

# Aurora River Zone

## An Illinois State designated River Edge Redevelopment Zone

The River Edge Redevelopment Zone program was created by the State of Illinois to stimulate the safe and cost-effective development of environmentally challenged properties adjacent to or surrounding rivers using tax incentives and grants.

Used to their fullest extent these incentives can result in significant savings for property and business owners alike, while promoting Aurora's economy. Goals of the River Edge Redevelopment Zone program include creating and retaining jobs, stimulating business and industrial retention and growth and returning brownfield sites to productive use.

### Zone Certification

The Aurora River Zone was certified by the State of Illinois on March 21, 2007 and will expire in 2037. This program provides opportunity for expanded investment in the Downtown and areas along the Fox River. Along with existing economic and redevelopment programs, the City of Aurora is committed to healthy redevelopment along the Fox River, and continued investment in the City.

The RERZ program provides for the creation of a Designated Zone Organization (DZO) that will carry out activities that benefit residents and businesses within the Zone.

### Economic Incentives

The River Edge Redevelopment Zone (RERZ) Program is designed to achieve its goals through the use of incentives authorized by State law. Both Sales Tax Exemption and Property Tax Abatement are administered by the City of Aurora Zone Administrator. The others involve tax incentives that may be claimed on your Illinois Income Tax filing. All require a Certificate of Eligibility issued by the City of Aurora.

### Investment Tax Credits

Allows RERZ businesses to claim an additional 0.5% credit on their State income tax for the cost of qualified depreciable property placed in service in the Zone.

### Jobs Tax Credits

Allows a business a \$500 credit on its Illinois state income tax for each job it creates in the RERZ for which a certified dislocated worker is hired. The person hired must first be certified by a Local Work Investment agency. To qualify for the credit at least 5 such workers must be hired and all 5 must be employed for at least 180 consecutive days for 30 hours a week in the company's taxable year.

([http://www.illinoisbiz.biz/dceo/Bureaus/Workforce\\_Development/WARN/WARN\\_LWIA+regions.htm](http://www.illinoisbiz.biz/dceo/Bureaus/Workforce_Development/WARN/WARN_LWIA+regions.htm))

### Dividend Income Reduction

Allows individuals, corporations, trusts and estates to deduct an amount equal to dividends paid to them by a corporation that conducts substantially all of its operation in the RERZ from their taxable income.

### Building Materials Sales Tax Exemption

Allows for exemption of sales tax on construction materials for non-residential projects within the RERZ. Forms necessary to claim this "point-of-sales" exemption are available from the City of Aurora zone administrator.

### Environmental Remediation Tax Credit

Allows for a credit against State Income Taxes for some non-reimbursed eligible costs for remediation work done on an RERZ site resulting in a "NFR Letter" being issued. This requires a joint review by DCEO and the Illinois Environmental Protection Agency (IEPA). The credit is 0.25 for each dollar spent for non-reimbursed remediation expenses. For more information, contact the IEPA, Division of Remediation Management.

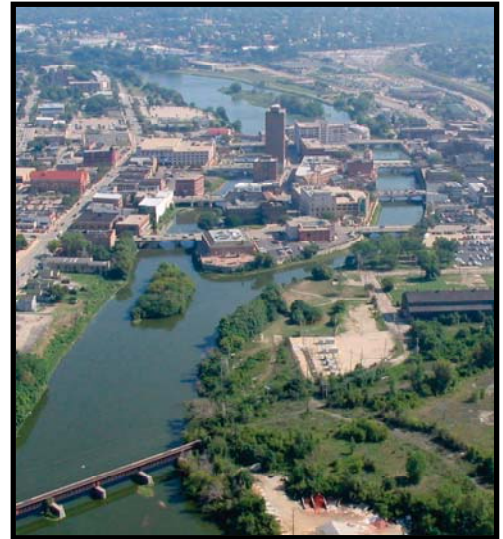
(<http://www.epa.state.il.us/about/org/bureau-of-land.html>)

### Property Tax Abatement

The Aurora River Zone may offer property tax abatement for certain areas within the zone. Areas that are also located within a TIF District are **not eligible** for this incentive. To determine if property tax abatement may be available for your property, contact the City of Aurora zone administrator.

### Interest Income Deduction

Allows financial corporations to deduct an amount equal to the interest received for a loan for development in an RERZ from their corporate State Income tax. The loan must be secured by property located within an RERZ.



