.

Property Owner or Authorized Agent Signature

Date

If you have any questions please contact T.J. Blakeman, Enterprise Zone Administrator at 217-403-8800

Completed application can be emailed to Lisa.Hempel@ci.champaign.il.us

CITY USE ONLY

Application #:

Date Application Received:

Approved By:

Approval Date

Definitions

Equalized Assessed Valuation	A ratio of total assessed value for properties in a community to those property’s true market values. This number represents the state or locality’s judgment of how closely assessed values match the market value. This amount is multiplied by the current tax rate to determine the total taxes owed on an individual parcel. This number represents 1/3 of the “Fair Market Value” as decided by the County Assessor.
Single Family Dwelling	Shall mean one detached dwelling unit on an individual lot.
Multi-Family Dwelling	Shall mean a structure or portion of a building containing three (3) or more dwelling units.
New Full Time Equivalent Employee (FTE)	Shall mean the creation of a new job in which the new employee works for the recipient or for the corporation under contract to the recipient at a rate of at least 35 hours per week. A recipient who employs labor or services at a specific site or facility under contract with another may declare one full-time permanent job for every 1,820 man hours worked per year under that contraction. Vacations, paid holidays, and sick time are included in this computation. Overtime is not considered a part of regular hours. [20 ILCS 655/3(i)]
Retained Full Time Employee (FTE)	Shall mean any employee defined as having a full-time or full-time equivalent job preserved at a specific facility or site, the continuance of which is threatened by a specific and demonstrable threat, which shall be specified in the application for development assistance. A recipient who employs labor or services at a specific site or facility under contract with another may declare one retained employee per year for every 1,750 man hours worked per year under that contract, even if different individuals perform on-site labor or services. [20 ILCS 655/3j)

<p>New Employee</p>	<p>Shall mean a full-time equivalent job that represents a net increase in the number of recipient’s employees statewide. This includes employee position with the recipient who was rehired or called back from a layoff that occurs during or following the base years. The term “New Employee” does not include any of the following:</p> <p>An employee of the recipient who performs a job that was previously performed by another employee in the State of Illinois, if that job existed in this State, if that job existed in this State for at least 6 months before hiring the employee;</p> <p>Any individual who has a direct or indirect ownership interest of at least 5% in the profits, capital, or value of an member of the recipient;</p> <p>A child, grandchild, parent, or spouse, other than a spouse who is legally separated from the individual, of any individual who has a direct or indirect ownership interest of at least 5% in the profits, capital, or value of any member of the recipient;</p> <p>Employee positions being filled or refilled as a result of strikes or layoffs or replacement workers to replace recipient company locked out employees.</p>
<p>Minority and/or Female Owned Business</p>	<p>Shall mean the business is at least 51% owned by individuals who are minorities or females as defined below or, in the case of a publicly-owned business, at least 51% of the stock is owned by such individuals, and the management and daily operations of the business are controlled by minorities or females.</p>
<p>Minority</p>	<p>Shall mean an individual who is a citizen or lawful permanent resident of the United States and who has origins in one or more of the following groups: African American, Hispanic, Asian American and Native American, among others in accordance with 30 Illinois Compiled Statutes 575/2(A)(1) State's Business Enterprise for Minorities, Females, and Persons with Disabilities Act.</p>

Rehabilitation	Shall mean the process of returning a property to a state of utility, through repair or alteration, which makes possible an efficient contemporary use while preserving those portions and features of the property which are significant to its historical or architectural values.
Remodel	Shall mean any improvement to the exterior or interior of a building which requires an electrical, plumbing, or HVAC permit and which is not a structural alteration, new construction or enlargement.
Permanent Building Material	Shall mean items that permanently affixed to real property such as lumber, mortar, glued-down carpets, paint, wallpaper, and similar affixed items.

Other State of Illinois Enterprise Zone Programs

The State of Illinois administers additional Enterprise Zone benefits. Those benefits are listed below. To receive more information on these benefits contact the Illinois Department of Commerce and Economic Opportunity at 217-785-6169 or online at

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

- **Enterprise Zone Machinery and Equipment Consumables/Pollution Control Facilities Sales Tax Exemption** - A 6.25 percent state 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.