

SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]

FY 2014

Name of Redevelopment Project Area:	TIF District One
Primary Use of Redevelopment Project Area*:	Central Business Dist.
If "Combination/Mixed" List Component Types:	
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/>	Industrial Jobs Recovery Law <input type="checkbox"/>

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment labeled Attachment A	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement labeled Attachment D		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E		X
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F		X
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H	X	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose the Official Statement labeled Attachment I	X	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If yes, please enclose the Analysis labeled Attachment J	X	
Cumulatively, have deposits equal or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		X
Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		X
A list of all intergovernmental agreements in effect in FY 2010, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose list only of the intergovernmental agreements labeled Attachment M	X	

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

Provide an analysis of the special tax allocation fund.

FY 2014

TIF NAME: TIF District One

Fund Balance at Beginning of Reporting Period

\$ 861,097

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	\$ 629,254	\$ 16,497,094	74%
State Sales Tax Increment		\$ 491,976	2%
Local Sales Tax Increment		\$ 565,327	3%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 10,723	\$ 912,937	4%
Land/Building Sale Proceeds			0%
Bond Proceeds		\$ 2,300,000	10%
Transfers from Municipal Sources	\$ 334,487	\$ 1,378,037	6%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

*must be completed where 'Reporting Year' is populated

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period

\$ 974,464

Cumulative Total Revenues/Cash Receipts

\$ 22,145,371 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)

\$ 1,163,039

Distribution of Surplus

\$ 240,701

Total Expenditures/Disbursements

\$ 1,403,740

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS

\$ (429,276)

FUND BALANCE, END OF REPORTING PERIOD*

\$ 431,821

* if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

SURPLUS*/(DEFICIT)(Carried forward from Section 3.3)

\$ (303,876)

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

FY 2014

TIF NAME: TIF District One

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
(by category of permissible redevelopment cost, amounts expended during reporting period)

FOR AMOUNTS >\$10,000 SECTION 3.2 B MUST BE COMPLETED

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
Marketing/Promotion/Legal	10,438	
Personnel Services	30,561	
		\$ 40,999
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
UBA Marketing Activities/Public Arts	117,815	
		\$ 117,815
3. Property assembly, demolition, site preparation and environmental site improvement costs. Subsection (q)(2), (o)(2) and (o)(3)		
		\$ -
4. Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private buildings. Subsection (q)(3) and (o)(4)		
		\$ -
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)		
Main Street Improvements	520,594	
		\$ 520,594
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		\$ -

SECTION 3.2 A

PAGE 3

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
Urbana Landmark Hotel Incentives	181,486	
Stratford Apartments Incentives	86,573	
Cake Design Development Incentives	128,000	
Downtown Loan/Rent Subsidies	87,572	
		\$ 483,631
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 1,163,039

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))

Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period

FY 2014

TIF NAME: TIF District One

FUND BALANCE, END OF REPORTING PERIOD \$ 431,821

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
NA		

Total Amount Designated for Obligations \$ - \$ -

2. Description of Project Costs to be Paid		
Cake Design Development Renovation Reimbursements		\$ 230,000
Stephens Building Renovation Reimbursements		\$ 220,000
Stratford Apartment Incentives		\$ 285,697

Total Amount Designated for Project Costs \$ 735,697

TOTAL AMOUNT DESIGNATED \$ 735,697

SURPLUS*/(DEFICIT) \$ (303,876)

* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2014

TIF NAME: TIF District One

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

No property was acquired by the Municipality Within the Redevelopment Project Area

Property Acquired by the Municipality Within the Redevelopment Project Area

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)

FY 2014

TIF NAME: TIF District One

SECTION 5 PROVIDES PAGES 1-3 TO ACCOMMODATE UP TO 25 PROJECTS. PAGE 1 MUST BE INCLUDED WITH TIF REPORT. PAGES 2-3 SHOULD BE INCLUDED ONLY IF PROJECTS ARE LISTED ON THESE PAGES

Check here if NO projects were undertaken by the Municipality Within the Redevelopment Project Area: <u> X </u>			
ENTER total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below*.			
TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ -
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

Project 1: *IF PROJECTS ARE LISTED NUMBER MUST BE ENTERED ABOVE			
Private Investment Undertaken (See Instructions)			\$ -
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 2:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 3:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 4:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 5:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 6:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 7:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 8:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 9:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 10:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 11:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 12:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 13:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 14:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 15:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 16:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 17:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 18:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 19:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 20:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 21:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 22:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 23:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 24:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 25:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois. *even though optional MUST be included as part of complete TIF report

SECTION 6

FY 2014

TIF NAME: TIF District One

Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area

Year redevelopment project area was designated	Base EAV	Reporting Fiscal Year EAV
1980	\$ 2,430,250	\$ 8,722,708

List all overlapping tax districts in the redevelopment project area.
If overlapping taxing district received a surplus, list the surplus.

_____ The overlapping taxing districts did not receive a surplus.

Overlapping Taxing District	Surplus Distributed from redevelopment project area to overlapping districts
Urbana School District	\$ 128,847
City of Urbana	\$ 35,243
Urbana Park District	\$ 26,309
Champaign County	\$ 21,167
Parkland College	\$ 13,502
CUMTD	\$ 7,715
Cunningham Township	\$ 5,629
Forest Preserve	\$ 2,289
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -

SECTION 7

Provide information about job creation and retention

Number of Jobs Retained	Number of Jobs Created	Description and Type (Temporary or Permanent) of Jobs	Total Salaries Paid
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

SECTION 8

Provide a general description of the redevelopment project area using only major boundaries:

--

Optional Documents	Enclosed
Legal description of redevelopment project area	
Map of District	

June 5, 2015

Local Government Division
Office of the Comptroller
100 W. Randolph, Suite 15-500
Chicago, IL 60601

**Re: Report of Annual Activities - Urbana TIF District One
July 1, 2013 through June 30, 2014**

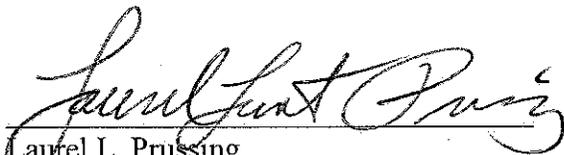
Dear Local Government Compliance Manager:

Pursuant to the Tax Increment Allocation Redevelopment Act, the City of Urbana hereby submits the annual Tax Increment Finance Report for Urbana Tax Increment Finance District One for the period July 1, 2013 through June 30, 2014.

I hereby certify that the City of Urbana has complied with all requirements of the Tax Increment Allocation Redevelopment Act, including reporting requirements during Fiscal Year 2013-14.

Should you have any questions concerning our annual report for Urbana TIF District One, please contact Brandon Boys, at 217/328-8270.

Sincerely,



Laurel L. Prussing
Mayor

June 5, 2015

Local Government Division
Office of the Comptroller
100 W. Randolph, Suite 15-500
Chicago, IL 60601

**Re: Report of Annual Activities - Urbana TIF District One
July 1, 2013 through June 30, 2014**

Dear Local Government Compliance Manager:

I am legal counsel for the City of Urbana, Champaign County, Illinois (the "City"), and in connection with the requirements of Section 5/11-74.4 of the Municipal Code of the State of Illinois, as amended (65 ILCS 5/11-74.4) and also referred to as the Tax Increment Allocation Redevelopment Act (the "Act") I have examined, among other things, the following:

1. Annual Tax Increment Finance Report for Urbana Tax Increment Finance District One, as prepared by Brandon Boys, Economic Development Manager for the City, and Elizabeth Hannan, Finance Director for the City, dated June 5, 2015.
2. Comprehensive Annual Financial Report of the City for the year ended June 30, 2014, as the line item accounts therein are further defined and explained by the letter of Elizabeth Hannan, Finance Director for the City of Urbana, dated June 5, 2015, together with the letter from Baker Tilly Virchow Krause, LLP, an independent certified public accounting firm, for Fiscal Year July 1, 2013 through June 30, 2014, indicating compliance with the requirements of Section 11-74.4-3 of the Act.
3. A letter dated June 5, 2015 from Laurel L. Prussing, Mayor, addressed to the Office of the Comptroller as addressed above regarding the certification by the Mayor as the Chief Executive Officer of the City, as required by Section 11-74.4-5 (d) (3) and 11-74.6-22 (d) (3) of the Act.

Based on the foregoing and in reliance on the factual matters contained therein, but without having independently verified the accuracy or completeness of such factual matters, I am of the opinion that the City was in compliance with the Act of and during the period covered by such reported information.

Sincerely,



Curt Borman
Assistant City Attorney
Ph. 217/384-2464

Attachment D
Activities Statement

and

Attachment F
Additional Information

The following activities were undertaken in furtherance of the objectives of the redevelopment plan.

1. TIF 1 paid \$520,594 toward improvements to Main Street including road reconstruction and resurfacing, enhanced signalization, improved pedestrian accessibility, and the reduction of automobile traffic lanes to allow for the incorporation of bicycle lanes.
2. Urbana Business Association Marketing and Public Arts Activities: \$117,815
3. TIF 1 paid \$10,438 in the form of marketing, promotion and legal services.
4. TIF 1 paid \$86,573 as an interest subsidy under a redevelopment agreement with Stratford Properties as consideration of their having constructed a mixed-use 40-unit apartment building on a downtown site.
5. TIF 1 paid \$181,486 through a redevelopment agreement with Xiao Jin Yuan for the renovation and reactivation of the Urbana Landmark Hotel.
6. TIF 1 paid \$128,000 through a redevelopment agreement with Cake Design Development for the renovation and reactivation of two downtown properties.
7. TIF 1 paid \$87,572 in Downtown Loan/Rent subsidies to property owners and tenants engaged in improving or renovating existing buildings associated with the expansion of existing or the establishment of new businesses.

Ordinance No. 2014-04-040

REDEVELOPMENT AGREEMENT

by and between the

CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS

and

CAKE DESIGN DEVELOPMENT LLC – SERIES 204 WEST MAIN STREET

Dated as of May 1, 2014

Document Prepared By:

**Kenneth N. Beth
Evans, Froehlich, Beth & Chamley
44 Main Street, Third Floor
Champaign, IL 61820**

TABLE OF CONTENTS

		<u>Page</u>
ARTICLE I	DEFINITIONS	2
Section 1.1.	Definitions.....	2
Section 1.2.	Construction	3
ARTICLE II	REPRESENTATIONS AND WARRANTIES	3
Section 2.1.	Representations and Warranties of the City	3
	(a) Organization and Standing.....	3
	(b) Power and Authority	3
	(c) Authorization and Enforceability.....	3
	(d) No Violation	4
	(e) Governmental Consents and Approvals.....	4
Section 2.2.	Representations and Warranties of the Developer	4
	(a) Organization.....	4
	(b) Power and Authority	4
	(c) Authorization and Enforceability.....	4
	(d) No Violation	4
	(e) Consents and Approvals	4
	(f) No Proceedings or Judgments.....	4
	(g) Maintenance of Existence.....	5
Section 2.3.	Disclaimer of Warranties	5
ARTICLE III	CONDITIONS PRECEDENT TO THE UNDERTAKINGS ON THE PART OF THE DEVELOPER AND THE CITY	5
Section 3.1	Conditions Precedent	5
Section 3.2	Reasonable Efforts and Notice of Termination.....	5
ARTICLE IV	CITY'S COVENANTS AND AGREEMENTS	6
Section 4.1.	City's TIF Funded Financial Obligations.....	6
Section 4.2.	Defense of Redevelopment Project Area	6
ARTICLE V	DEVELOPER'S COVENANTS	6
Section 5.1.	Commitment to Undertake and Complete Project	6
Section 5.2.	Compliance with Agreement and Laws During Project.....	7
Section 5.3.	Continuing Compliance With Laws	7
Section 5.4.	Tax and Related Payment Obligations	7
ARTICLE VI	PAYMENT PROCEDURES FOR ELIGIBLE REDEVELOPMENT PROJECT COSTS	8
Section 6.1.	Payment Procedures	8
Section 6.2.	Approval and Resubmission of Requisitions	8
Section 6.3.	Time of Payment.....	8

ARTICLE VII	DEFAULTS AND REMEDIES	9
Section 7.1.	Events of Default.....	9
Section 7.2.	Rights to Cure	9
Section 7.3.	Remedies	9
Section 7.4.	Costs, Expenses and Fees.....	10
ARTICLE VIII	RELEASE, DEFENSE AND INDEMNIFICATION OF CITY	10
Section 8.1.	Declaration of Invalidity	10
Section 8.2.	Damage, Injury or Death Resulting from Project	10
Section 8.3.	Damage or Injury to Developer and Others	10
Section 8.4.	No Personal Liability	11
Section 8.5.	City Not Liable for Developer Obligations.....	11
Section 8.6.	Actions or Obligations of Developer	11
Section 8.7.	Environment Covenants	11
Section 8.8.	Notification of Claims.....	12
ARTICLE IX	MISCELLANEOUS PROVISIONS	12
Section 9.1.	Entire Agreement and Amendments	12
Section 9.2.	Third Parties	12
Section 9.3.	Counterparts	12
Section 9.4.	Special and Limited Obligation.....	12
Section 9.5.	Time and Force Majeure	13
Section 9.6.	Waiver	13
Section 9.7.	Cooperation and Further Assurances	13
Section 9.8.	Notices and Communications.....	13
Section 9.9.	Assignment.....	14
Section 9.10.	Successors in Interest	14
Section 9.11.	No Joint Venture, Agency, or Partnership Created	14
Section 9.12.	Illinois Law; Venue	14
Section 9.13.	Term	14
Section 9.14.	Recordation of Agreement	14
Section 9.15.	Construction of Agreement	15

EXHIBIT LIST

EXHIBIT A	Description of Property
------------------	-------------------------

REDEVELOPMENT AGREEMENT

THIS REDEVELOPMENT AGREEMENT (including any exhibits and attachments hereto, collectively, this “**Agreement**”) is dated for reference purposes only as of May 1, 2014, but actually executed by each of the parties on the dates set forth beneath their respective signatures below, by and between the **City of Urbana, Champaign County, Illinois**, an Illinois municipal corporation (the “**City**”), and **Cake Design Development LLC – Series 204 West Main**, an Illinois limited liability company (the “**Developer**”). This Agreement shall become effective upon the date of the last of the City and the Developer to execute and date this Agreement and deliver it to the other (the “**Effective Date**”).