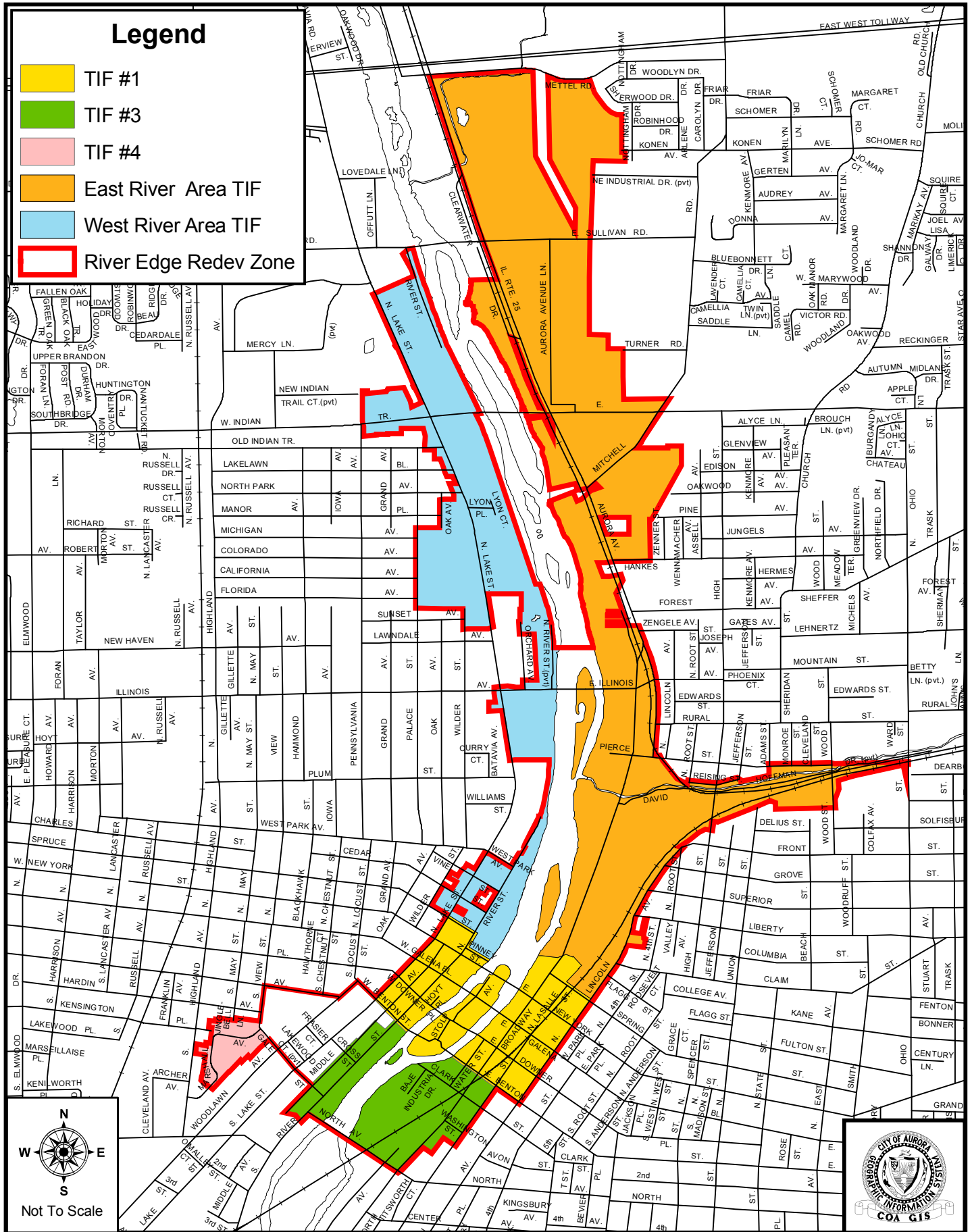
### Grant Opportunities

Under the IEPA Municipal Brownfields Redevelopment program, cities may be eligible for \$240,000 in grant funding. With the RERZ designation, the City of Aurora will be eligible for an additional \$1,760,000 (\$2M total) in grant funds. The additional eligible funding must be attributable to projects within the Aurora River Zone. Funds must be used for coordination of activities related to brownfields redevelopment ranging from assessment to remediation, including reporting requirements. *Funds may only be used on projects that are publicly owned or will be acquired by the City of Aurora.*

The Illinois Department of Commerce and Economic Opportunity (DCEO) may also provide Capital Improvement Grants that can be used to reimburse the cost of bondable capital improvements needed for a redevelopment project within the zone. These funds may also be used to assist with infrastructure to provide job growth in the Zone with a focus on the re-use of environmentally challenged property. *Availability subject to enactment of the State's Capital Budget.*

# Legend

- TIF #1
- TIF #3
- TIF #4
- East River Area TIF
- West River Area TIF
- River Edge Redev Zone



# River Edge Redevelopment Zone

Prepared By: The City of Aurora MIS Div.