



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Economic Development Division

m e m o r a n d u m

TO: Mayor Laurel Lunt Prussing

FROM: Elizabeth H. Tyler, FAICP, Director, Community Development Services

DATE: December 10th, 2015

SUBJECT: **AN ORDINANCE AMENDING URBANA CITY CODE CHAPTER FOURTEEN, SECTION 14-7, REGARDING THE SCHEDULE OF FEES (Urbana Enterprise Zone Fees)**

Introduction

On December 1st, 2014 the City Council approved the establishment of a new Urbana Enterprise Zone in partnership with Champaign County contingent upon certification by the State of Illinois (Ordinance No. 2014-11-108; Resolutions No. 2014-11-060R & -061R). In August of 2015, the Urbana Enterprise Zone application was announced as one of 49 zones approved by the State Enterprise Zone Board; however the zone still requires certification by the State to go into effect.

Staff now anticipates that the Illinois Department of Commerce and Economic Opportunity (DCEO) will certify the new Urbana Enterprise Zone prior to the end of the 2015 calendar year in order to comply with State statute and as announced by DCEO Secretary Schultz at the spring Illinois Enterprise Zone Association conference. The new Urbana Enterprise Zone would go into effect on January 1st, 2016. The Enterprise Zone will provide Sales Tax Exemptions for building materials as well as robust property tax abatements for new construction projects in Urbana through a partnership among seven local governmental agencies.

One of the goals contemplated for the new Urbana Enterprise Zone at the time of its initial adoption was to generate revenue sufficient to offset the City's cost in the administration of the zone's incentives and programming as enabled by the statute. The attached draft ordinance (**Attachment A: Draft Ordinance Amending the Urbana Fee Schedule**) would amend the City Fee Schedule to enact those fees described in the original proposed Urbana Enterprise Zone program policies (**Attachment B: Overview New Enterprise Zone Incentive Programs, 08-2014**) and as provided for in Section 7 of the City's ordinance establishing the creation of a new Urbana Enterprise Zone (**Attachment C: Ordinance No. 2014-11-08 An Ordinance Establishing a New Enterprise Zone in the City of Urbana and Champaign**

County – Exhibit A Excluded). In addition to offsetting the administrative costs of the zone, the fees would also assist in offsetting costs associated with the implementation of the new zone’s three year program plan (**Attachment D: Three-Year Goals of the New Enterprise Zone, Excerpted from the State Application**).

Discussion

The proposed fees are based on the practices of other Illinois Enterprise Zone communities and are scoped to project size and the amount of incentive received. The City will also be obligated to report its fee schedule to the DCEO each year for review. This proposed fee schedule was included in materials presented in 2014 to the Urbana City Council, Champaign County Board, Urbana School Board, Urbana Park District, Cunningham Township, Parkland College, and CUMTD.

Below is a summary of the proposed fees under the new Urbana Enterprise Zone which would be enacted by the proposed ordinance:

Service	Description	Fee
Sales Tax Exemption Certificate	Issuance of all Sales tax exemption certificates to property owners, contractors and subcontractors for a project.	0.5% of total construction material costs, not to exceed \$50,000. Free if materials cost is less than \$5,000
Property Tax Abatement	Annual Abatement of property taxes for an eligible project	5 year abatement: \$250 6 year abatement: \$600 7 year abatement: \$700
Enterprise Zone Boundary Amendment	Application to DCEO for extension of the Enterprise Zone to bring property into the Zone for a specific project.	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.

Enterprise Zone Fees for a single project may not exceed \$50,000 as required by state statute.

Sales Tax Exemption Certificate Fee

A sales tax exemption is permitted on building materials to be used in an Enterprise Zone on qualifying commercial, industrial and new home construction projects. Materials must be permanently affixed to the property and must be purchased from a qualified Illinois retailer. Sales Tax Exemption Certificates are issued directly by the Illinois Department of Revenue. Qualifying projects must have a minimum \$1,000 project cost. The proposed fee for this benefit is scaled to the size of the project and is consistent with fee schedules in other Illinois Enterprise Zone.

Property Tax Abatement Fee

An abatement of property taxes is permitted on the increased property value resulting from new, eligible projects on commercial, industrial and mixed-use properties (note, however, that properties located in a TIF District are not eligible for this incentive). The project cost must be at minimum \$100,000 to qualify. Mixed use projects consisting of at least 20% commercial square footage are eligible. Additional abatement is offered for projects that create 10 or more full time jobs and even more for projects that create 50 or more jobs. The actual abatement amount is ultimately based on the amount of new property value created by the project. The City's Finance Department reviewed the proposed fee amounts and found the amounts consistent with the amount of staff time estimated to be used in the processing of the abatements and in the accompanying reporting.

Boundary Amendment Fee

Boundary Amendments are expected to be rare in the new Urbana Enterprise Zone. Such amendments under Urbana's existing zone have generally taken six to nine months to complete and consumed eighty or more hours of staff time. Beginning in 2016, DCEO's application process for boundary amendments to new Enterprise Zones is expected to be even more time intensive due to more stringent eligibility requirements.

For this reason staff sought to be as inclusive as possible in the establishment of the new Urbana Enterprise Zone's boundaries. Through partnership with Champaign County, the new zone's boundaries will also include likely future growth areas presently outside of the City's corporate boundary.

In the event a boundary amendment is pursued, the proposed fee would be scaled to the size of the project that is the impetus for the application, up to a maximum of \$1,500.

Fiscal Impacts

The proposed Enterprise Zone fee schedule is expected to generate between \$30,000 and \$60,000 in General Fund revenue in Calendar Year 2016 and will help to support the staffing necessary to administer the program. It is anticipated that the program will continue to be administered by Economic Development Division staff and that no new staff positions would need to be budgeted in order to fulfill the duties of administering the new Enterprise Zone.

By way of example, if all eligible projects in Calendar Year 2014 had received the Sales Tax Exemption Certificates and Property Tax Abatements provided for in this new Enterprise Zone and had also paid the accompanying fees as proposed, approximately \$26,000 in revenue would have been generated.

