



COMMERCIAL/INDUSTRIAL PROJECT Real Estate Tax Abatement

The Illinois Enterprise Zone Act (20 ILCS 655) contains provisions for the Illinois Enterprise Zone program that is administered by the Illinois Department of Commerce and Economic Opportunity (DCEO). The City of Galesburg has a certified Enterprise Zone (GEZ) which began January 1, 2016 and will remain in effect for an initial fifteen years expiring upon December 31, 2030. The Enterprise Zone program offers a number of incentives to encourage businesses to locate or expand in the zone.

This information and attached Application are for the Real Estate Tax Abatement incentive only. Information on other incentives is available upon request.

What is a Real Estate Tax Abatement?

The Revenue Act 35 ILCS 200/18-170, as amended provides that any taxing district may order the county clerk to abate (that is, to give up) any portion of its taxes on real property located within the GEZ and upon which a qualified project has been done. All Galesburg taxing bodies are currently participating to provide a 100% property tax abatement on any increase in the equalized assessed value resulting from a *qualified project*. The abatement is available for a ten year period, provided, however, the total abatement shall not exceed the amount attributed to the qualified project or \$1,000,000 per taxing body.

What is a Qualified Project?

A qualified project includes improvements to a property located within the GEZ in the form of new construction, substantial renovation or expansion of an existing building. The project must create new full-time jobs and may not reduce the prior assessed valuation.

Who is eligible?

Any new construction or renovation of commercial, industrial, multi-family within the GEZ or upper-story residential unit(s) in the GEZ when also within a B3 zoning district. No incentives, including GEZ incentives, shall be offered for residential development (other than listed above) or to not-for-profit corporations.

Are taxes reduced on the current value of property (or on existing improvements)?

No. The abatement applies only to taxes on the increase in assessed value attributable to the new construction, renovation, or rehabilitation. Taxes based on the assessed value of land and existing improvements continue to be extended and collected.

If property tax abatement is authorized, are the new improvements assessed?

Yes. By law, every time property is improved, it is reassessed.

What if my property is located within the Enterprise Zone and a Tax Increment Financing (TIF) District?

A TIF district may be included in the legal description of the enterprise zone and consequently be eligible to receive tax incentives and benefits *other than* property tax abatement.

Procedure

- Complete the attached Real Estate Tax Abatement application and submit it to the Planning Division. Staff will review the submitted form, insert the GEZ project number and any other required information and the administrator will sign the form. These forms are then kept on file in the Department.
- At the beginning of each year, the Planning staff will process all Real Estate Tax Abatement applications approved during the previous year and compile them into a report that is sent to the City Assessor's office for processing.

CITY OF GALESBURG

Planning & Public Works Department

Operating Under Council – Manager Government Since 1957



This page intentionally left blank



**COMMERCIAL/INDUSTRIAL PROJECT
Real Estate Tax Abatement Application**

Galesburg Enterprise Zone Project No. *GEZ-*_____

Part I To Be Completed by Applicant

- A. Name of Applicant: _____
- B. Street Address: _____
- C. City/State/Zip: _____
- D. Employer’s Federal Employer’s Identification Number: _____
- E. Unemployment Insurance Number (UIN): _____
- F. Name of Business/Company and Address (if different from applicant) _____

G. Street Address of Proposed Project: _____

H. Boundaries of Proposed Project Area (Attach legal description of property if available, or provide general description using streets, alleys, railroads, or other such features. Be sure to include any existing facilities which are to be incorporated into the project):

I. Description of Proposed Project (Provide a general description of the proposed project including the general nature of improvements relating to any rehabilitation/remodeling of existing structures, new construction, major paving, or new equipment. Use an additional sheet if necessary):

J. Number of Full Time Equivalent Jobs *Presently* at Project Location:
Professional _____ Skilled _____ Unskilled _____

K. Number of Jobs to be *Retained* as a Result of this Project:
Professional _____ Skilled _____ Unskilled _____

L. Number of Full Time Equivalent Jobs to be *Created* within 12 Months of
Rehabilitation/Construction Completion as a Result of this Project:
Professional _____ Skilled _____ Unskilled _____

M. Current Estimated Cost of Improvements:
Remodeling/Rehabilitation \$ _____
New Construction/Additions: \$ _____
Capital Equipment: \$ _____

N. Does this Project involve a move from another location: Yes _____ No _____
If Yes, from what City and State?

O. Signature of Applicant (or Applicant’s Authorized Representative):

_____ Name _____ Title

P. _____
Date

CITY OF GALESBURG

Planning & Public Works Department
Operating Under Council – Manager Government Since 1957



Part II. To be Completed by Zone Administrator/City Staff

- A. Date Application Received by Zone Administrator: _____
- B. Tract Number(s) of Project Location: _____
- C. Date Building Permit Issued: _____
- D. Construction Value of Project: _____
- E. Classification of Project: Commercial or Industrial: _____
- F. Date of Occupancy/Project Completion: _____
- G. Enterprise Zone Project Number Assigned: _____

(Also record on Page 1, Part 1 of this application)

Part III. To be Completed by Zone Administrator/City Staff

- A. Actual Construction Value of Project: \$ _____
- B. Actual Cost of Capital Equipment \$ _____
- C. Current EAV of Project Site:

<i>Land</i>	\$ _____				
<i>Improvements</i>	\$ _____	<i>Total</i>	\$ _____		
- D. Estimated EAV of Project Site following project improvements:

<i>Land</i>	\$ _____				
<i>Improvements</i>	\$ _____	<i>Total</i>	\$ _____		
- E. Tax Rate Amount Currently Eligible for Abatement: \$ _____ /\$100 EAV
- F. Estimated Amount of Abatement for this Project (Use IIIB. - III.A x III.C): \$ _____ /Yr. *Total* \$ _____ / Yrs.
- G. Actual EAV (tax year in which project was completed):

<i>Land</i>	\$ _____				
<i>Improvements</i>	\$ _____	<i>Total</i>	\$ _____		
- H. Actual Amount of Abatement for this Project: \$ _____ /Yr. *Total* \$ _____
- I. Certification of Data (Part III.A through F):

Steve Gugliotta, Zone Administrator

Date