RECITALS

WHEREAS, in accordance with and pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 *et seq.*), as supplemented and amended (the “**TIF Act**”), including by the power and authority of the City as a home rule unit under Section 6 of Article VII of the Constitution of Illinois, the City Council of the City (the “**Corporate Authorities**”) did adopt a series of ordinances (Ordinance Nos. 8081-61, 8081-62 and 8081-63 on December 22, 1980) including as supplemented and amended by certain ordinances (Ordinance No. 8637 on October 6, 1986; Ordinance No. 9394-100 on May 16, 1994, Ordinance No. 2003-12-148 on December 15, 2003, and Ordinance No. 2004-09-132 on October 4, 2004) (collectively, the “**TIF Ordinances**”); and

WHEREAS, under and pursuant to the TIF Act and the TIF Ordinances, the City designated the Urbana Downtown Tax Increment Redevelopment Project Area (the “**Redevelopment Project Area**”) and approved the related redevelopment plan, as supplemented and amended (the “**Redevelopment Plan**”), including the redevelopment projects described in the Redevelopment Plan (collectively, the “**Redevelopment Projects**”); and

WHEREAS, as contemplated by the Redevelopment Plan and the Redevelopment Projects, the Developer proposes to undertake (or cause to be undertaken) the Project (including related and appurtenant facilities as more fully defined below); and

WHEREAS, the Property (as defined below) is within the Redevelopment Project Area; and

WHEREAS, the Developer is unwilling to undertake the Project (as defined below) without certain tax increment finance incentives from the City, which the City is willing to provide; and

WHEREAS, the City has determined that it is desirable and in the City’s best interests to assist the Developer in the manner set forth herein in this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Developer hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1. Definitions. For purposes of this Agreement and unless the context clearly requires otherwise, the capitalized words, terms and phrases used in this Agreement shall have the meaning provided in the above Recitals and from place to place herein, including as follows:

“City Comptroller” means the City Comptroller of the City, or his or her designee.

“Completion Date” means, subject to “unavoidable delays” as described in Section 9.5 of this Agreement, the date on which Phase II of the Project is completed as evidenced by the issuance by the City of a certificate of occupancy for the renovated building upon the Property.

“Corporate Authorities” means the City Council of the City.

“Eligible Redevelopment Project Costs” means those costs paid and incurred in connection with Phase I, Phase II and Phase III of the Project which are authorized to be reimbursed or paid from the Fund as provided in Section 5/11-74.4-3(q) (2) and (3) of the TIF Act, including the partial demolition of an existing building and the subsequent rehabilitation, reconstruction, repair or remodeling of such building upon the Property.

“Fund” means, collectively, the “Special Tax Allocation Fund” for the Redevelopment Project Area established under Section 5/11-74.8 of the TIF Act and the TIF Ordinances.

“Incremental Property Taxes” means, net of all amounts required by operation of the TIF Act to be paid to other taxing districts, including as surplus, in each calendar year during the term of this Agreement, the portion of the ad valorem real estate taxes arising from levies upon the Redevelopment Project Area by taxing districts that is attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real estate within the Redevelopment Project Area over the equalized assessed value of each taxable lot, block, tract or parcel of real estate within the Redevelopment Project Area which, pursuant to the TIF Ordinances and Section 5/11-74.4-8(b) of the TIF Act, will be allocated to and when collected shall be paid to the City Comptroller for deposit by the City Comptroller into the Fund established to pay Eligible Redevelopment Project Costs and other redevelopment project costs as authorized under Section 5/11-74.4-3(q) of the TIF Act.

“Project” means, collectively, the partial demolition of the existing building and the subsequent rehabilitation, reconstruction, repair or remodeling of such building upon the Property to include: (i) the partial demolition of the existing building including the roof and interior thereof and the related retention and the stabilization of the existing exterior façade of such building (“Phase I”); (ii) the rehabilitation, reconstruction, repair or remodeling of the first floor of the resulting structure of such building so as to provide space for an open-air market and beer garden (“Phase II”); and (iii) the reconstruction and remodeling of a second floor of the resulting structure to fully enclose the first floor area and/or add an upper story (“Phase III”).

“Project Commencement Dates” means, as applicable, August 30, 2014, the date on or before which construction of Phase I of the Project is to commence, and April 30, 2015, the date on or before which Phase II of the Project is to commence.

“Property” means, the real estate consisting of the parcel commonly known as 204 W. Main Street, Urbana, Illinois and legally described on Exhibit A hereto, upon or within which the Project is to be undertaken and completed.

“Reimbursement Amounts” means the amount to be reimbursed or paid from the Fund to the Developer by the City under and pursuant to Section 4.1 of this Agreement.

“Requisition” means a request by the Developer for a payment or reimbursement of Eligible Redevelopment Project Costs pursuant to the procedures set forth in Article VI of this Agreement.

Section 1.2. Construction. This Agreement, except where the context by clear implication shall otherwise require, shall be construed and applied as follows:

- (a) definitions include both singular and plural.
- (b) pronouns include both singular and plural and cover all genders; and
- (c) headings of sections herein are solely for convenience of reference and do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.
- (d) all exhibits attached to this Agreement shall be and are operative provisions of this Agreement and shall be and are incorporated by reference in the context of use where mentioned and referenced in this Agreement.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of the City. In order to induce the Developer to enter into this Agreement, the City hereby makes certain representations and warranties to the Developer, as follows:

(a) **Organization and Standing.** The City is a home rule municipality duly organized, validly existing and in good standing under the Constitution and laws of the State of Illinois.

(b) **Power and Authority.** The City has full power and authority to execute and deliver this Agreement and to perform all of its agreements, obligations and undertakings hereunder.

(c) **Authorization and Enforceability.** The execution, delivery and performance of this Agreement have been duly and validly authorized by all necessary action on the part of the City's Corporate Authorities. This Agreement is a legal, valid and binding obligation of the City, enforceable against the City in accordance with its terms, except to the extent that any and all financial obligations of the City under this Agreement shall be limited to the availability of such Incremental Property Taxes therefor as may be specified in this Agreement and that such

enforceability may be further limited by laws, rulings and decisions affecting remedies, and by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforceability of debtors' or creditors' rights, and by equitable principles.

(d) **No Violation.** Neither the execution nor the delivery of this Agreement or the performance of the City's agreements, obligations and undertakings hereunder will conflict with, violate or result in a breach of any of the terms, conditions, or provisions of any agreement, rule, regulation, statute, ordinance, judgment, decree, or other law by which the City may be bound.

(e) **Governmental Consents and Approvals.** No consent or approval by any governmental authority is required in connection with the execution and delivery by the City of this Agreement or the performance by the City of its obligations hereunder.

Section 2.2. Representations and Warranties of the Developer. In order to induce the City to enter into this Agreement, the Developer makes the following representations and warranties to the City:

(a) **Organization.** The Developer is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Illinois.

(b) **Power and Authority.** The Developer has full power and authority to execute and deliver this Agreement and to perform all of its agreements, obligations and undertakings hereunder.

(c) **Authorization and Enforceability.** The execution, delivery and performance of this Agreement have been duly and validly authorized by all necessary action on the part of the Developer's manager. This Agreement is a legal, valid and binding agreement, obligation and undertaking of the Developer, enforceable against the Developer in accordance with its terms, except to the extent that such enforceability may be limited by laws, rulings and decisions affecting remedies, and by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforceability of debtors' or creditors' rights, and by equitable principles.

(d) **No Violation.** Neither the execution nor the delivery or performance of this Agreement will conflict with, violate or result in a breach of any of the terms, conditions, or provisions of, or constitute a default under, or (with or without the giving of notice or the passage of time or both) entitle any party to terminate or declare a default under any contract, agreement, lease, license or instrument or any rule, regulation, statute, ordinance, judicial decision, judgment, decree or other law to which the Developer is a party or by which the Developer or any of its assets may be bound.

(e) **Consents and Approvals.** No consent or approval by any governmental authority or by any other person or entity is required in connection with the execution and delivery by the Developer of this Agreement or the performance by the Developer of its obligations hereunder.

(f) **No Proceedings or Judgments.** There is no claim, action or proceeding now pending, or to the best of its knowledge, threatened, before any court, administrative or regulatory body, or governmental agency (1) to which the Developer is a party and (2) which will, or could, prevent the Developer's performance of its obligations under this Agreement.

(g) **Maintenance of Existence.** During the term of this Agreement, the Developer shall do or cause to be done all things necessary to preserve and keep in full force and effect its existence as an Illinois limited liability company.

Section 2.3. Disclaimer of Warranties. The City and the Developer acknowledge that neither has made any warranties to the other except as set forth in this Agreement. The City hereby disclaims any and all warranties with respect to the Property and the Project, express or implied, including, without limitation, any implied warranty of fitness for a particular purpose or merchantability or sufficiency of the Incremental Property Taxes for the purposes of this Agreement. Nothing has come to the attention of the Developer to question the assumptions or conclusions or other terms and provisions of any projections of Incremental Property Taxes, and the Developer assumes all risks in connection with the practical realization of any such projections of Incremental Property Taxes.

ARTICLE III
CONDITIONS PRECEDENT TO THE UNDERTAKINGS
ON THE PART OF THE DEVELOPER AND THE CITY

Section 3.1. Conditions Precedent. The undertakings on the part of the City as set forth in this Agreement are expressly contingent upon each of the following:

- (1) The Developer shall have delivered to the City an itemized list of any and all estimated costs to complete Phase I of the Project (the “**Project Budget**”) in accordance with such final development plans as may be approved by the City;
- (2) The Developer shall have provided evidence, in a commercially reasonable form satisfactory to the City, of its ability to pay for the costs of Phase I of the Project, as itemized in the Project Budget;
- (3) The Developer shall have delivered to the City a construction schedule for the completion of Phase I and Phase II of the Project which shall include the Completion Date; and
- (4) The Developer shall have obtained approval of Phase I of the Project in accordance with all applicable laws, codes, rules, regulations and ordinances of the City, including without limitation all applicable subdivision, zoning, environmental, building code or any other land use regulations (collectively, the “**City Codes**”), including the issuance of all required permits, it being understood that the City in its capacity as a municipal corporation has discretion to approve the Project.

Section 3.2. Reasonable Efforts and Notice of Termination. The Developer shall use due diligence to timely satisfy the conditions set forth in Section 3.1 above on or before the applicable Project Commencement Date in connection with Phase I of the Project, but if such conditions are not so satisfied or waived by the City, then the City may terminate this Agreement by giving written notice thereof to the Developer. In the event of such termination, this Agreement shall be deemed null and void and of no force or effect and neither the City nor the Developer shall have any obligation or liability with respect thereto.

ARTICLE IV
CITY'S COVENANTS AND AGREEMENTS

Section 4.1. City's TIF Funded Financial Obligations. The City shall have the obligations set forth in this Section 4.1 relative to financing Eligible Redevelopment Project Costs in connection with the Project. Upon the submission to the City by the Developer of a Requisition for Eligible Redevelopment Project Costs incurred and paid and the approval thereof by the City in accordance with Article VI of this Agreement, the City, subject to the terms, conditions and limitation set forth in this Section 4.1 immediately below, agrees to reimburse the Developer, or to pay as directed by the Developer, from the Fund the **Reimbursement Amounts** related to Project at the Property as follows:

- (a) **Phase I Financing.** As work in connection with Phase I of the Project progresses, the City shall pay or reimburse the Developer periodic amounts equal to Eligible Redevelopment Costs attributable to Phase I of the Project up to a maximum of One Hundred Forty-Five Thousand Dollars (\$145,000.00). Such payments or reimbursements shall be paid in accordance with Section 6.3(a) of this Agreement.
- (b) **Phase II Financing.** Upon the substantial completion of Phase II of the Project as evidenced by the issuance by the City of a certificate of occupancy for Phase II of the Project, the City shall pay or reimburse the Developer an amount equal to twenty-five percent (25%) of the Eligible Redevelopment Costs attributable to Phase II of the Project up to a maximum of Thirty Thousand Dollars (\$30,000). Such payment or reimbursement shall be paid in accordance with Section 6.3(b) of this Agreement.

Section 4.2. Defense of Redevelopment Project Area. In the event that any court or governmental agency having jurisdiction over enforcement of the TIF Act and the subject matter contemplated by this Agreement shall determine that this Agreement, including the payment of the Reimbursement Amounts to be paid or reimbursed by the City is contrary to law, or in the event that the legitimacy of the Redevelopment Project Area is otherwise challenged before a court or governmental agency having jurisdiction thereof, the City will defend the integrity of the Redevelopment Project Area and this Agreement.