The purpose of the new Urbana Enterprise Zone is to stimulate economic growth and neighborhood revitalization in economically depressed areas of the community. As such, if the zone functions as intended, it is expected to induce more projects to be developed in Urbana. Furthermore, the local market for new residential and commercial developments has continued

to show growth in recent years. Taken together, staff is cautiously optimistic that the new zone and strong market will induce and increase the number of eligible projects in 2016 well above 2014 levels.

Options

The City Council has the following options with respect to this proposed ordinance:

1. The City Council may approve the ordinance as presented.
2. The City Council may approve the ordinance with changes.
3. The City Council may deny the ordinance.

Recommendation

Staff recommends that the City Council approve the attached ordinance as presented.

Prepared By:



Brandon S. Boys
Economic Development Manager

- Attachments: A – Draft Ordinance Amending the Urbana Fee Schedule
B – Overview New Enterprise Zone Incentive Programs, 08-2014
C – Ordinance No. 2014-11-08 An Ordinance Establishing a New Enterprise Zone in the City of Urbana and Champaign County – Exhibit A Excluded
D – Three-Year Goals of the New Enterprise Zone, Excerpted from the State Application

ATTACHMENT A

ORDINANCE NO. 2015-12-121

AN ORDINANCE AMENDING URBANA CITY CODE CHAPTER FOURTEEN, SECTION 14-7, REGARDING THE SCHEDULE OF FEES

(Urbana Enterprise Zone fees)

WHEREAS, the City Council did on the 1st day of June 2015, pursuant to Ordinance Nos. 2015-04-040 and 2015-04-041, adopt a Schedule of Fees for the various licenses, permits, fines, and other fees required under the Urbana City Code; and

WHEREAS, the City Council finds that the best interests of the City are served by making a limited amendment to that Schedule of Fees, pursuant to Urbana City Code Section 14-7(b), to establish Urbana Enterprise Zone fees.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Urbana, Champaign County, Illinois, as follows:

Section 1.

Urbana City Code Chapter 14, "Licenses and Permits," Section 14-7, "Schedule of fees," Subsection (B), "General," Part 4, "Miscellaneous," is hereby amended by adding a new Subpart (k) thereto, which new Subpart shall read as follows:

(k) Urbana Enterprise Zone Fees: The combined Enterprise Zone fees for a single project may not exceed fifty-thousand dollars (\$50,000.00).

1. Application for a Sales Tax Exemption Certificate: five dollars (\$5.00) per one thousand dollars (\$1,000.00) or fraction thereof of estimated new construction material costs, with a maximum of fifty-thousand dollars (\$50,000.00).

a. Application with estimated new construction material costs less than five-thousand dollars (\$5,000.00) N/C

2. Application for a Property Tax Abatement:

a. Five (5) Year Abatement \$250.00

b. Six (6) Year Abatement \$600.00

c. Seven (7) Year Abatement. \$700.00

3. Application for an Enterprise Zone Boundary Amendment: five dollars (\$5.00) per one thousand dollars (\$1,000.00) or a fraction thereof of estimated new construction material costs, with a maximum of fifteen-hundred dollars (\$1,500.00).

Section 2.

Those sections, paragraphs, and provisions of the Urbana City Code that are not expressly amended or repealed by this Ordinance are hereby re-enacted, and it is expressly declared to be the intention of this Ordinance not to repeal or amend any portions of the Urbana City Code other than those expressly set forth as amended or repealed in this Ordinance. The invalidity of any section or provision of this Ordinance hereby passed and approved shall not invalidate other sections or provisions thereof.

Section 3.

This Ordinance shall not be construed to affect any suit or proceeding pending in any court, or any rights acquired, or a liability incurred, or any cause or causes of action acquired or existing prior to the effective date of this Ordinance; nor shall any right or remedy of any character be lost, impaired, or affected by this Ordinance.

Section 4.

The City Clerk is directed to publish this Ordinance in pamphlet form by authority of the corporate authorities, and this Ordinance shall be in full force and effect from and after its passage and publication in accordance with Section 1-2-4 of the Illinois Municipal Code.

This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of a majority of the members of the Council of the City of Urbana, Illinois, at a meeting of said Council.

PASSED BY THE CITY COUNCIL this ____ day of _____, _____.

AYES:

NAYS:

ABSENT:

ABSTAINED:

Phyllis D. Clark, City Clerk

APPROVED BY THE MAYOR this ____ day of _____, _____.

Laurel Lunt Prussing, Mayor



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 purpose of the Enterprise Zone is to stimulate economic growth and neighborhood revitalization in economically depressed areas of the community. The Urbana Enterprise Zone is designed to encourage investment and reinvestment in declining areas, grow Urbana's tax base, and promote job growth by encouraging attraction of new businesses and expansion of existing businesses. For projects 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 permitted on building materials to be used in an Enterprise Zone on qualifying commercial, industrial and new home construction projects. Materials must be permanently affixed to the property and must be purchased from a qualified Illinois retailer. Sales Tax Exemption Certificates are issued directly by the Illinois Department of Revenue. Qualifying projects must have a minimum \$1,000 project cost.

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

An abatement of property taxes is permitted on the increased property value resulting from new, eligible projects on commercial, industrial and mixed-use properties.* The project cost must be at minimum \$100,000 to qualify. Mixed use projects consisting of at least 20% commercial square footage are eligible. Additional abatement is offered for projects that create 10 or more full time jobs and even more for projects that create 50 or more jobs. The actual abatement amount is ultimately based on the amount of new property value created by the project.

- **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 amount is ultimately based on the amount of new property value created by the project.

**Please note that properties that are also 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.



Urbana Enterprise Zone

Local Property Tax Abatement Programs Overview

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 are intended to provide financial incentive to existing and prospective 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. 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.