ARTICLE V
DEVELOPER'S COVENANTS

Section 5.1. Commitment to Undertake and Complete Phase I and Phase II of the Project. The Developer covenants and agrees to commence Phase I and Phase II of the Project on or before each of the applicable Project Commencement Dates for Phase I and Phase II of the Project and to have Phase II of the Project completed on or before the Completion Date. It is expressly understood by and between the Developer and the City that Phase III of the Project shall be commenced and completed, if at all, in the sole discretion of the Developer, and then only in the event that the Developer and the City are able to agree on such terms and conditions as may include further tax increment incentives from the City for such Phase III of the Project. The Developer recognizes and agrees that the City has sole discretion with regard to all approvals and permits relating to Phase I and Phase II of the Project, including but not limited to approval of any required

permits and any failure on the part of the City to grant or issue any such required permit shall not give rise to any claim against or liability of the City pursuant to this Agreement. The City agrees, however, that any such approvals shall be made in conformance with the City Codes and shall not be unreasonably denied, withheld, conditioned or delayed.

Section 5.2. Compliance with Agreement and Laws During Project. The Developer shall at all times undertake the Project, including any related activities in connection therewith, in conformance with this Agreement and all applicable City Codes, and, to the extent applicable, if at all, the Prevailing Wage Act (820 ILCS 130/0.01 et seq.) of the State of Illinois. Any agreement of the Developer related to the Project with any contractor, subcontractor or supplier shall, to the extent applicable, contain provisions substantially similar to those required of the Developer under this Agreement.

Section 5.3. Continuing Compliance with Laws. The Developer agrees that in the continued use, occupation, operation and maintenance of the Property, the Developer will comply with all applicable federal and state laws, rules, regulations and all applicable City Codes and other ordinances.

Section 5.4. Tax and Related Payment Obligations. The Developer agrees to pay and discharge, promptly and when the same shall become due, all general ad valorem real estate taxes and assessments, all applicable interest and penalties thereon, and all other charges and impositions of every kind and nature which may be levied, assessed, charged or imposed upon the Property or any part thereof that at any time shall become due and payable upon or with respect to, or which shall become liens upon, any part of the Property. The Developer, including any others claiming by or through it, also hereby covenants and agrees not to file any application for property tax exemption for any part of the Property under any applicable provisions of the Property Tax Code of the State of Illinois (35 ILCS 200/1-1 et seq.), as supplemented and amended, unless the City and the Developer shall otherwise have first entered into a mutually acceptable agreement under and by which the Developer shall have agreed to make a payment in lieu of taxes to the City, it being mutually acknowledged and understood by both the City and the Developer that any such payment of taxes (or payment in lieu thereof) by the Developer is a material part of the consideration under and by which the City has entered into this Agreement. This covenant of the Developer shall be a covenant that runs with the land being the Property upon which the Project is undertaken and shall be in full force and effect until December 31, 2039, upon which date this covenant shall terminate and be of no further force or effect (and shall cease as a covenant binding upon or running with the land) immediately, and without the necessity of any further action by City or Developer or any other party; provided, however, upon request of any party in title to the Property, the City shall execute and deliver to such party an instrument, in recordable form, confirming for the record that this covenant has terminated and is no longer in effect. Nothing contained within this Section 5.4 shall be construed, however, to prohibit the Developer from initiating and prosecuting at its own cost and expense any proceedings permitted by law for the purpose of contesting the validity or amount of taxes, assessments, charges or other impositions levied or imposed upon the Property or any part thereof, provided that the Developer shall first have given to the City written notice of its intent to do so at least forty-five (45) days prior to initiating any such proceedings.

ARTICLE VI
PAYMENT PROCEDURES FOR ELIGIBLE REDEVELOPMENT PROJECT COSTS

Section 6.1. Payment Procedures. The City and the Developer agree that the Eligible Redevelopment Project Costs constituting the Reimbursement Amounts shall be paid solely, and to the extent available, from Incremental Property Taxes that are deposited in the Fund and not otherwise. The City and the Developer intend and agree that the Reimbursement Amounts shall be disbursed by the City Comptroller for payment to the Developer in accordance with the procedures set forth in this Section 6.1 of this Agreement.

The City hereby designates the City Comptroller as its representative to coordinate the authorization of disbursement of the Reimbursement Amounts for the Eligible Redevelopment Project Costs. Payments to the Developer of the Reimbursement Amounts for Eligible Redevelopment Project Costs shall be made upon request therefor, in form reasonably acceptable to the City (each being a "Requisition") submitted by the Developer upon completion of the Eligible Redevelopment Project Costs which have been incurred and paid. Each such Requisition shall be accompanied by appropriately supporting documentation, including, as applicable, receipts for paid bills or statements of suppliers, contractors or professionals, together with required contractors' affidavits or lien waivers.

Section 6.2. Approval and Resubmission of Requisitions. The City Comptroller shall give the Developer written notice disapproving any of the Requisitions within ten (10) days after receipt thereof. No such approval shall be denied except on the basis that (i) all or some part of the Requisition does not constitute Eligible Redevelopment Project Costs or has not otherwise been sufficiently documented as specified herein; (ii) any subsequent amendment of the TIF Act or any subsequent decision of a court of competent jurisdiction makes any such payment to not be authorized; or (iii) a "Default" under Section 7.1 of this Agreement by the Developer has occurred and is continuing. If a Requisition is disapproved by such City Comptroller, the reasons for disallowance will be set forth in writing and the Developer may resubmit any such Requisition with such additional documentation or verification as may be required, if that is the basis for denial. The same procedures set forth herein applicable to disapproval shall apply to such resubmittals.

Section 6.3. Time of Payment. Provided that performance of this Agreement has not been suspended or terminated by the City under Article VII hereof, the City shall pay:

(a) **Phase I Payment.** Any Reimbursement Amounts attributable to Phase I of the Project which is approved by any one or more Requisitions under this Article to the Developer within thirty (30) calendar days after the date of the approval of any such Requisitions but not more frequently than once every fourteen (14) days; and

(b) **Phase II Payment.** The Reimbursement Amount attributable to Phase II of the Project which is approved by any one or more Requisitions under this Article to the Developer within thirty (30) calendar days after: (i) the date of the approval of the last of any such Requisitions; or (ii) the date of substantial completion of Phase II of the Project as provided in Section 4.1(b) of this Agreement, whichever date in clause (i) or clause (ii) is later.

ARTICLE VII
DEFAULTS AND REMEDIES

Section 7.1. Events of Default. The occurrence of any one or more of the events specified in this Section 7.1 shall constitute a “**Default**” under this Agreement.

By the Developer:

(1) The furnishing or making by or on behalf of the Developer of any statement or representation in connection with or under this Agreement that is false or misleading in any material respect;

(2) The failure by the Developer to timely perform any term, obligation, covenant or condition contained in this Agreement;

By the City:

(1) The failure by the City to pay any of the Reimbursement Amounts which become due and payable in accordance with the provisions of this Agreement; and

(2) The failure by the City to timely perform any other term, obligation, covenant or condition contained in this Agreement.

Section 7.2. Rights to Cure. The party claiming a Default under Section 7.1 of this Agreement (the “**Non-Defaulting Party**”) shall give written notice of the alleged Default to the other party (the “**Defaulting Party**”) specifying the Default complained of. Except as required to protect against immediate, irreparable harm, the Non-Defaulting Party may not institute proceedings or otherwise exercise any right or remedy against the Defaulting Party until thirty (30) days after having given such notice, provided that in the event a Default is of such nature that it will take more than thirty (30) days to cure or remedy, such Defaulting Party shall have an additional period of time reasonably necessary to cure or remedy such Default provided that such Defaulting Party promptly commences and diligently pursues such cure or remedy. During any such period following the giving of notice, the Non-Defaulting party may suspend performance under this Agreement until the Non-Defaulting Party receives written assurances from the Defaulting Party, deemed reasonably adequate by the Non-Defaulting Party, that the Defaulting Party will cure or remedy the Default and remain in compliance with its obligations under this Agreement. A Default not cured or remedied or otherwise commenced and diligently pursued within thirty (30) days as provided above shall constitute a “**Breach**” under this Agreement. Except as otherwise expressly provided in this Agreement, any failure or delay by either party in asserting any of its rights or remedies as to any Default or any Breach shall not operate as a waiver of any such Default, Breach or of any other rights or remedies it may have as a result of such Default or Breach.

Section 7.3. Remedies. Upon the occurrence of an Breach under this Agreement by the Developer, the City shall have the right to terminate this Agreement by giving written notice to the Developer of such termination and the date such termination is effective. Except for such right of termination by the City, the only other remedy available to either party upon the occurrence of an Breach under this Agreement by the Defaulting Party shall be to institute such proceedings as may be necessary or desirable in its opinion to cure or remedy such Breach, including but not limited to proceedings to compel any legal action for specific performance or other appropriate equitable relief. Notwithstanding anything herein to the contrary, the sole remedy of the Developer upon the

occurrence of an Breach by the City under any of the terms and provisions of this Agreement shall be to institute legal action against the City for specific performance or other appropriate equitable relief and under no circumstances shall the City be liable to the Developer for any indirect, special, consequential or punitive damages, including without limitation, loss of profits or revenues, loss of business opportunity or production, cost of capital, claims by customers, fines or penalties, whether liability is based upon contract, warranty, negligence, strict liability or otherwise, under any of the provisions, terms and conditions of this Agreement. In the event that any failure of the City to pay any Reimbursement Amounts which become due and payable in accordance with the provisions hereof is due to insufficient Incremental Property Taxes being available to the City, any such failure shall not be deemed to be a Default or a Breach on the part of the City.

Section 7.4. Costs, Expenses and Fees. Upon the occurrence of a Default or an Breach which requires either party to undertake any action to enforce any provision of this Agreement, the Defaulting Party shall pay upon demand all of the Non-Defaulting Party's charges, costs and expenses, including the reasonable fees of attorneys, agents and others, as may be paid or incurred by such Non-Defaulting Party in enforcing any of the Defaulting Party's obligations under this Agreement or in any litigation, negotiation or transaction in connection with this Agreement in which the Defaulting Party causes the Non-Defaulting Party, without the Non-Defaulting Party's fault, to become involved or concerned.

ARTICLE VIII

RELEASE, DEFENSE AND INDEMNIFICATION OF CITY

Section 8.1. Declaration of Invalidity. Notwithstanding anything herein to the contrary, the City, its Corporate Authorities, officials, agents, employees and independent contractors shall not be liable to the Developer for damages of any kind or nature whatsoever or otherwise in the event that all or any part of the TIF Act, or any of the TIF Ordinances or other ordinances of the City adopted in connection with either the TIF Act, this Agreement or the Redevelopment Plan, shall be declared invalid or unconstitutional in whole or in part by the final (as to which all rights of appeal have expired or have been exhausted) judgment of any court of competent jurisdiction, and by reason thereof either the City is prevented from performing any of the covenants and agreements herein or the Developer is prevented from enjoying the rights and privileges hereof; provided that nothing in this Section 8.1 shall limit otherwise permissible claims by the Developer against the Fund or actions by the Developer seeking specific performance of this Agreement or other relevant contracts, if any, in the event of a Breach of this Agreement by the City.

Section 8.2. Damage, Injury or Death Resulting from Project. The Developer releases from and covenants and agrees that the City and its Corporate Authorities, officials, agents, employees and independent contractors shall not be liable for, and agrees to indemnify and hold harmless the City, its Corporate Authorities, officials, agents, employees and independent contractors thereof against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from the Project, except as such may be caused by the intentional conduct, gross negligence, negligence or other acts or omissions of the City, its Corporate Authorities, officials, agents, employees or independent contractors that are contrary to the provisions of this Agreement.

Section 8.3. Damage or Injury to Developer and Others. The City and its Corporate Authorities, officials, agents, employees and independent contractors shall not be liable for any

damage or injury to the persons or property of the Developer or any of its officers, agents, independent contractors or employees or of any other person who may be about the Property or the Project due to any act of negligence of any person, except as such may be caused by the intentional misconduct, gross negligence, or acts or omissions of the City, its Corporate Authorities, officials, agents, employees, or independent contractors that are contrary to the provisions of this Agreement.

Section 8.4. No Personal Liability. All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any of its Corporate Authorities, officials, agents, employees or independent contractors in their individual capacities. No member of the Corporate Authorities, officials, agents, employees or independent contractors of the City shall be personally liable to the Developer (i) in the event of a Default or Breach by any party under this Agreement, or (ii) for the payment of any Reimbursement Amounts which may become due and payable under the terms of this Agreement.

Section 8.5. City Not Liable for Developer Obligations. Notwithstanding anything herein to the contrary, the City shall not be liable to the Developer for damages of any kind or nature whatsoever arising in any way from this Agreement, from any other obligation or agreement made in connection therewith or from any Default or Breach under this Agreement; provided that nothing in this Section 8.5 shall limit otherwise permissible claims by the Developer against the Fund or actions by the Developer seeking specific performance of this Agreement or other relevant contracts in the event of a Breach of this Agreement by the City.

Section 8.6. Actions or Obligations of Developer. The Developer agrees to indemnify, defend and hold harmless the City, its Corporate Authorities, officials, agents, employees and independent contractors, from and against any and all suits, claims and cost of attorneys' fees, resulting from, arising out of, or in any way connected with (i) any of the Developer's obligations under or in connection with this Agreement, (ii) the Project, and (iii) the negligence or willful misconduct of the Developer, its officials, agents, employees or independent contractors in connection with the Project, except as such may be caused by the intentional conduct, gross negligence, negligence or breach of this Agreement by the City, its Corporate Authorities, officials, agents, employees or independent contractors.