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

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 amount is ultimately based on the amount of new property value created by the project.*

Property Tax Abatement for Commercial/Industrial Development & Job Creation

An abatement of property taxes is permitted on the increased property value resulting from new, eligible projects on commercial, industrial and mixed use properties. The project cost must be at minimum \$100,000 to qualify. Mixed use projects consisting of at least 20% commercial square footage are eligible. Additional abatement is offered for projects that create 10 or more full time jobs and even more for projects that create 50 or more jobs. The actual abatement amount is ultimately based on the amount of new property value created by the project.*

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

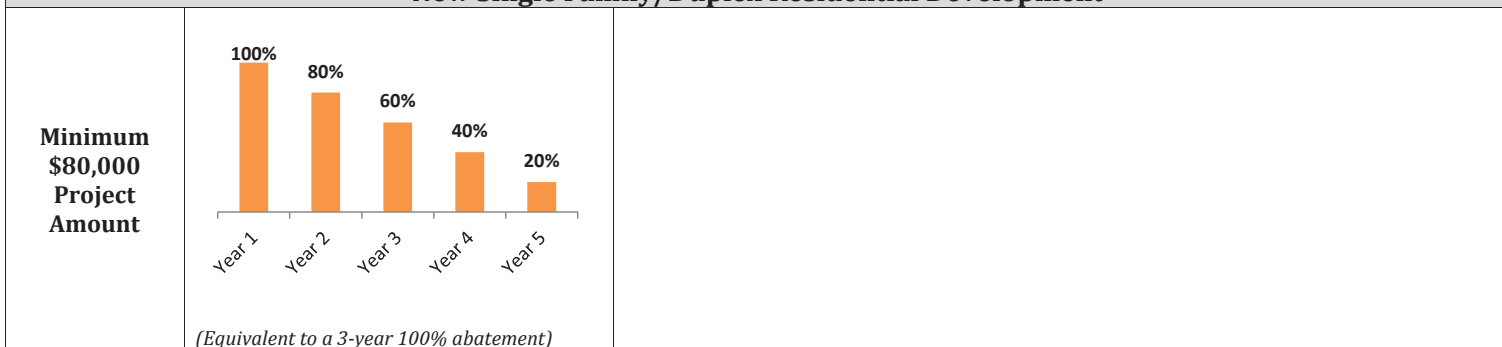
**Please note that properties that are also located in a Tax Increment Finance District are not eligible for a Property Tax Abatement through the Enterprise Zone.*



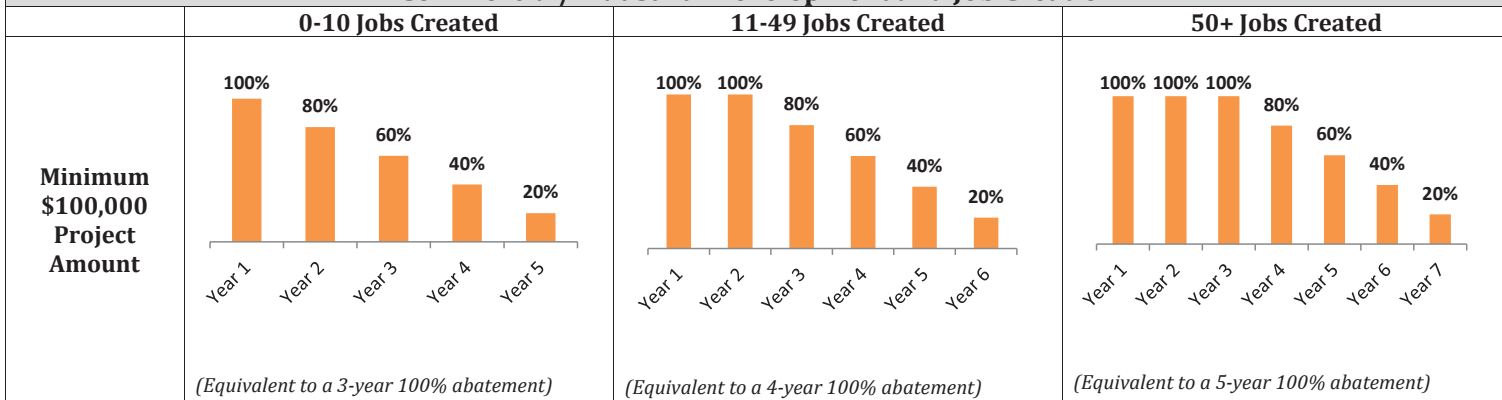
Urbana Enterprise Zone Property Tax Abatement Programs Overview

This chart provides 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.

New Single Family/Duplex Residential Development



Commercial/Industrial Development and Job Creation





Examples of Property Tax Abatements for Residential, Commercial and Industrial Projects

The following examples attempt to illustrate some likely scenarios for property tax abatements given a variety of project types, investment levels and job creation.

Example 1

New Single Family Home on an Undeveloped Lot

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

Project Construction Cost	\$120,000
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	Market Value	EAV
Initial Land Value	\$20,000	\$6,667
Increase in Assessed Market Value	\$80,000	\$26,667
Land and Building Value after Project	\$100,000	\$33,333

	2013 Tax Rate	Over a 5 Year Period*		
		Taxes on Full Value	EZ Abatements	Taxes after EZ
School District	5.763	\$9,605	(\$4,610)	\$4,995
City of Urbana	1.355	\$2,258	(\$1,084)	\$1,174
Champaign County	0.8511	\$1,419	(\$681)	\$738
Urbana Park District	1.1816	\$1,969	(\$945)	\$1,024
Parkland College	0.5253	\$876	\$0	\$876
CUMTD	0.3198	\$533	(\$256)	\$277
Cunningham Township	0.2472	\$412	(\$198)	\$214
Total Taxes Paid Over 5 Years*		\$17,072	(\$7,774)	\$9,298
Total Taxes Paid Over 10 Years*		\$34,143	(\$7,774)	\$26,369

*All tax calculations use Revenue Year 2013 tax rates and assume the same rate in future years. Examples also do not include adjustment for common property tax exemptions such as the Homestead Exemptions.

Example 2

Commercial Building Expansion with 3 New Jobs

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

Project Construction Cost	\$200,000
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	Market Value	EAV
Initial Land and Building Value	\$200,000	\$66,667
Increase in Assessed Market Value	\$100,000	\$33,333
Land and Building Value after Project	\$300,000	\$100,000

	2013 Tax Rate	Over a 5 Year Period*		
		Taxes on Full Value	EZ Abatements	Taxes after EZ
School District	5.763	\$28,815	(\$5,763)	\$23,052
City of Urbana	1.355	\$6,775	(\$1,355)	\$5,420
Champaign County	0.8511	\$4,256	(\$851)	\$3,404
Urbana Park District	1.1816	\$5,908	(\$1,182)	\$4,726
Parkland College	0.5253	\$2,627	(\$525)	\$2,101
CUMTD	0.3198	\$1,599	(\$320)	\$1,279
Cunningham Township	0.2472	\$1,236	(\$247)	\$989
Total Taxes Paid Over 5 Years*		\$51,215	(\$10,243)	\$40,972
Total Taxes Paid Over 10 Years*		\$102,430	(\$10,243)	\$92,187

*All tax calculations use Revenue Year 2013 tax rates and assume the same rate in future years. Examples also do not include adjustment for common property tax exemptions such as the Homestead Exemptions.

Example 3

New Commercial Building on Undeveloped Lot with 11 New Jobs

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

Project Construction Cost	\$700,000
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	Market Value	EAV
Initial Land and Building Value	\$50,000	\$16,667
Increase in Assessed Market Value	\$400,000	\$133,333
Land and Building Value after Project	\$450,000	\$150,000

	2013 Tax Rate	Over a 6 Year Period*		
		Taxes on Full Value	EZ Abatements	Taxes after EZ
School District	5.763	\$51,867	(\$30,736)	\$21,131
City of Urbana	1.355	\$12,195	(\$7,227)	\$4,968
Champaign County	0.8511	\$7,660	(\$4,539)	\$3,121
Urbana Park District	1.1816	\$10,634	(\$6,302)	\$4,333
Parkland College	0.5253	\$4,728	(\$2,802)	\$1,926
CUMTD	0.3198	\$2,878	(\$1,706)	\$1,173
Cunningham Township	0.2472	\$2,224.80	(\$1,318)	\$906
Total Taxes Paid Over 6 Years*		\$92,187	(\$54,629)	\$37,558
Total Taxes Paid Over 10 Years*		\$153,645	(\$54,629)	\$99,016

*All tax calculations use Revenue Year 2013 tax rates and assume the same rate in future years. Examples also do not include adjustment for common property tax exemptions such as the Homestead Exemptions.

Example 4

New Industrial Building on Undeveloped Lot with 50 New Jobs

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

Project Construction Cost	\$2,000,000
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	Market Value	EAV
Initial Land and Building Value	\$75,000	\$25,000
Increase in Assessed Market Value	\$925,000	\$308,333
Land and Building Value after Project	\$1,000,000	\$333,333

	2013 Tax Rate	Over a 7 Year Period*		
		Taxes on Full Value	EZ Abatements	Taxes after EZ
School District	5.763	\$134,470	(\$88,846)	\$45,624
City of Urbana	1.355	\$31,617	(\$20,890)	\$10,727
Champaign County	0.8511	\$19,859	(\$13,121)	\$6,738
Urbana Park District	1.1816	\$27,571	(\$18,216)	\$9,354
Parkland College	0.5253	\$12,257	(\$8,098)	\$4,159
CUMTD	0.3198	\$7,462	(\$4,930)	\$2,532
Cunningham Township	0.2472	\$5,768	(\$3,811)	\$1,957
Total Taxes Paid Over 7 Years*		\$239,003	(\$157,913)	\$81,090
Total Taxes Paid Over 10 Years*		\$341,433.33	(\$157,913)	\$183,520

*All tax calculations use Revenue Year 2013 tax rates and assume the same rate in future years. Examples also do not include adjustment for common property tax exemptions such as the Homestead Exemptions.



Property Tax Abatement for New Single Family/Duplex Residential Development

The Property Tax Abatement for New Single or Two Family Residential Development is designed to assist owners in building residential homes within the Urbana Enterprise Zone. 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 of a new residence.

Eligibility

- The project must create a new, single or two family residential structure
- Eligible structures include:
 - Stand-alone single or two family residences
 - Townhome or other zero-lot line single family residences
- Total project construction cost must be at least \$80,000 as indicated 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 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, 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.

Minimum \$80,000 Investment

Year 1 Abatement	Year 2 Abatement	Year 3 Abatement	Year 4 Abatement	Year 5 Abatement
100%				
	80%			
		60%		
			40%	
				20%

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

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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 structure located in the Enterprise Zone
- Total project construction cost must be at least \$100,000 as indicated 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 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 \$18,200. The position must average at least 35 hours of work per week or be a full-time salaried employee.

A Full Time Equivalent job (FTE) job is one in which the new employee works for the recipient or for a 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 contract. 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 FTEs 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 downgraded.

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 downgraded.

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.

Minimum \$100,000 Investment

Year 1 Abatement	Year 2 Abatement	Year 3 Abatement	Year 4 Abatement	Year 5 Abatement
100%				
	80%			
		60%		
			40%	
				20%

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

Minimum \$100,000 Investment AND Minimum of 11 Jobs Created

Year 1 Abatement	Year 2 Abatement	Year 3 Abatement	Year 4 Abatement	Year 5 Abatement	Year 6 Abatement
100%	100%				
		80%			
			60%		
				40%	
					20%

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

Minimum \$100,000 Investment AND Minimum of 50 Jobs Created

Year 1 Abatement	Year 2 Abatement	Year 3 Abatement	Year 4 Abatement	Year 5 Abatement	Year 6 Abatement	Year 7 Abatement
100%	100%	100%				
			80%			
				60%		
					40%	
						20%

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

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Urbana Enterprise Zone City of Urbana Fee Schedule

This fee schedule applies to projects that are within the City of Urbana corporate boundaries. Additional projects may be subject to this fee if they are required to have a City building permit, must conform to City code, and/or are the subject of an annexation agreement with the City of Urbana.