Section 8.7. Environmental Covenants. To the extent permitted by law, the Developer agrees to indemnify, defend, and hold harmless the City, its Corporate Authorities, officials, agents, employees and independent contractors, from and against any and all claims, demands, costs, liabilities, damages or expenses, including attorneys' and consultants' fees, investigation and laboratory fees, court costs and litigation expenses, arising from: (i) any release or threat of a release, actual or alleged, of any hazardous substances, upon or about the Property or respecting any products or materials previously, now or thereafter located upon, delivered to or in transit to or from the Property regardless of whether such release or threat of release or alleged release or threat of release has occurred prior to the date hereof or hereafter occurs and regardless of whether such release occurs as a result of any act, omission, negligence or misconduct of the City or any third party or otherwise; (ii) (A) any violation now existing (actual or alleged) of, or any other liability under or in connection with, any environmental laws relating to or affecting the Property, or (B) any now existing or hereafter arising violation, actual or alleged, or any other liability, under or in connection with, any environmental laws relating to any products or materials previously, now or hereafter located upon, delivered to or in transit to or from the Property, regardless of whether such

violation or alleged violation or other liability is asserted or has occurred or arisen prior to the date hereof or hereafter is asserted or occurs or arises and regardless of whether such violation or alleged violation or other liability occurs or arises, as the result of any act, omission, negligence or misconduct of the City or any third party or otherwise; (iii) any assertion by any third party of any claims or demands for any loss or injury arising out of, relating to or in connection with any hazardous substances on or about or allegedly on or about the Property; or (iv) any breach, falsity or failure of any of the representations, warranties, covenants and agreements of the like. For purposes of this paragraph, "hazardous materials" includes, without limit, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. §§ 9601 et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. §§ 1801 et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. §§ 9601 et seq.), and in the regulations adopted and publications promulgated pursuant thereto, or any other federal, state or local environmental law, ordinance, rule, or regulation.

Section 8.8. Notification of Claims. Not later than thirty (30) days after the Developer becomes aware, by written or other overt communication, of any pending or threatened litigation, claim or assessment, the Developer will, if a claim in respect thereof is to be made against the Developer which affects any of the Developer's rights or obligations under this Agreement, notify the City of such pending or threatened litigation, claim or assessment, but any omission so to notify the City will not relieve the Developer from any liability which it may have to the City under this Agreement.

ARTICLE IX

MISCELLANEOUS PROVISIONS

Section 9.1. Entire Agreement and Amendments. This Agreement (together with Exhibit A attached hereto) is the entire agreement between the City and the Developer relating to the subject matter hereof. This Agreement supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, and may not be modified or amended except by a written instrument executed by both of the parties.

Section 9.2. Third Parties. Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any other persons other than the City and the Developer and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge any obligation or liability of any third persons to either the City or the Developer, nor shall any provision give any third parties any rights of subrogation or action over or against either the City or the Developer. This Agreement is not intended to and does not create any third party beneficiary rights whatsoever.

Section 9.3. Counterparts. Any number of counterparts of this Agreement may be executed and delivered and each shall be considered an original and together they shall constitute one agreement.

Section 9.4. Special and Limited Obligation. This Agreement shall constitute a special and limited obligation of the City according to the terms hereof. This Agreement shall never constitute a general obligation of the City to which its credit, resources or general taxing power are

pledged. The City pledges to the payment of its obligations under Section 4.1 hereof only such amount of the Incremental Property Taxes as is set forth in Section 4.1 hereof, if, as and when received, and not otherwise.

Section 9.5. Time and Force Majeure. Time is of the essence of this Agreement; provided, however, neither the Developer nor the City shall be deemed in Default with respect to any performance obligations under this Agreement on their respective parts to be performed if any such failure to timely perform is due in whole or in part to the following (which also constitute "unavoidable delays"): any strike, lock-out or other labor disturbance (whether legal or illegal, with respect to which the Developer, the City and others shall have no obligations hereunder to settle other than in their sole discretion and business judgment), civil disorder, inability to procure materials, weather conditions, wet soil conditions, failure or interruption of power, restrictive governmental laws and regulations, condemnation, riots, insurrections, acts of terrorism, war, fuel shortages, accidents, casualties, acts of God or third parties, or any other cause beyond the reasonable control of the Developer or the City.

Section 9.6. Waiver. Any party to this Agreement may elect to waive any right or remedy it may enjoy hereunder, provided that no such waiver shall be deemed to exist unless such waiver is in writing. No such waiver shall obligate the waiver of any other right or remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies provided pursuant to this Agreement.

Section 9.7. Cooperation and Further Assurances. The City and the Developer covenant and agree that each will do, execute, acknowledge and deliver or cause to be done, executed and delivered, such agreements, instruments and documents supplemental hereto and such further acts, instruments, pledges and transfers as may be reasonably required for the better assuring, mortgaging, conveying, transferring, pledging, assigning and confirming unto the City or the Developer or other appropriate persons all and singular the rights, property and revenues covenanted, agreed, conveyed, assigned, transferred and pledged under or in respect of this Agreement.

Section 9.8. Notices and Communications. All notices, demands, requests or other communications under or in respect of this Agreement shall be in writing and shall be deemed to have been given when the same are (a) deposited in the United States mail and sent by registered or certified mail, postage prepaid, return receipt requested, (b) personally delivered, (c) sent by a nationally recognized overnight courier, delivery charge prepaid or (d) transmitted by telephone facsimile, telephonically confirmed as actually received, in each case, to the City and the Developer at their respective addresses (or at such other address as each may designate by notice to the other), as follows:

- (i) In the case of the Developer, to:
Cake Design Development LLC – Series 204 West Main
506 West High Street
Urbana, IL 61801
Attn: Matthew Cho
Tel: () - / Fax: () -

- (ii) In the case of the City, to:
City of Urbana, Illinois
400 South Vine Street
Urbana, IL 61801
Attn: Community Development Director
Tel: (217) 384-2439 / Fax: (217) 384-0200

Whenever any party hereto is required to deliver notices, certificates, opinions, statements or other information hereunder, such party shall do so in such number of copies as shall be reasonably specified.

Section 9.9. Assignment. The Developer agrees that it shall not sell, assign or otherwise transfer any of its rights and obligations under this Agreement without the prior written consent of the City. Except as authorized in this Section above, any assignment in whole or in part shall be void and shall, at the option of the City, terminate this Agreement. No such sale, assignment or transfer as authorized in this Section, including any with the City's prior written consent, shall be effective or binding on the City, however, unless and until the Developer delivers to the City a duly authorized, executed and delivered instrument which contains any such sale, assignment or transfer and the assumption of all the applicable covenants, agreements, terms and provisions of this Agreement by the applicable parties thereto.

Section 9.10. Successors in Interest. Subject to Section 9.9 above, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respectively authorized successors, assigns and legal representatives (including successor Corporate Authorities).

Section 9.11. No Joint Venture, Agency, or Partnership Created. Nothing in this Agreement nor any actions of either of the City or the Developer shall be construed by either of the City, the Developer or any third party to create the relationship of a partnership, agency, or joint venture between or among the City and any party being the Developer.

Section 9.12. Illinois Law; Venue. This Agreement shall be construed and interpreted under the laws of the State of Illinois. If any action or proceeding is commenced by any party to enforce any of the provisions of this Agreement, the venue for any such action or proceeding shall be in Champaign County, Illinois.

Section 9.13. Term. Unless earlier terminated pursuant to the terms hereof, this Agreement shall be and remain in full force and effect from and after the Effective Date and shall terminate upon the date that the Reimbursement Amount is paid to the Developer in accordance with Section 6.3 of this Agreement, provided, however, that anything to the contrary notwithstanding, the Developer's obligations under Section 5.4 and Article VIII of this Agreement shall be and remain in full force and effect in accordance with the express provisions thereof.

Section 9.14. Recordation of Agreement. Either party may record this Agreement or a Memorandum of this Agreement in the office of the Champaign County Recorder at any time following its execution and delivery by both parties.

Section 9.15. Construction of Agreement. This Agreement has been jointly negotiated by the parties and shall not be construed against a party because that party may have primarily assumed responsibility for preparation of this Agreement.

IN WITNESS WHEREOF, the City and the Developer have caused this Agreement to be executed by their duly authorized officers or manager(s) as of the date set forth below.

**CITY OF URBANA, CHAMPAIGN COUNTY,
ILLINOIS**

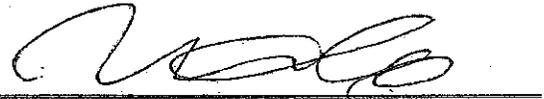
By: 
Mayor

ATTEST:

By: 
City Clerk

Date: 5/8/14

**CAKE DESIGN DEVELOPMENT LLC – SERIES
204 WEST MAIN STREET**

By: 
Its Manager

Date: 5/8/14

[Exhibit A follows this page and is an integral part of this Agreement in the context of use.]

EXHIBIT A

Description of Property

Lot 2 of Wm. M. Hooper & Wm. Park's Addition to Urbana as per Plat recorded March 8, 1855 in Deed Record "F" at Page 520, situated in Champaign County, Illinois;

Commonly known as 204 W. Main Street, Urbana, Illinois and having a Permanent Identification Number of: 92-21-17-201-010.

June 5, 2015

To Whom It May Concern:

The attached balance sheet and statement of revenues, expenditures and changes in fund balance for the City of Urbana Tax Increment Financing District Number One is included as a fund of the City of Urbana Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014.



Elizabeth Hannan
Finance Director, City of Urbana

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - TAX INCREMENT FINANCING DISTRICT 1 FUND
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Property taxes	\$ 753,784	\$ 753,784	\$ 629,254
Investment income	3,000	3,000	10,723
Total Revenues	<u>756,784</u>	<u>756,784</u>	<u>639,977</u>
EXPENDITURES			
Urban Redevelopment and Housing			
Personnel services	86,280	86,280	30,561
Contractual services	705,080	880,080	751,065
Total urban redevelopment and housing	<u>791,360</u>	<u>966,360</u>	<u>781,626</u>
Capital Outlay	-	25,000	520,594
Total Expenditures	<u>791,360</u>	<u>991,360</u>	<u>1,302,220</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(34,576)</u>	<u>(234,576)</u>	<u>(662,243)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	200,000	400,000	334,487
Transfers out	(86,490)	(86,490)	(101,520)
Total Other Financing Sources (Uses)	<u>113,510</u>	<u>313,510</u>	<u>232,967</u>
Net Change in Fund Balance	<u>\$ 78,934</u>	<u>\$ 78,934</u>	(429,276)
FUND BALANCE - Beginning of Year			<u>861,097</u>
FUND BALANCE - END OF YEAR			<u>\$ 431,821</u>

CITY OF URBANA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of June 30, 2014**

	Special Revenue			
	Social Services	Vehicle and Equipment Replacement	Special Community Development	HOME Community Development
ASSETS				
Cash and investments	\$ 12,792	\$ 5,238,455	\$ 203,022	\$ 57
Receivables (net)				
Property taxes	-	-	-	-
Other taxes	-	-	-	-
Accounts	-	-	-	-
Due from other governments	-	-	10,000	-
Grants	-	7,308	1,111	700,379
Due from other funds	-	886	125,979	65,429
Prepaid items	-	-	-	-
	<u>\$ 12,792</u>	<u>\$ 5,246,649</u>	<u>\$ 340,112</u>	<u>\$ 765,865</u>
TOTAL ASSETS				
	<u>\$ 12,792</u>	<u>\$ 5,246,649</u>	<u>\$ 340,112</u>	<u>\$ 765,865</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 220	\$ 42,407	\$ 1,125	\$ 46,943
Accrued salaries and taxes	-	-	-	-
Due to other funds	-	2,733	115,116	670,108
Unearned revenues	-	36,371	5,271	-
Total Liabilities	<u>220</u>	<u>81,511</u>	<u>121,512</u>	<u>717,051</u>
Deferred Inflows of Resources				
Property taxes levied for future periods	-	-	-	-
Unavailable revenues for grants	-	-	-	409,998
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>409,998</u>
Fund Balances (Deficit)				
Nonspendable for prepaid items	-	-	-	-
Restricted for urban housing and development	-	-	-	-
Restricted for capital projects	-	-	-	-
Restricted for public safety	-	-	-	-
Committed for highways and streets	-	-	-	-
Committed for capital projects	-	-	-	-
Assigned for public safety	-	5,165,138	-	-
Assigned for urban housing and development	-	-	218,600	-
Assigned for social services	12,572	-	-	-
Assigned for workers' compensation	-	-	-	-
Assigned for public television	-	-	-	-
Assigned for capital projects	-	-	-	-
Unassigned	-	-	-	(361,184)
Total Fund Balances (deficit)	<u>12,572</u>	<u>5,165,138</u>	<u>218,600</u>	<u>(361,184)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
	<u>\$ 12,792</u>	<u>\$ 5,246,649</u>	<u>\$ 340,112</u>	<u>\$ 765,865</u>