Service	Description	Fee*
Sales Tax Exemption Certificate	Issuance of all sales tax exemption certificates to property owners, contractors and subcontractors for a project.	0.5% of total construction material costs, not to exceed \$50,000. Free if materials cost is less than \$5,000.
Property Tax Abatement	Annual abatement of property taxes for an eligible project.	5 year abatement: \$250
		6 year abatement: \$600
		7 year abatement: \$700
Enterprise Zone Boundary Amendment	Application to DCEO for extension of the Enterprise Zone to bring property into the Zone for a specific project.	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

ORDINANCE NO. 2014-11-108

AN ORDINANCE ESTABLISHING A NEW ENTERPRISE ZONE IN THE CITY OF
URBANA AND CHAMPAIGN COUNTY

WHEREAS, the State of Illinois Enterprise Zone Act (Illinois Compiled Statutes Chapter 20, Section 655) (the "Act") explores ways and means of stimulating business and industrial growth and retention in depressed areas, and stimulating neighborhood revitalization of depressed areas of the State by means of relaxed government controls and tax incentives in those areas; and

WHEREAS, the City of Urbana, Illinois, a municipal corporation and home rule unit of municipal government (the "City"), and the County of Champaign, Illinois, a municipal corporation (the "County"), (collectively referred to as the "Partners"), desire to enact a new enterprise zone, as defined in the Act, (the "Zone") for the purpose of stimulating economic growth and neighborhood revitalization in economically depressed areas within the City and the County; and

WHEREAS, Section 10 of Article VII of the Illinois Constitution of 1970 and the Illinois Intergovernmental Cooperation Act, 5 ILCS 220/1 et seq. enable the City and the County to enter into agreements among and between themselves which provide for intergovernmental cooperation on matters and issues of joint interest; and

WHEREAS, the Partners have adopted an enterprise zone intergovernmental agreement (the "Agreement"); and

WHEREAS, the Act provides the mechanisms and incentives for addressing commercial, industrial, and residential areas that undergo development and redevelopment; and

WHEREAS, the Partners recognize that local economic development, business retention and expansion, neighborhood revitalization, employment retention and creation, through a partnership between the City the County will benefit the City, the County and their residents; and

WHEREAS, the Act was recently amended to require all existing enterprise zones to expire, and any interested community must apply and compete for a new designation as an enterprise zone; and

WHEREAS, the Act requires the City and the County to each pass an ordinance establishing a new enterprise zone before they can apply to the State of Illinois Department of Commerce and Economic Opportunity (the "Department") for certification of such new enterprise zone; and

WHEREAS, the Partners are authorized to jointly apply for an enterprise zone under the Act; and

WHEREAS, the application for certification of a new zone must be submitted by December 31, 2014 in order to be considered for approval in 2015.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS as follows:

Section 1. Designation and Description of Zone Area.

The City hereby establishes an enterprise zone pursuant to the authority granted by the Act, as amended, subject to the approval of the Department, and subject to the provisions of the Act. The boundaries of the Zone are those set forth in the legal description attached hereto, marked "Exhibit A" and made a part hereof.

Section 2: Qualifications. The City hereby declares and affirms that the Zone is qualified for designation as an enterprise zone in accordance with the provisions of the Act, and further affirm that:

- (a) The Zone is a contiguous area;

- (b) The Zone comprises a minimum of one-half square mile and not more than twelve square miles in total area;
- (c) The Zone is a depressed area;
- (d) The Zone satisfies any additional criteria established by the Department;
- (e) On November 6th, 2014, a Public Hearing was conducted within the Zone on the question of whether boundaries of the Zone should be expanded. A public notice was given in one newspaper of general circulation within the Zone not more than 20 days nor less than five days before the hearings; and
- (f) The Zone addresses a reasonable need to encompass portions of the City and adjacent unincorporated areas of the County.

Section 3. Term and Effect The term of the Zone shall commence on January 1, 2016 or such other date as certified by the Department pursuant to the Act, and shall terminate at midnight on December 31, the 15th year after the year in which the Zone is certified, unless otherwise provided for by the Department or if the Zone is earlier decertified in accordance with the Act.

Section 4. Incentives and Benefits Offered in the Zone.

- (a) Building Materials Exemption Certificates:
 - (1) Each retailer who makes a qualified sale of building materials to be incorporated into real estate in an enterprise zone established by a county or municipality under the Act by remodeling, rehabilitation or new construction, may deduct receipts from such sales when calculating the tax imposed by the Retailers' Occupation Tax Act. A "qualified sale" means a sale of building materials that will be incorporated into real estate as part of a building project for which an enterprise zone "Building Materials Exemption Certificate", as defined in the Act, (the

"Certificate") has been issued to the purchaser by the Department.

(2) In addition to any restrictions placed on Certificates by state law, Certificates shall only be issued to projects that meet the following requirements:

- i. Projects shall be on parcels within the Zone which have been improved after the designation of the Zone by the State of Illinois.
- ii. Projects shall be on parcels within the Zone which on or after the first day of Zone certification:
 1. have been granted a building permit by the City, or
 2. exist in unincorporated Champaign County and have either been granted a zoning use permit by the County or involve the rehabilitation of an existing structure that does not require a County zoning use permit.
- iii. Commercial, industrial, or mixed-use projects shall be of a minimum project cost of \$1,000. Mixed-use projects are only eligible if at least twenty (20) percent of all premise square footage is dedicated to a commercial or industrial use.
- iv. New residential construction projects shall be of a minimum project cost of \$1,000 creating at least one:
 1. single family residence,
 2. duplex or two-family residence,
 3. townhome, or
 4. other zero-lot-line single family residence.

(b) Property Tax Abatements: The City shall take all action appropriate and necessary to join with other taxing bodies in abating

increases in real estate taxes as an incentive for economic development within the Zone pursuant to the Act and further subject to the authorization and limitations set forth in resolution or ordinance by any participating taxing body.

Section 5. Zone Administration. The Mayor and City Council of the City, in an effort to successfully facilitate management, operation and development of the Zone hereby provide for the designation of a Zone Administrator (the "Administrator") who will carry out the functions and management of the Zone in accordance with the Agreement.

Section 6. Designated Zone Organizations. In order to facilitate the successful development of the Zone and in accordance with the Act, this Ordinance hereby provides for the establishment of Designated Zone Organizations under which any or all of the functions provided for in Section 8 of the Act will be carried out. The Designation Zone Organization(s) and any project(s) which it (they) may undertake will be approved in accordance with the provisions of the intergovernmental agreement and rules and regulations promulgated by the Department.

Section 7: Fee Schedule. The Administrator shall charge fees for administration of the Zone in accordance with Section 8.2(c) of the Act. The Administrator shall file a copy of its fee schedule with the Department as required each year.

Section 8. Conformance to Codes, Ordinances, and Regulations. No incentive shall be available to any project which is not constructed, used or occupied in conformance with all City and the County codes, ordinances and regulations. Except as otherwise expressly and specifically provided for herein, nothing contained herein shall be construed to waive, abrogate,

lessen or weaken the full force, effect and application of all laws, resolutions, codes, regulations and ordinances of the City and the County to any project or any person or property.

Section 9. Violations and Penalties.

(a) No person shall knowingly misrepresent facts in order to receive tax abatement or other incentives provided for in this Ordinance or present a certificate of eligibility for purposes of purchasing building materials to be used on any premises other than on premises for which the certificate was issued. "Facts" include, but are not limited to:

- (1) The number of full-time jobs to be created by an enterprise; or
- (2) The number of persons currently employed by a concern; or
- (3) The nature of the project use(s) of or the annual dollar volume of business attributable to the project use(s); or
- (4) Any representation materially affecting the determination of project eligibility or the determination of the percentage of tax abatement to which the project may be entitled under this Ordinance.

(b) In addition to other penalties provided for by law, for the purposes of administration of the Zone, the initial determination of any alleged violation by a project in the City set forth in this Section shall be made by the Administrator who shall notify the property owner of the alleged violation by certified mail at least fifteen (15) days before any further action is taken. The property owner may, within fifteen (15) days after receipt of the notification, submit a written appeal for review by the Administrator. If the alleged violator fails to appeal the initial determination of violation or if the determination is upheld, the alleged violation will be subject to the following administrative penalties:

- (1) Revocation of any tax abatements provided under the terms of this Ordinance.
- (2) Revocation of any certificate of eligibility issues in connection with any project involved in the violation; and
- (3) Loss of eligibility of the subject property for any other incentive or targeted program provided for under this Ordinance.

Section 10. Severability. The Ordinance and every provision thereof shall be considered separable; and the invalidity of any section, clause, paragraph, sentence or provision of the Ordinance shall not affect the validity of any other portion of the Ordinance.

Section 11. The City Clerk is hereby directed to send a certified copy of this Ordinance to the County Clerk of Champaign County.

Section 12. Notices. Notice hereunder shall be considered delivered, whether delivered personally or sent by certified mail, postage prepaid, to:

Mayor of Urbana
 City of Urbana
 400 S. Vine Street
 Urbana, IL 61801

County Administrator
 Champaign County
 1776 E. Washington Street
 Urbana, IL 61802

Enterprise Zone Administrator
 City of Urbana
 400 S. Vine Street
 Urbana, IL 61801


Deputy Enterprise Zone Administrator
 Champaign County Regional Planning
 Commission
 1776 E. Washington Street
 Urbana, IL 61802

PASSED by the City Council this 1st day of December, 2014.

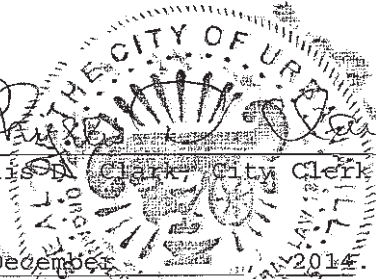
AYES: Ammons, Brown, Jakobsson, Madigan, Marlin, Roberts, Smyth

NAYS:


ABSTAINED:



 Phyllis Clark, City Clerk

The seal of the City of Urumqi is circular with a central emblem. The text around the seal reads "THE CITY OF URMUQI" at the top and "FOUNDED UNDER GENERAL LAW, CHARTERED 1955" at the bottom.

APPROVED by the Mayor this 3rd day of December, 2014.



 Laurel Lunt Prussing, Mayor

Part C. Development Goals and Objectives

List and explain in order of priority the specific three year development goals and objectives of the enterprise zone. The objectives must be quantifiable. Describe the specific tasks, activities and commitments which must be accomplished to achieve each objective. Indicate who is responsible for each task or activity and when each task will be completed. For example, if a business retention effort is proposed, identify the elements of the proposal, who will be responsible for the program and the time line for program initiation and completion.

Priority Goals for the First Three Years of the Urbana Enterprise Zone:

1. Attract site-appropriate commercial, manufacturing, and industrial employers to North Urbana leveraging the completion of the Olympian Drive and North Lincoln Avenue road extensions.
2. Stabilize the Philo Road Area neighborhood commercial district by encouraging both residential and neighborhood commercial infill.
3. Attract new employers, offices, and destination retail stores to the High Cross Road and Windsor Avenue corridors leveraging recent infrastructure investments.
4. Encourage redevelopment and employer attraction in the Urbana Tax Increment Finance Districts in Downtown Urbana and along the Cunningham Avenue Corridor.
5. Encourage public and private investment in medical, biomedical, and related industry investments along University Avenue.
6. Initiate discussions with the University of Illinois for mixed-use redevelopment of the Orchard Downs in accordance with the Champaign-Urbana-Savoy Metro Zone agreement.

Goal 1: Attract site-appropriate commercial, manufacturing, and industrial employers to North Urbana leveraging the completion of the Olympian Drive and North Lincoln Avenue road extensions.

By mid-2016, the City of Urbana will have completed a more than \$7 million project to extend Olympian Drive east by 1.2 miles including spanning the Illinois Central Railroad tracks. In addition, by mid-2016 the City plans to complete a more than \$3 million project to extend North Lincoln Avenue and improve its accessibility to commercial trucking traffic. These improvements are anticipated to greatly enhance the potential for the development of North Urbana for site-appropriate commercial, manufacturing and industrial employers while maintaining appropriate transitions to agricultural uses beyond the planned urban growth area. This area already features good access to the Illinois Central Railroad tracks. The agricultural character of the northern extent of this area also presents an opportunity for value-added processors of agricultural products.