Special Revenue

Community Development Block Grant	Tax Increment Financing District 1	Tax Increment Financing District 2	Tax Increment Financing District 3	Tax Increment Financing District 4	Economic Development	Insurance Financing
\$ 919	\$ 857,299	\$ 2,289,659	\$ -	\$ 2,173,262	\$ 179,418	\$ 2,997,790
-	264,918	636,797	-	512,472	-	-
-	-	-	-	-	-	-
125,515	-	39,310	-	-	234,630	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
9,576	90,457	-	-	-	125,270	-
-	-	-	-	-	12,238	-
<u>\$ 136,010</u>	<u>\$ 1,212,674</u>	<u>\$ 2,965,766</u>	<u>\$ -</u>	<u>\$ 2,685,734</u>	<u>\$ 551,556</u>	<u>\$ 2,997,790</u>
\$ 9,677	\$ 371,318	\$ 331,964	\$ -	\$ 76,780	\$ 12,202	\$ -
-	3,344	2,898	-	5,912	1,550	-
130,331	142,864	137,192	-	1,502	205,117	-
-	-	-	-	-	-	-
<u>140,008</u>	<u>517,526</u>	<u>472,054</u>	<u>-</u>	<u>84,194</u>	<u>218,869</u>	<u>-</u>
-	263,327	561,993	-	489,391	-	-
21,291	-	-	-	-	-	-
<u>21,291</u>	<u>263,327</u>	<u>561,993</u>	<u>-</u>	<u>489,391</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	12,238	-
-	431,821	1,931,719	-	2,112,149	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	320,449	-
-	-	-	-	-	-	-
-	-	-	-	-	-	2,997,790
-	-	-	-	-	-	-
(25,289)	-	-	-	-	-	-
<u>(25,289)</u>	<u>431,821</u>	<u>1,931,719</u>	<u>-</u>	<u>2,112,149</u>	<u>332,687</u>	<u>2,997,790</u>
<u>\$ 136,010</u>	<u>\$ 1,212,674</u>	<u>\$ 2,965,766</u>	<u>\$ -</u>	<u>\$ 2,685,734</u>	<u>\$ 551,556</u>	<u>\$ 2,997,790</u>



BAKER TILLY

Baker Tilly Virchow Krause, LLP
1301 W 22nd St, Ste 400
Oak Brook, IL 60523-3389
tel 630 990 3131
fax 630 990 0039
bakertilly.com

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
TAX INCREMENT FINANCING DISTRICTS

To the Honorable Mayor and Members of the City Council
City of Urbana
Urbana, Illinois

We have audited the basic financial statements of the City of Urbana, as of and for the year ended June 30, 2014, and have issued our report thereon dated June 5, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with provisions of Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, "An Act in Relation to Tax Increment Financing", insofar as it relates to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above-referenced statute, insofar as it relates to accounting matters.

This report is intended solely for the information and use of the City Council, management, the State of Illinois, and others within the City and is not intended to be, and should not be, used by anyone other than the specified parties.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
June 5, 2015

SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]

FY 2014

Name of Redevelopment Project Area:	TIF District Two
Primary Use of Redevelopment Project Area*:	Central Business Dist.
If "Combination/Mixed" List Component Types:	
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/>	Industrial Jobs Recovery Law <input type="checkbox"/>

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment labeled Attachment A	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement labeled Attachment D		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E	X	
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F		X
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H	X	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose the Official Statement labeled Attachment I	X	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If yes, please enclose the Analysis labeled Attachment J	X	
Cumulatively, have deposits equal or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		X
Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		X
A list of all intergovernmental agreements in effect in FY 2010, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose list only of the intergovernmental agreements labeled Attachment M	X	

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

Provide an analysis of the special tax allocation fund.

FY 2014

TIF NAME: TIF District Two

Fund Balance at Beginning of Reporting Period \$ 4,383,099

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	\$ 1,358,268	\$ 15,944,393	47%
State Sales Tax Increment		\$ 3,383,681	10%
Local Sales Tax Increment		\$ 2,578,647	8%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 31,061	\$ 937,381	3%
Land/Building Sale Proceeds			0%
Bond Proceeds	\$ 4,000,000	\$ 10,682,674	31%
Transfers from Municipal Sources		\$ 650,000	2%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

*must be completed where 'Reporting Year' is populated

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period \$ 5,389,329

Cumulative Total Revenues/Cash Receipts \$ 34,176,776 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 6,272,867

Distribution of Surplus \$ -

Total Expenditures/Disbursements \$ 6,272,867

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS \$ (883,538)

FUND BALANCE, END OF REPORTING PERIOD* \$ 3,499,561

* if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

SURPLUS*/(DEFICIT)(Carried forward from Section 3.3) \$ (7,358,507)

SECTION 3.2 A

PAGE 2

7. Cost of job training and retraining, including "welfare to work" programs Subsection (q)(5), (o)(7) and (o)(12)		
		\$ -
8. Financing costs. Subsection (q) (8) and (o)(8)		
Boneyard Bond Debt Service	875,322	
		\$ 875,322
9. Approved capital costs. Subsection (q)(7) and (o)(9)		
		\$ -
10. Cost of Reimbursing school districts for their increased costs caused by TIF assisted housing projects. Subsection (q)(7.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
11. Relocation costs. Subsection (q)(8) and (o)(10)		
		\$ -
12. Payments in lieu of taxes. Subsection (q)(9) and (o)(11)		
		\$ -
13. Costs of job training, retraining advanced vocational or career education provided by other taxing bodies. Subsection (q)(10) and (o)(12)		
		\$ -

SECTION 3.2 A

PAGE 3

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
TIF 1 Transfer - Urbana Landmark Hotel Incentives	181,487	
TIF 1 Transfer - Cake Design Development Incentives	128,000	
5 Points West Incentives	124,674	
Omnicare Labs Incentives	982	
Patel Property Incentives	5,579	
Downtown Loan/Rent Subsidies	40,444	
		\$ 481,166
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 8,272,867

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))

Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period

FY 2014

TIF NAME: TIF District Two

FUND BALANCE, END OF REPORTING PERIOD \$ 3,499,561

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
Boneyard Bond Debt Service	\$ 7,800,000	\$ 6,507,867

Total Amount Designated for Obligations \$ 7,800,000 \$ 6,507,867

2. Description of Project Costs to be Paid

5 Points West Incentives		\$ 1,077,635
Downtown Structural Study		\$ 20,000
Omnicare Labs Incentives		\$ 3,035
Patel Property Incentives		\$ 48,696
129 N Race Street Incentives		\$ 82,500
TIF 1 Transfer - Cake Design Development		\$ 230,000
Boneyard Design/Construction Costs		\$ 2,888,335

Total Amount Designated for Project Costs \$ 4,350,201

TOTAL AMOUNT DESIGNATED \$ 10,858,068

SURPLUS*/(DEFICIT) \$ (7,358,507)

* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2014

TIF NAME: TIF District Two

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

 X **No property was acquired by the Municipality Within the Redevelopment Project Area**

Property Acquired by the Municipality Within the Redevelopment Project Area

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)

FY 2014

TIF NAME: TIF District Two

SECTION 5 PROVIDES PAGES 1-3 TO ACCOMMODATE UP TO 25 PROJECTS. PAGE 1 MUST BE INCLUDED WITH TIF REPORT. PAGES 2-3 SHOULD BE INCLUDED ONLY IF PROJECTS ARE LISTED ON THESE PAGES

Check here if NO projects were undertaken by the Municipality Within the Redevelopment Project Area: <u> X </u>			
ENTER total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below*.			
TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ -
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

Project 1: *IF PROJECTS ARE LISTED NUMBER MUST BE ENTERED ABOVE			
Private Investment Undertaken (See Instructions)			\$ -
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 2:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 3:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 4:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 5:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 6:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 7:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 8:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 9:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 10:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 11:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 12:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 13:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 14:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 15:			
Private Investment Undertaken (See Instructions)			
Public investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 16:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 17:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 18:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 19:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 20:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 21:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 22:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 23:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 24:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 25:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

June 5, 2015

Local Government Division
Office of the Comptroller
100 W. Randolph, Suite 15-500
Chicago, IL 60601

**Re: Report of Annual Activities - Urbana TIF District Two
July 1, 2013 through June 30, 2014**

Dear Local Government Compliance Manager:

Pursuant to the Tax Increment Allocation Redevelopment Act, the City of Urbana hereby submits the annual Tax Increment Finance Report for Urbana Tax Increment Finance District Two for the period July 1, 2013 through June 30, 2014.

I hereby certify that the City of Urbana has complied with all requirements of the Tax Increment Allocation Redevelopment Act, including reporting requirements during Fiscal Year 2013-14.

Should you have any questions concerning our annual report for Urbana TIF District Two, please contact Brandon Boys, at 217/328-8270.

Sincerely,



Laurel L. Prussing

Mayor

June 5, 2015

Local Government Division
Office of the Comptroller
100 W. Randolph, Suite 15-500
Chicago, IL 60601

**Re: Report of Annual Activities - Urbana TIF District Two
July 1, 2013 through June 30, 2014**

Dear Local Government Compliance Manager:

I am legal counsel for the City of Urbana, Champaign County, Illinois (the "City"), and in connection with the requirements of Section 5/11-74.4 of the Municipal Code of the State of Illinois, as amended (65 ILCS 5/11-74.4) and also referred to as the Tax Increment Allocation Redevelopment Act (the "Act") I have examined, among other things, the following:

1. Annual Tax Increment Finance Report for Urbana Tax Increment Finance District Two, as prepared by Brandon Boys, Economic Development Manager for the City, and Elizabeth Hannan, Finance Director for the City, dated June 5, 2015.
2. Comprehensive Annual Financial Report of the City for the year ended June 30, 2014, as the line item accounts therein are further defined and explained by the letter of Elizabeth Hannan, Finance Director for the City of Urbana, dated June 5, 2015, together with the letter from Baker Tilly Virchow Krause, LLP, an independent certified public accounting firm, for Fiscal Year July 1, 2013 through June 30, 2014, indicating compliance with the requirements of Section 11-74.4-3 of the Act.
3. A letter dated June 5, 2015 from Laurel L. Prussing, Mayor, addressed to the Office of the Comptroller as addressed above regarding the certification by the Mayor as the Chief Executive Officer of the City, as required by Section 11-74.4-5 (d) (3) and 11-74.6-22 (d) (3) of the Act.

Based on the foregoing and in reliance on the factual matters contained therein, but without having independently verified the accuracy or completeness of such factual matters, I am of the opinion that the City was in compliance with the Act of and during the period covered by such reported information.

Sincerely,



Curt Borman
Assistant City Attorney
Ph. 217/384-2464

Attachment D
Activities Statement

and

Attachment F
Additional Information

The following activities were undertaken in furtherance of the objectives of the redevelopment plan.

1. TIF 2 paid \$4,770,988 toward improvements in the Boneyard Creek Beautification Project including the purchase of land and easements, the creation of pedestrian walkways, public gathering space, and public art as well as reconstruction of Race Street and Broadway Avenue.
2. TIF 2 paid \$16,885 in the form of marketing, promotion and legal services.
3. TIF 2 transferred a total of \$334,487 to TIF 1 for Main Street improvement costs as well as reimbursements under two redevelopment agreements with Cake Design Development (206, 208, 210 W Main Street) and Xiao Jin Yuan (Urbana Landmark Hotel).
4. TIF 2 paid \$23,687 for improvements of Main Street and \$5,400 for the Art in the Park Sculptures installation.
5. TIF 2 paid \$131,235 for 5 Points West, Omni Care, and Patel Properties development incentives.
6. TIF 2 paid \$40,444 in Downtown Loan/Rent subsidies to property owners and tenants engaged in improving or renovating existing buildings associated with the expansion of existing or the establishment of new businesses.

June 5, 2015

To Whom It May Concern:

The attached balance sheet and statement of revenues, expenditures and changes in fund balance for the City of Urbana Tax Increment Financing District Number Two is included as a fund of the City of Urbana Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014.

A handwritten signature in black ink, appearing to read "Elizabeth Hannan". The signature is fluid and cursive, with a long horizontal stroke at the end.

Elizabeth Hannan
Finance Director, City of Urbana

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TAX INCREMENT FINANCING DISTRICT 2 FUND For the Year Ended June 30, 2014

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Property taxes	\$ 1,244,000	\$ 1,244,000	\$ 1,358,268
Investment income	15,000	15,000	29,729
Total Revenues	<u>1,259,000</u>	<u>1,259,000</u>	<u>1,387,997</u>
EXPENDITURES			
Urban Redvelopemnt and Housing			
Personnel services	63,640	63,640	73,832
Contractual services	252,660	252,660	200,131
Total urban redvelopemnt and housing	<u>316,300</u>	<u>316,300</u>	<u>273,963</u>
Debt Service			
Principal	928,270	928,270	815,000
Interest and fiscal charges	-	-	60,322
Total debt service	<u>928,270</u>	<u>928,270</u>	<u>875,322</u>
Capital Outlay	5,198,425	5,198,425	364,148
Total Expenditures	<u>6,442,995</u>	<u>6,442,995</u>	<u>1,513,433</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,183,995)</u>	<u>(5,183,995)</u>	<u>(125,436)</u>
OTHER FINANCING SOURCES (USES)			
General obligation debt issued	3,200,000	3,200,000	-
Transfers out	(200,000)	(411,000)	(334,487)
Total Other Financing Sources (Uses)	<u>3,000,000</u>	<u>2,789,000</u>	<u>(334,487)</u>
Net Change in Fund Balance	<u>\$ (2,183,995)</u>	<u>\$ (2,394,995)</u>	<u>(459,923)</u>
FUND BALANCE - Beginning of Year			<u>2,391,642</u>
FUND BALANCE - END OF YEAR			<u>\$ 1,931,719</u>

CITY OF URBANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014

	Special Revenue			
	Recycling	Public Television	Police Records	Emergency Solutions
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Intergovernmental	-	-	94,258	35,053
Licenses, fines, and service charges	1,301,140	340	-	-
Investment income	(187)	3	5	-
Miscellaneous	-	-	-	-
Total Revenues	<u>1,300,953</u>	<u>343</u>	<u>94,263</u>	<u>35,053</u>
EXPENDITURES				
Current				
General government	-	141,377	-	-
Public safety	-	-	73,882	1,403
Highways and streets	1,110,418	-	-	-
Urban redevelopment and housing	-	-	-	35,055
Capital Outlay	15,833	2,538	-	-
Debt Service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>1,126,251</u>	<u>143,915</u>	<u>73,882</u>	<u>36,458</u>
Excess (deficiency) of revenues over expenditures	<u>174,702</u>	<u>(143,572)</u>	<u>20,381</u>	<u>(1,405)</u>
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	-	-	-
Transfers in	-	152,500	24,810	-
Transfers out	(29,910)	-	-	-
Total Other Financing Sources (Uses)	<u>(29,910)</u>	<u>152,500</u>	<u>24,810</u>	<u>-</u>
Net Change in Fund Balances	144,792	8,928	45,191	(1,405)
FUND BALANCES (DEFICIT) - Beginning of Year (as restated)	<u>529,297</u>	<u>18,382</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 674,089</u>	<u>\$ 27,310</u>	<u>\$ 45,191</u>	<u>\$ (1,405)</u>

Capital Projects					
Capital Improvement and Replacement	Broadband Construction	Sanitary Sewer Construction	Motor Fuel Tax	Boneyard Improvement	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,641,396
-	-	1,303,508	-	-	1,303,508
2,649,361	444,018	-	2,015,564	-	6,644,655
1,243,061	-	4,250	-	-	2,827,308
30,601	249	194	58,577	1,332	418,558
55,491	-	-	-	-	55,491
<u>3,978,514</u>	<u>444,267</u>	<u>1,307,952</u>	<u>2,074,141</u>	<u>1,332</u>	<u>14,890,916</u>
-	-	-	-	-	386,933
-	-	-	-	-	158,856
343,841	146,998	118,823	-	-	1,720,080
-	-	-	-	-	3,942,363
3,296,147	202,111	408,796	2,608,209	4,424,947	13,433,545
-	-	-	-	-	815,000
-	-	-	-	-	60,322
<u>3,639,988</u>	<u>349,109</u>	<u>527,619</u>	<u>2,608,209</u>	<u>4,424,947</u>	<u>20,517,099</u>
<u>338,526</u>	<u>95,158</u>	<u>780,333</u>	<u>(534,068)</u>	<u>(4,423,615)</u>	<u>(5,626,183)</u>
-	-	-	-	4,000,000	4,000,000
941,096	-	-	-	-	2,817,534
(760,534)	-	(702,570)	-	-	(13,722,231)
<u>180,562</u>	<u>-</u>	<u>(702,570)</u>	<u>-</u>	<u>4,000,000</u>	<u>(6,904,697)</u>
519,088	95,158	77,763	(534,068)	(423,615)	(12,530,880)
<u>2,955,526</u>	<u>(89,333)</u>	<u>532,294</u>	<u>2,829,758</u>	<u>1,991,457</u>	<u>34,046,096</u>
<u>\$ 3,474,614</u>	<u>\$ 5,825</u>	<u>\$ 610,057</u>	<u>\$ 2,295,690</u>	<u>\$ 1,567,842</u>	<u>\$ 21,515,216</u>

CITY OF URBANA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of June 30, 2014**

	Special Revenue			
	Social Services	Vehicle and Equipment Replacement	Special Community Development	HOME Community Development
ASSETS				
Cash and investments	\$ 12,792	\$ 5,238,455	\$ 203,022	\$ 57
Receivables (net)				
Property taxes	-	-	-	-
Other taxes	-	-	-	-
Accounts	-	-	-	-
Due from other governments	-	-	10,000	-
Grants	-	7,308	1,111	700,379
Due from other funds	-	886	125,979	65,429
Prepaid items	-	-	-	-
	<u>\$ 12,792</u>	<u>\$ 5,246,649</u>	<u>\$ 340,112</u>	<u>\$ 765,865</u>
TOTAL ASSETS				
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 220	\$ 42,407	\$ 1,125	\$ 46,943
Accrued salaries and taxes	-	-	-	-
Due to other funds	-	2,733	115,116	670,108
Unearned revenues	-	36,371	5,271	-
Total Liabilities	<u>220</u>	<u>81,511</u>	<u>121,512</u>	<u>717,051</u>
Deferred Inflows of Resources				
Property taxes levied for future periods	-	-	-	-
Unavailable revenues for grants	-	-	-	409,998
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>409,998</u>
Fund Balances (Deficit)				
Nonspendable for prepaid items	-	-	-	-
Restricted for urban housing and development	-	-	-	-
Restricted for capital projects	-	-	-	-
Restricted for public safety	-	-	-	-
Committed for highways and streets	-	-	-	-
Committed for capital projects	-	-	-	-
Assigned for public safety	-	5,165,138	-	-
Assigned for urban housing and development	-	-	218,600	-
Assigned for social services	12,572	-	-	-
Assigned for workers' compensation	-	-	-	-
Assigned for public television	-	-	-	-
Assigned for capital projects	-	-	-	-
Unassigned	-	-	-	(361,184)
Total Fund Balances (deficit)	<u>12,572</u>	<u>5,165,138</u>	<u>218,600</u>	<u>(361,184)</u>
	<u>\$ 12,792</u>	<u>\$ 5,246,649</u>	<u>\$ 340,112</u>	<u>\$ 765,865</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				

Special Revenue

Community Development Block Grant	Tax Increment Financing District 1	Tax Increment Financing District 2	Tax Increment Financing District 3	Tax Increment Financing District 4	Economic Development	Insurance Financing
\$ 919	\$ 857,299	\$ 2,289,659	\$ -	\$ 2,173,262	\$ 179,418	\$ 2,997,790
-	264,918	636,797	-	512,472	-	-
-	-	-	-	-	-	-
125,515	-	39,310	-	-	234,630	-
-	-	-	-	-	-	-
9,576	90,457	-	-	-	125,270	-
-	-	-	-	-	12,238	-
<u>\$ 136,010</u>	<u>\$ 1,212,674</u>	<u>\$ 2,965,766</u>	<u>\$ -</u>	<u>\$ 2,685,734</u>	<u>\$ 551,556</u>	<u>\$ 2,997,790</u>
\$ 9,677	\$ 371,318	\$ 331,964	\$ -	\$ 76,780	\$ 12,202	\$ -
-	3,344	2,898	-	5,912	1,550	-
130,331	142,864	137,192	-	1,502	205,117	-
-	-	-	-	-	-	-
<u>140,008</u>	<u>517,526</u>	<u>472,054</u>	<u>-</u>	<u>84,194</u>	<u>218,869</u>	<u>-</u>
-	263,327	561,993	-	489,391	-	-
21,291	-	-	-	-	-	-
<u>21,291</u>	<u>263,327</u>	<u>561,993</u>	<u>-</u>	<u>489,391</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	12,238	-
-	431,821	1,931,719	-	2,112,149	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	320,449	-
-	-	-	-	-	-	2,997,790
-	-	-	-	-	-	-
(25,289)	-	-	-	-	-	-
<u>(25,289)</u>	<u>431,821</u>	<u>1,931,719</u>	<u>-</u>	<u>2,112,149</u>	<u>332,687</u>	<u>2,997,790</u>
<u>\$ 136,010</u>	<u>\$ 1,212,674</u>	<u>\$ 2,965,766</u>	<u>\$ -</u>	<u>\$ 2,685,734</u>	<u>\$ 551,556</u>	<u>\$ 2,997,790</u>

CITY OF URBANA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of June 30, 2014

	Special Revenue			
	Recycling	Public Television	Police Records	Emergency Solutions
ASSETS				
Cash and investments	\$ 646,995	\$ 33,979	\$ 45,690	\$ (2)
Receivables (net)				
Property taxes	-	-	-	-
Other taxes	123,058	-	-	-
Accounts	-	-	-	-
Due from other governments	-	-	2,574	-
Grants	-	-	-	-
Due from other funds	702	-	469	-
Prepaid items	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 770,755</u>	<u>\$ 33,979</u>	<u>\$ 48,733</u>	<u>\$ (2)</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 66,132	\$ 400	\$ -	\$ -
Accrued salaries and taxes	14,889	5,379	3,152	-
Due to other funds	15,645	890	390	1,403
Unearned revenues	-	-	-	-
Total Liabilities	<hr/> <u>96,666</u>	<hr/> <u>6,669</u>	<hr/> <u>3,542</u>	<hr/> <u>1,403</u>
Deferred Inflows of Resources				
Property taxes levied for future periods	-	-	-	-
Unavailable revenues for grants	-	-	-	-
Total Deferred Inflows of Resources	<hr/> <u>-</u>	<hr/> <u>-</u>	<hr/> <u>-</u>	<hr/> <u>-</u>
Fund Balances (Deficit)				
Nonspendable for prepaid items	-	-	-	-
Restricted for urban housing and development	-	-	-	-
Restricted for capital projects	-	-	-	-
Restricted for public safety	-	-	20,376	-
Committed for highways and streets	674,089	-	-	-
Committed for capital projects	-	-	-	-
Assigned for public safety	-	-	24,815	-
Assigned for urban housing and development	-	-	-	-
Assigned for social services	-	-	-	-
Assigned for workers' compensation	-	-	-	-
Assigned for public television	-	27,310	-	-
Assigned for capital projects	-	-	-	-
Unassigned	-	-	-	(1,405)
Total Fund Balances (deficit)	<hr/> <u>674,089</u>	<hr/> <u>27,310</u>	<hr/> <u>45,191</u>	<hr/> <u>(1,405)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 770,755</u>	<u>\$ 33,979</u>	<u>\$ 48,733</u>	<u>\$ (2)</u>

Capital Projects					
Capital Improvement and Replacement	Broadband Construction	Sanitary Sewer Construction	Motor Fuel Tax	Boneyard Improvement	Total Nonmajor Governmental Funds
\$ 1,672,477	\$ 828,963	\$ 282,569	\$ 3,177,985	\$ 1,880,721	\$ 22,522,050
-	-	-	-	-	1,414,187
60,321	-	307,386	-	-	490,765
517,523	-	-	-	-	916,978
1,740,989	-	58,505	521,431	-	2,333,499
-	-	-	-	-	708,798
610,810	-	-	-	-	1,029,578
1,357	-	-	-	-	13,595
<u>\$ 4,603,477</u>	<u>\$ 828,963</u>	<u>\$ 648,460</u>	<u>\$ 3,699,416</u>	<u>\$ 1,880,721</u>	<u>\$ 29,429,450</u>
\$ 461,067	\$ 72,340	\$ 37,203	\$ 1,403,726	\$ 312,879	\$ 3,246,383
-	-	-	-	-	37,124
548,174	750,798	1,200	-	-	2,723,463
119,622	-	-	-	-	161,264
<u>1,128,863</u>	<u>823,138</u>	<u>38,403</u>	<u>1,403,726</u>	<u>312,879</u>	<u>6,168,234</u>
-	-	-	-	-	1,314,711
-	-	-	-	-	431,289
-	-	-	-	-	1,746,000
1,357	-	-	-	-	13,595
-	-	-	-	-	4,475,689
-	5,825	-	2,295,690	1,567,842	3,869,357
-	-	-	-	-	20,376
-	-	-	-	-	674,089
-	-	610,057	-	-	610,057
-	-	-	-	-	5,189,953
-	-	-	-	-	539,049
-	-	-	-	-	12,572
-	-	-	-	-	2,997,790
-	-	-	-	-	27,310
3,473,257	-	-	-	-	3,473,257
-	-	-	-	-	(387,878)
<u>3,474,614</u>	<u>5,825</u>	<u>610,057</u>	<u>2,295,690</u>	<u>1,567,842</u>	<u>21,515,216</u>
<u>\$ 4,603,477</u>	<u>\$ 828,963</u>	<u>\$ 648,460</u>	<u>\$ 3,699,416</u>	<u>\$ 1,880,721</u>	<u>\$ 29,429,450</u>



BAKER TILLY

Baker Tilly Vitchow Krause, LLP
1301 W 22nd St, Ste 400
Oak Brook, IL 60523-3389
tel 630 990 3131
fax 630 990 0039
bakertilly.com

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
TAX INCREMENT FINANCING DISTRICTS

To the Honorable Mayor and Members of the City Council
City of Urbana
Urbana, Illinois

We have audited the basic financial statements of the City of Urbana, as of and for the year ended June 30, 2014, and have issued our report thereon dated June 5, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with provisions of Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, "An Act in Relation to Tax Increment Financing", insofar as it relates to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above-referenced statute, insofar as it relates to accounting matters.

This report is intended solely for the information and use of the City Council, management, the State of Illinois, and others within the City and is not intended to be, and should not be, used by anyone other than the specified parties.