Through the participation of seven local taxing partners, the Urbana Enterprise Zone will offer robust property tax abatements for new facility construction that will further enhance the suitability of this area for investment by prospective employers. The City of Urbana Economic Development staff, Champaign County Economic Development Corporation, and the Economic Development staff of the Champaign County Regional Planning Commission will all play roles in the programmatic attraction of employers to this area.

Goal 1 Objectives & Activities

- **Attract at least three new employers to North Urbana in the first three years**
 - Hold an annual meeting with property owners interested in developing sites that are suitable for development commencing in Q1 2016 (Urbana Economic Development Manager & Champaign County Regional Planning Commission Economic Development Specialist)
 - Convene an annual meeting of commercial brokers and developers to showcase properties that are available for development and promote Enterprise Zone Incentives commencing in Q3 2016 (Urbana Economic Development Manager)
 - Issue at least one Request for Proposals for the establishment of an employment facility in North Urbana by Q3 2017 (Urbana Economic Development Manager)
 - Identify and attend at least one industry-specific recruitment event each year commencing by Q4 2016. (Urbana Economic Development Manager & Champaign County Economic Development Corporation Executive Director)
- **Assist at least one current employer with employment expansion in the first three years**
 - Hold an annual North Urbana Industrial Employers Roundtable meeting to discuss growth potential and Enterprise Zone incentives commencing by Q2 2016. (Champaign County Economic Development Corporation Executive Director)

Goal 2: Stabilize the Philo Road Area neighborhood commercial district by encouraging residential, office, and neighborhood commercial infill.

The Philo Road Area Business District has experienced commercial decline and transition in the last decade. Overall, national market trends have shifted chain stores and other destination retailers to areas with higher traffic counts and greater interstate accessibility. The Philo Road area now is primarily a neighborhood business district, but suffers from excess inventory of medium to large sized, former-retail buildings. Many of these facilities show promise for repurposing as offices and professional services, but lack of private investment in renovation and redevelopment has stagnated this transition of business uses. Greater residential densities to the east and south are also needed to provide a greater customer base to the struggling neighborhood businesses that remain.

Through the participation of seven local taxing partners, the Urbana Enterprise Zone will offer robust property tax abatements for the construction of new single family homes, duplexes and townhomes in addition to robust property tax abatements for the redevelopment and renovation of existing sites into facilities better suited to employers. The City of Urbana Economic Development and Community Development staff will play the lead roles in the programmatic marketing of this area for new home construction and the attraction of employers and developers.

Goal 2 Objectives & Activities

- **Encourage the construction of at least 150 new residential units in single family, duplex and townhomes in the Urbana Enterprise Zone within the first three years.**

- Establish a new “Build Urbana” marketing program to raise awareness of the Enterprise Zone incentives and attract new residential developers to Urbana.
 - Hold an annual meeting with Residential Developers beginning in Q1 2016 (Urbana Economic Development Manager)
 - Conduct an annual Realtors Bus Tour with local realty professionals beginning in Q2 2016 (Urbana Marketing Coordinator)
 - Establish a budget for advertisement of Build Urbana Q1 2016 and renew annually (Urbana Economic Development Manager)
 - Establish a social media presence for the Build Urbana program by Q1 2016 and maintain throughout the life of the program (Urbana Marketing Coordinator)
- **Attract at least six new tenants to existing commercial buildings and facilitate the renovation of at least three buildings in the Philo Road Area within the first three years.**
 - Hold an annual meeting with business district property owners and commercial real estate agents commencing in Q2 2016 (Urbana Economic Development Manager)
 - Promote conversion of former retail spaces into offices and professional services through follow-up meetings with at least 3 property owners each year commencing in Q3 2016 (Urbana Economic Development Manager)
 - Encourage redevelopment of former big box, retail and indoor mall locations by issuing at least one Request For Proposals by Q3 2017. (Urbana Economic Development Manager)

Goal 3: Attract new employers, offices, and destination retail stores to the High Cross Road and Windsor Avenue corridors leveraging recent infrastructure investments.

In 2015, the State of Illinois will complete over \$7 million in improvements to High Cross Road and the City of Urbana will complete over \$4 million in reconstruction of Windsor Avenue. These two roadways are the primary thoroughfares at the eastern and southern edges of Urbana’s urbanized area. These areas are steadily commercializing, however the rate of these developments slowed precipitously during the Great Recession beginning in 2008. Notably, the Menards Corporation purchased over 300 acres of property along High Cross Road, but its plans for the construction of a store, outlots and hundreds of residential units were postponed indefinitely in 2008. Despite the economic downturn, employment and retail growth have continued to grow in south and east Urbana, however the lack of any activity on these large tracts of land have stunted opportunities for larger developments and are now largely viewed as a bellwether by the development community for the appropriateness of investment by national entities in Urbana.

Through the participation of seven local taxing partners, the Urbana Enterprise Zone will offer robust property tax abatements for the construction of new commercial offices and retail facilities along these important thoroughfares. The Zone will also abate taxes on the construction of new single family homes, duplexes and townhomes in this area which will serve to compliment commercial investment. The City of Urbana Economic Development staff and the Champaign County Regional Planning Commission Economic Development staff will play roles in the programmatic marketing of this area for attracting new commercial and office employers to these

important traffic corridors as well as the promotion of new home construction in south and east Urbana.

Goal 3 Objectives & Activities

- **Attract at least three new employers to East or South Urbana in the first three years**
 - Hold an annual meeting with property owners interested in developing sites that are suitable for development commencing in Q1 2016 (Urbana Economic Development Manager & Champaign County Regional Planning Commission Economic Development Specialist)
 - Convene an annual meeting of commercial brokers and developers to showcase properties that are available for development and promote Enterprise Zone Incentives commencing in Q3 2016 (Urbana Economic Development Manager)
 - Issue at least one Request for Proposals for the establishment of an employment facility in South or East Urbana by Q3 2017 (Urbana Economic Development Manager)
 - Identify and attend at least one industry-specific recruitment event each year commencing by Q4 2016. (Urbana Economic Development Manager & Champaign County Regional Planning Commission Economic Development Specialist)
 - Hold at least one meeting annually with Menards Corporation representatives commencing in Q3 2016 until development commences (Urbana Economic Development Manager).