Baker Tilly Vitchow Krause, LLP

Oak Brook, Illinois
June 5, 2015

SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]

FY 2014

Name of Redevelopment Project Area:	TIF District Three
Primary Use of Redevelopment Project Area*:	Central Business Dist.
If "Combination/Mixed" List Component Types:	
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/>	Industrial Jobs Recovery Law <input type="checkbox"/>

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment labeled Attachment A	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement labeled Attachment D		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E	X	
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F		X
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H	X	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose the Official Statement labeled Attachment I	X	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If yes, please enclose the Analysis labeled Attachment J	X	
Cumulatively, have deposits equal or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		X
Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		X
A list of all intergovernmental agreements in effect in FY 2010, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose list only of the intergovernmental agreements labeled Attachment M	X	

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

Provide an analysis of the special tax allocation fund.

FY 2014

TIF NAME: TIF District Three

Fund Balance at Beginning of Reporting Period \$ 12,254,467

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	\$ 874,088	\$ 15,210,800	89%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 259,363	\$ 1,452,607	8%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (see attached schedule for sources)	\$ (398,520)	\$ 506,990	3%

*must be completed where 'Reporting Year' is populated

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period \$ 734,931

Cumulative Total Revenues/Cash Receipts \$ 17,170,397 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 1,376,025

Distribution of Surplus \$ -

Total Expenditures/Disbursements \$ 1,376,025

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS \$ (641,094)

FUND BALANCE, END OF REPORTING PERIOD* \$ 11,613,373

* if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

SURPLUS*/(DEFICIT)(Carried forward from Section 3.3) \$ -

FY2014

TIF District Three

Section 3.1 – Revenue/Cash Receipts Deposited in Fund During Reporting FY

Other Sources	Amount
Amount incorrectly reported as expenses in prior years	\$ 786,483.00
Property taxes refunded pursuant to court order	\$ (1,185,003.45)
TOTAL	\$ (398,520.45)

SECTION 3.2 A

PAGE 3

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
Provena Block Incentive	82,441	
		\$ 82,441
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
Mathews/Church Street Improvements	952,745	
Transfer to Public Arts Fund - King Park Sculpture	46,000	
		\$ 998,745
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 1,376,025

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))

Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period

FY 2014

TIF NAME: TIF District Three

FUND BALANCE, END OF REPORTING PERIOD \$ 11,613,373

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		

Total Amount Designated for Obligations \$ - \$ -

2. Description of Project Costs to be Paid

Incentive Payment or Refund for Disbursement		\$ 11,613,373

Total Amount Designated for Project Costs \$ 11,613,373

TOTAL AMOUNT DESIGNATED \$ 11,613,373

SURPLUS*/(DEFICIT) \$ -

* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2014

TIF NAME: TIF District Three

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

No property was acquired by the Municipality Within the Redevelopment Project Area

Property Acquired by the Municipality Within the Redevelopment Project Area

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)

FY 2014

TIF NAME: TIF District Three

SECTION 5 PROVIDES PAGES 1-3 TO ACCOMMODATE UP TO 25 PROJECTS. PAGE 1 MUST BE INCLUDED WITH TIF REPORT. PAGES 2-3 SHOULD BE INCLUDED ONLY IF PROJECTS ARE LISTED ON THESE PAGES

Check here if **NO** projects were undertaken by the Municipality Within the Redevelopment Project Area: X

ENTER total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below*.

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ -
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

Project 1: *IF PROJECTS ARE LISTED NUMBER MUST BE ENTERED ABOVE

Private Investment Undertaken (See Instructions)			\$ -
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 2:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 3:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 4:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 5:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 6:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 7:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 8:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 9:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 10:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 11:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 12:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 13:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public investment	0		0

Project 14:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 15:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public investment	0		0

Project 16:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 17:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 18:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 19:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 20:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 21:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 22:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 23:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 24:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 25:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

June 5, 2015

Local Government Division
Office of the Comptroller
100 W. Randolph, Suite 15-500
Chicago, IL 60601

**Re: Report of Annual Activities - Urbana TIF District Three
July 1, 2013 through June 30, 2014**

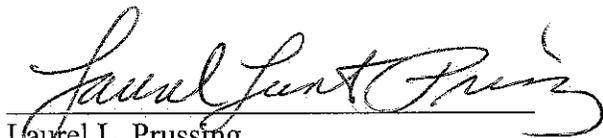
Dear Local Government Compliance Manager:

Pursuant to the Tax Increment Allocation Redevelopment Act, the City of Urbana hereby submits the annual Tax Increment Finance Report for Urbana Tax Increment Finance District Three for the period July 1, 2013 through June 30, 2014.

I hereby certify that the City of Urbana has complied with all requirements of the Tax Increment Allocation Redevelopment Act, including reporting requirements during Fiscal Year 2013-14.

Should you have any questions concerning our annual report for Urbana TIF District Three, please contact Brandon Boys, at 217/328-8270.

Sincerely,



Laurel L. Prussing
Mayor

June 5, 2015

Local Government Division
Office of the Comptroller
100 W. Randolph, Suite 15-500
Chicago, IL 60601

**Re: Report of Annual Activities - Urbana TIF District Three
July 1, 2013 through June 30, 2014**

Dear Local Government Compliance Manager:

I am legal counsel for the City of Urbana, Champaign County, Illinois (the "City"), and in connection with the requirements of Section 5/11-74.4 of the Municipal Code of the State of Illinois, as amended (65 ILCS 5/11-74.4) and also referred to as the Tax Increment Allocation Redevelopment Act (the "Act") I have examined, among other things, the following:

1. Annual Tax Increment Finance Report for Urbana Tax Increment Finance District Three, as prepared by Brandon Boys, Economic Development Manager for the City, and Elizabeth Hannan, Finance Director for the City, dated June 5, 2015.
2. Comprehensive Annual Financial Report of the City for the year ended June 30, 2014, as the line item accounts therein are further defined and explained by the letter of Elizabeth Hannan, Finance Director for the City of Urbana, dated June 5, 2015, together with the letter from Baker Tilly Virchow Krause, LLP, an independent certified public accounting firm, for Fiscal Year July 1, 2013 through June 30, 2014, indicating compliance with the requirements of Section 11-74.4-3 of the Act.
3. A letter dated June 5, 2015 from Laurel L. Prussing, Mayor, addressed to the Office of the Comptroller as addressed above regarding the certification by the Mayor as the Chief Executive Officer of the City, as required by Section 11-74.4-5 (d) (3) and 11-74.6-22 (d) (3) of the Act.

Based on the foregoing and in reliance on the factual matters contained therein, but without having independently verified the accuracy or completeness of such factual matters, I am of the opinion that the City was in compliance with the Act of and during the period covered by such reported information.

Sincerely,



Curt Borman
Assistant City Attorney
Ph. 217/384-2464

Attachment D
Activities Statement

and

Attachment F
Additional Information

The following activities were undertaken in furtherance of the objectives of the redevelopment plan.

1. TIF 3 paid \$235,810 to the Urbana School District to subsidize a vocational training program that provides high school students with state-of-the-art computer equipment and training.
2. TIF 3 paid \$3,372 in the form of marketing, promotion and legal services.
3. TIF 3 paid \$86,573 as an interest subsidy under a redevelopment agreement with Stratford Properties as consideration of their having constructed a mixed-use 40-unit apartment building on a downtown site.
4. TIF 3 paid \$82,441 in incentives through a redevelopment agreement for the "Provena Block".
5. TIF 3 paid \$952,745 for street improvements to Matthews/Church Streets.
6. TIF 3 paid \$46,000 for the installation of the King Park Sculpture.
7. TIF 3 expired with \$11,613,373 in remaining fund balance. These funds will either be disbursed to the taxing partners in the manner provided in the statute or paid out as reimbursements for legitimate development expenses under existing agreements and according to the statute.

June 5, 2015

To Whom It May Concern:

The attached balance sheet and statement of revenues, expenditures and changes in fund balance for the City of Urbana Tax Increment Financing District Number Three is included as a fund of the City of Urbana Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014.

A handwritten signature in black ink that reads "Elizabeth Hannan". The signature is written in a cursive style with a horizontal line underneath the name.

Elizabeth Hannan
Finance Director, City of Urbana

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - TAX INCREMENT FINANCING DISTRICT 3 FUND
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Property taxes	\$ 421,000	\$ 421,000	\$ 874,088
Investment income	1,000	1,000	122,824
Total Revenues	<u>422,000</u>	<u>422,000</u>	<u>996,912</u>
EXPENDITURES			
Urban Redevelopment and Housing			
Personnel services	43,820	43,820	55,292
Contractual services	498,525	498,525	472,828
Total urban redevelopment and housing	<u>542,345</u>	<u>542,345</u>	<u>528,120</u>
Capital Outlay	<u>920,000</u>	<u>920,000</u>	<u>930,049</u>
Total Expenditures	<u>1,462,345</u>	<u>1,462,345</u>	<u>1,458,169</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,040,345)</u>	<u>(1,040,345)</u>	<u>(461,257)</u>
OTHER FINANCING USES			
Transfers out	<u>(253,000)</u>	<u>(253,000)</u>	<u>(11,793,210)</u>
Total Other Financing Uses	<u>(253,000)</u>	<u>(253,000)</u>	<u>(11,793,210)</u>
Net Change in Fund Balance	<u>\$ (1,293,345)</u>	<u>\$ (1,293,345)</u>	<u>(12,254,467)</u>
FUND BALANCE - Beginning of Year (as restated)			<u>12,254,467</u>
FUND BALANCE - END OF YEAR			<u>\$ -</u>

CITY OF URBANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014

	General	Post TIF 3 Escrow	Nonmajor Governmental Funds	Totals
REVENUES				
Property taxes	\$ 4,259,811	\$ -	\$ 3,641,396	\$ 7,901,207
Other taxes	9,559,626	-	1,303,508	10,863,134
Intergovernmental	11,950,375	-	6,644,655	18,595,030
Licenses, fines, and service charges	2,974,148	-	2,827,308	5,801,456
Investment income	7,315	136,539	418,558	562,412
Miscellaneous	-	-	55,491	55,491
Total Revenues	<u>28,751,275</u>	<u>136,539</u>	<u>14,890,916</u>	<u>43,778,730</u>
EXPENDITURES				
Current				
General government	4,507,592	-	386,933	4,894,525
Public safety	16,262,966	-	158,856	16,421,822
Highways and streets	6,376,972	-	1,720,080	8,097,052
Urban redevelopment and housing	1,610,108	11,861,053	3,942,363	17,413,524
Capital Outlay	-	-	13,433,545	13,433,545
Debt Service				
Principal	-	-	815,000	815,000
Interest and fiscal charges	-	-	60,322	60,322
Total Expenditures	<u>28,757,638</u>	<u>11,861,053</u>	<u>20,517,099</u>	<u>61,135,790</u>
Excess (deficiency) of revenues over expenditures	<u>(6,363)</u>	<u>(11,724,514)</u>	<u>(5,626,183)</u>	<u>(17,357,060)</u>
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	-	4,000,000	4,000,000
Transfers in	2,194,453	11,724,514	2,817,534	16,736,501
Transfers out	(2,236,840)	-	(13,722,231)	(15,959,071)
Total Other Financing Sources (Uses)	<u>(42,387)</u>	<u>11,724,514</u>	<u>(6,904,697)</u>	<u>4,777,430</u>
Net Change in Fund Balances	(48,750)	-	(12,530,880)	(12,579,630)
FUND BALANCES - Beginning of Year (as restated)	<u>9,159,714</u>	<u>-</u>	<u>34,046,096</u>	<u>43,205,810</u>
FUND BALANCES - END OF YEAR	\$ <u>9,110,964</u>	\$ <u>-</u>	\$ <u>21,515,216</u>	\$ <u>30,626,180</u>

See accompanying notes to financial statements.