Goal 4: Encourage redevelopment and employer attraction in the Urbana Tax Increment Finance Districts in Downtown Urbana and along the Cunningham Avenue Corridors.

Urbana’s three active Tax Increment Finance (TIF) Districts encompass its Downtown and the Cunningham Avenue Corridor. These areas are actively promoted for development through existing TIF programs and incentives for investment in property and new job creation. These areas have suffered lack of private investment, but progress is being made toward greater business district vitality in both areas through the economic development programs of the TIF Districts.

The Urbana Enterprise Zone will offer Sales Tax Exemption Certificates for new construction and renovation of commercial and industrial facilities within significant portions of its TIF Districts. Urbana Enterprise Zone incentives will be promoted concurrently with the TIF programmatic activities by City of Urbana Economic Development staff in order to further enhance the business attraction and economic revitalization efforts that are already underway. The Urbana Business Association will also assist in the promotion of Urbana Enterprise Zone programs and in the attraction of tenants to Downtown Urbana.

Goal 4 Objectives & Activities

- **Construct at least one, new mixed-use building in Downtown Urbana in the first three years**

- Hold an annual meeting with Downtown merchants and property owners to discuss development and business growth potentials commencing in Q1 2016 (Urbana Economic Development Manager & Urbana Business Association Executive Director)
- Convene an annual meeting of commercial brokers and developers to showcase properties that are available for development and promote Enterprise Zone Incentives alongside TIF incentives commencing in Q3 2016 (Urbana Economic Development Manager)
- Issue at least one Request for Proposals for the establishment of a new mixed-use facility in Downtown Urbana by Q3 2017 (Urbana Economic Development Manager)
- **Attract at least six new tenants to existing commercial buildings and facilitate the renovation of at least three buildings in Downtown Urbana within the first three years.**
 - Hold an annual meeting with business district property owners and commercial real estate agents commencing in Q2 2016 (Urbana Economic Development Manager)
 - Hold follow-up meetings with at least three property owners each year commencing in Q3 2016 (Urbana Economic Development Manager).
- **Attract at least three new employers to the Cunningham Avenue area and facilitate the construction of at least one new commercial employment buildings along Cunningham Avenue within the first three years.**
 - Hold follow-up meetings with at least 3 property owners each year commencing in Q3 2016 (Urbana Economic Development Manager).
 - Convene an annual meeting of commercial brokers and developers to showcase properties that are available for development and promote Enterprise Zone Incentives alongside TIF incentives commencing in Q3 2016 (Urbana Economic Development Manager)
 - Issue at least one Request for Proposals for the establishment of a new commercial or industrial employment facility along Cunningham Avenue by Q3 2017 (Urbana Economic Development Manager)

Goal 5: Participate in discussions for the establishment of a University of Illinois Urbana-Champaign translational biomedical institute and related facilities

The University of Illinois Urbana-Champaign and Carle Foundation Hospital have been actively promoting the establishment of a new “translational biomedical institute”. While no specific recommendations for siting of the facility have been set, the University of Illinois owns an undeveloped site on University Avenue within blocks of the main Carle medical campus. This property was formerly intended for a North Research Park and is included in the proposed Urbana Enterprise Zone along with neighboring properties that are potentially developable for complimentary industries. In addition, Carle Foundation Hospital continues to expand its primary medical campus at University Avenue and owns property to the north which it intends to develop in the future.

Through the participation of seven local taxing partners, the Urbana Enterprise Zone will offer robust property tax abatements for new private facility construction at these sites that will aid in the attraction of new private (non-tax-exempt) developers and biomedical-related employers in correlation with these major proposed initiatives. The City of Urbana Community Development staff and the Champaign County Economic Development Corporation will play a lead role in participating

in a dialogue with the University of Illinois and Carle Foundation Hospital to discuss these future development potentials along University Avenue.

Goal 5 Objectives & Activities

- **Hold at least one annual meeting with University of Illinois officials to discuss the development potential of Urbana sites for the “translational biomedical institute” commencing in Q1 2016** (Urbana Community Development Director and Champaign County Economic Development Corporation Executive Director).
- **Hold at least one annual meeting with Carle Foundation Hospital executives and other health professionals to discuss the “translational biomedical institute” and the continued growth of the Carle Foundation Hospital medical campus on University Avenue commencing in Q1 2016** (Urbana Community Development Director and Champaign County Economic Development Corporation Executive Director).

Goal 6: Initiate discussions with the University of Illinois for mixed-use redevelopment of the Orchard Downs in accordance with the Champaign-Urbana-Savoy Metro Zone agreement.

Orchard Downs is a 160-acre tract of land located between Florida Avenue and Windsor Road. The site is owned by the University of Illinois and is currently occupied by multi-family housing for both students and faculty. The University solicited proposals for redevelopment of the site in 2007 which resulted in two proposals for mixed-use development; however these proposals were not pursued. The City of Urbana seeks redevelopment of this site into appropriate, taxable residential and commercial facilities which will better interface with and grow in relation to the nearby University of Illinois Research Park and residential areas. These properties which sit near the boundary between Urbana and Champaign are also subject to an intergovernmental tax-sharing and boundary development agreement known as the Metro Zone agreement. Taxable redevelopment of Orchard Downs which compliments the growth of University-related startups and businesses will benefit both the City of Urbana and the City of Champaign.

Through the participation of seven local taxing partners, the Urbana Enterprise Zone will offer robust property tax abatements for new facility construction that will aid in the attraction of new private developers and University-related employers. The City of Urbana Community Development staff and the Champaign County Economic Development Corporation staff will play a lead role in initiating a dialogue with the University of Illinois to discuss the future development potential of the Orchard Downs property.

Goal 6 Objectives & Activities

- **Hold at least one annual meeting with University of Illinois officials to discuss the development potential of Orchard Downs commencing in Q1 2016** (Urbana Community Development Director and Champaign County Economic Development Corporation Executive Director)