CITY OF URBANA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of June 30, 2014**

	Special Revenue			
	Social Services	Vehicle and Equipment Replacement	Special Community Development	HOME Community Development
ASSETS				
Cash and investments	\$ 12,792	\$ 5,238,455	\$ 203,022	\$ 57
Receivables (net)				
Property taxes	-	-	-	-
Other taxes	-	-	-	-
Accounts	-	-	-	-
Due from other governments	-	-	10,000	-
Grants	-	7,308	1,111	700,379
Due from other funds	-	886	125,979	65,429
Prepaid items	-	-	-	-
	<u>\$ 12,792</u>	<u>\$ 5,246,649</u>	<u>\$ 340,112</u>	<u>\$ 765,865</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 220	\$ 42,407	\$ 1,125	\$ 46,943
Accrued salaries and taxes	-	-	-	-
Due to other funds	-	2,733	115,116	670,108
Unearned revenues	-	36,371	5,271	-
Total Liabilities	<u>220</u>	<u>81,511</u>	<u>121,512</u>	<u>717,051</u>
Deferred Inflows of Resources				
Property taxes levied for future periods	-	-	-	-
Unavailable revenues for grants	-	-	-	409,998
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>409,998</u>
Fund Balances (Deficit)				
Nonspendable for prepaid items	-	-	-	-
Restricted for urban housing and development	-	-	-	-
Restricted for capital projects	-	-	-	-
Restricted for public safety	-	-	-	-
Committed for highways and streets	-	-	-	-
Committed for capital projects	-	-	-	-
Assigned for public safety	-	5,165,138	-	-
Assigned for urban housing and development	-	-	218,600	-
Assigned for social services	12,572	-	-	-
Assigned for workers' compensation	-	-	-	-
Assigned for public television	-	-	-	-
Assigned for capital projects	-	-	-	-
Unassigned	-	-	-	(361,184)
Total Fund Balances (deficit)	<u>12,572</u>	<u>5,165,138</u>	<u>218,600</u>	<u>(361,184)</u>
	<u>\$ 12,792</u>	<u>\$ 5,246,649</u>	<u>\$ 340,112</u>	<u>\$ 765,865</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 12,792</u>	<u>\$ 5,246,649</u>	<u>\$ 340,112</u>	<u>\$ 765,865</u>

Special Revenue

Community Development Block Grant	Tax Increment Financing District 1	Tax Increment Financing District 2	Tax Increment Financing District 3	Tax Increment Financing District 4	Economic Development	Insurance Financing
\$ 919	\$ 857,299	\$ 2,289,659	\$ -	\$ 2,173,262	\$ 179,418	\$ 2,997,790
-	264,918	636,797	-	512,472	-	-
-	-	-	-	-	-	-
125,515	-	39,310	-	-	234,630	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
9,576	90,457	-	-	-	125,270	-
-	-	-	-	-	12,238	-
<u>\$ 136,010</u>	<u>\$ 1,212,674</u>	<u>\$ 2,965,766</u>	<u>\$ -</u>	<u>\$ 2,685,734</u>	<u>\$ 551,556</u>	<u>\$ 2,997,790</u>
\$ 9,677	\$ 371,318	\$ 331,964	\$ -	\$ 76,780	\$ 12,202	\$ -
-	3,344	2,898	-	5,912	1,550	-
130,331	142,864	137,192	-	1,502	205,117	-
-	-	-	-	-	-	-
<u>140,008</u>	<u>517,526</u>	<u>472,054</u>	<u>-</u>	<u>84,194</u>	<u>218,869</u>	<u>-</u>
-	263,327	561,993	-	489,391	-	-
21,291	-	-	-	-	-	-
<u>21,291</u>	<u>263,327</u>	<u>561,993</u>	<u>-</u>	<u>489,391</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	12,238	-
-	431,821	1,931,719	-	2,112,149	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	320,449	-
-	-	-	-	-	-	2,997,790
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(25,289)	-	-	-	-	-	-
<u>(25,289)</u>	<u>431,821</u>	<u>1,931,719</u>	<u>-</u>	<u>2,112,149</u>	<u>332,687</u>	<u>2,997,790</u>
<u>\$ 136,010</u>	<u>\$ 1,212,674</u>	<u>\$ 2,965,766</u>	<u>\$ -</u>	<u>\$ 2,685,734</u>	<u>\$ 551,556</u>	<u>\$ 2,997,790</u>

CITY OF URBANA

BALANCE SHEET
GOVERNMENTAL FUNDS
As of June 30, 2014

	<u>General</u>	<u>Post TIF 3 Escrow</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
ASSETS				
Cash and investments	\$ 5,176,597	\$ 11,613,371	\$ 22,522,050	\$ 39,312,018
Receivables (net)				
Property taxes	1,924,974	-	1,414,187	3,339,161
Other taxes	376,680	-	490,765	867,445
Accounts	115,518	-	916,978	1,032,496
Accrued interest	111,570	-	-	111,570
Due from other governments	4,924,325	-	2,333,499	7,257,824
Grants	-	-	708,798	708,798
Due from other funds	2,055,121	-	1,029,578	3,084,699
Prepaid items	<u>216,502</u>	-	<u>13,595</u>	<u>230,097</u>
TOTAL ASSETS	<u>\$ 14,901,287</u>	<u>\$ 11,613,371</u>	<u>\$ 29,429,450</u>	<u>\$ 55,944,108</u>

See accompanying notes to financial statements.

CITY OF URBANA

BALANCE SHEET
GOVERNMENTAL FUNDS
As of June 30, 2014

	General	Post TIF 3 Escrow	Nonmajor Governmental Funds	Totals
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 502,173	\$ -	\$ 3,246,383	\$ 3,748,556
Claims payable	193,441	-	-	193,441
Accrued salaries and taxes	996,607	-	37,124	1,033,731
Due to other governments	-	11,613,371	-	11,613,371
Due to component units	885,573	-	-	885,573
Due to fiduciary funds	1,011,086	-	-	1,011,086
Due to other funds	268,377	-	2,723,463	2,991,840
Unearned revenues	279,598	-	161,264	440,862
Total Liabilities	<u>4,136,855</u>	<u>11,613,371</u>	<u>6,168,234</u>	<u>21,918,460</u>
Deferred Inflows of Resources				
Property taxes levied for future periods	1,653,468	-	1,314,711	2,968,179
Unavailable revenues for grants	-	-	431,289	431,289
Total Deferred Inflows of Resources	<u>1,653,468</u>	<u>-</u>	<u>1,746,000</u>	<u>3,399,468</u>
Fund Balances (Deficit)				
Nonspendable for prepaid items	216,502	-	13,595	230,097
Restricted for urban housing and development	-	-	4,475,689	4,475,689
Restricted for capital projects	-	-	3,869,357	3,869,357
Restricted for public safety	-	-	20,376	20,376
Committed for highways and streets	-	-	674,089	674,089
Committed for capital projects	-	-	610,057	610,057
Assigned for public safety	-	-	5,189,953	5,189,953
Assigned for urban housing and development	-	-	539,049	539,049
Assigned for social services	-	-	12,572	12,572
Assigned for workers' compensation	-	-	2,997,790	2,997,790
Assigned for public television	-	-	27,310	27,310
Assigned for capital projects	-	-	3,473,257	3,473,257
Unassigned	8,894,462	-	(387,878)	8,506,584
Total Fund Balances (deficit)	<u>9,110,964</u>	<u>-</u>	<u>21,515,216</u>	<u>30,626,180</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 14,901,287</u>	<u>\$ 11,613,371</u>	<u>\$ 29,429,450</u>	<u>\$ 55,944,108</u>

See accompanying notes to financial statements.



BAKER TILLY

Baker Tilly Virchow Krause, LLP
1301 W 22nd St, Ste 400
Oak Brook, IL 60523-3389
tel 630 990 3131
fax 630 990 0039
bakertilly.com

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
TAX INCREMENT FINANCING DISTRICTS

To the Honorable Mayor and Members of the City Council
City of Urbana
Urbana, Illinois

We have audited the basic financial statements of the City of Urbana, as of and for the year ended June 30, 2014, and have issued our report thereon dated June 5, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with provisions of Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, "An Act in Relation to Tax Increment Financing", insofar as it relates to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above-referenced statute, insofar as it relates to accounting matters.

This report is intended solely for the information and use of the City Council, management, the State of Illinois, and others within the City and is not intended to be, and should not be, used by anyone other than the specified parties.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
June 5, 2015

SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]

FY 2014

Name of Redevelopment Project Area:	TIF District Four
Primary Use of Redevelopment Project Area*:	Combination/Mixed
If "Combination/Mixed" List Component Types:	Housing/Commercial
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/>	Industrial Jobs Recovery Law <input type="checkbox"/>

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment labeled Attachment A	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement labeled Attachment D		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E		X
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F		X
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H	X	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose the Official Statement labeled Attachment I	X	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If yes, please enclose the Analysis labeled Attachment J	X	
Cumulatively, have deposits equal or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		X
Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		X
A list of all intergovernmental agreements in effect in FY 2010, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose list only of the intergovernmental agreements labeled Attachment M	X	

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

Provide an analysis of the special tax allocation fund.

FY 2014

TIF NAME: TIF District Four

Fund Balance at Beginning of Reporting Period \$ 1,738,610

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	\$ 779,786	\$ 6,002,521	91%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 25,890	\$ 179,574	3%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources		\$ 244,405	4%
Private Sources		\$ 59,259	1%
Other (IDOT Reimbursement)	\$ 4,814	\$ 115,506	2%

*must be completed where 'Reporting Year' is populated

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period \$ 810,490

Cumulative Total Revenues/Cash Receipts \$ 6,601,265 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 436,951

Distribution of Surplus \$ -

Total Expenditures/Disbursements \$ 436,951

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS \$ 373,539

FUND BALANCE, END OF REPORTING PERIOD* \$ 2,112,149

* if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

SURPLUS*/(DEFICIT)(Carried forward from Section 3.3) \$ (2,355,856)

SECTION 3.2 A

PAGE 3

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
O'Brien Autopark Incentives	80,146	
Creative Thermal Solutions Incentives	52,521	
Soccer Planet Incentives	44,725	
Cuningham Corridor Loan/Rent Subsidies	11,428	
		\$ 168,820
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 436,951

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))

Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period

FY 2014

TIF NAME: TIF District Four

FUND BALANCE, END OF REPORTING PERIOD \$ 2,112,149

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		

Total Amount Designated for Obligations \$ - \$ -

2. Description of Project Costs to be Paid

O'Brien Automall Incentives		\$ 886,149
Creative Thermal Solution Incentives		\$ 679,969
Soccer Planet Incentives		\$ 264,054
Hanford Inn Redevelopment Incentives		\$ 305,922
Cunningham Avenue Sidepath & ROW Improvements		\$ 367,986
Airport Road West Reconstruction		\$ 1,963,925

Total Amount Designated for Project Costs \$ 4,468,005

TOTAL AMOUNT DESIGNATED \$ 4,468,005

SURPLUS*/(DEFICIT) \$ (2,355,856)

* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2014

TIF NAME: TIF District Four

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

No property was acquired by the Municipality Within the Redevelopment Project Area

Property Acquired by the Municipality Within the Redevelopment Project Area

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)

FY 2014

TIF NAME: TIF District Four

SECTION 5 PROVIDES PAGES 1-3 TO ACCOMMODATE UP TO 25 PROJECTS. PAGE 1 MUST BE INCLUDED WITH TIF REPORT. PAGES 2-3 SHOULD BE INCLUDED ONLY IF PROJECTS ARE LISTED ON THESE PAGES

Check here if NO projects were undertaken by the Municipality Within the Redevelopment Project Area: <u> X </u>			
ENTER total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below*.			
TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ -
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

Project 1: *IF PROJECTS ARE LISTED NUMBER MUST BE ENTERED ABOVE

Private Investment Undertaken (See Instructions)			\$ -
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 2:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 3:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 4:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 5:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 6:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 7:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 8:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 9:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 10:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 11:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 12:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 13:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 14:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 15:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 16:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 17:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 18:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 19:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 20:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 21:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 22:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 23:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 24:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 25:			
Private Investment Undertaken (See Instructions)			
Public investment Undertaken			
Ratio of Private/Public Investment	0		0

June 5, 2015

Local Government Division
Office of the Comptroller
100 W. Randolph, Suite 15-500
Chicago, IL 60601

**Re: Report of Annual Activities - Urbana TIF District Four
July 1, 2013 through June 30, 2014**

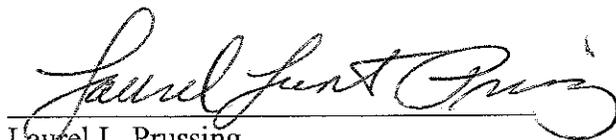
Dear Local Government Compliance Manager:

Pursuant to the Tax Increment Allocation Redevelopment Act, the City of Urbana hereby submits the annual Tax Increment Finance Report for Urbana Tax Increment Finance District Four for the period July 1, 2013 through June 30, 2014.

I hereby certify that the City of Urbana has complied with all requirements of the Tax Increment Allocation Redevelopment Act, including reporting requirements during Fiscal Year 2013-14.

Should you have any questions concerning our annual report for Urbana TIF District Four, please contact Brandon Boys, at 217/328-8270.

Sincerely,

A handwritten signature in cursive script, reading "Laurel L. Prussing". The signature is written in black ink and is positioned above a horizontal line.

Laurel L. Prussing
Mayor

June 5, 2015

Local Government Division
Office of the Comptroller
100 W. Randolph, Suite 15-500
Chicago, IL 60601

**Re: Report of Annual Activities - Urbana TIF District Four
July 1, 2013 through June 30, 2014**

Dear Local Government Compliance Manager:

I am legal counsel for the City of Urbana, Champaign County, Illinois (the "City"), and in connection with the requirements of Section 5/11-74.4 of the Municipal Code of the State of Illinois, as amended (65 ILCS 5/11-74.4) and also referred to as the Tax Increment Allocation Redevelopment Act (the "Act") I have examined, among other things, the following:

1. Annual Tax Increment Finance Report for Urbana Tax Increment Finance District Four, as prepared by Brandon Boys, Economic Development Manager for the City, and Elizabeth Hannan, Finance Director for the City, dated June 5, 2015.
2. Comprehensive Annual Financial Report of the City for the year ended June 30, 2014, as the line item accounts therein are further defined and explained by the letter of Elizabeth Hannan, Finance Director for the City of Urbana, dated June 5, 2015, together with the letter from Baker Tilly Virchow Krause, LLP, an independent certified public accounting firm, for Fiscal Year July 1, 2013 through June 30, 2014, indicating compliance with the requirements of Section 11-74.4-3 of the Act.
3. A letter dated June 5, 2015 from Laurel L. Prussing, Mayor, addressed to the Office of the Comptroller as addressed above regarding the certification by the Mayor as the Chief Executive Officer of the City, as required by Section 11-74.4-5 (d) (3) and 11-74.6-22 (d) (3) of the Act.

Based on the foregoing and in reliance on the factual matters contained therein, but without having independently verified the accuracy or completeness of such factual matters, I am of the opinion that the City was in compliance with the Act of and during the period covered by such reported information.

Sincerely,



Curt Borman
Assistant City Attorney
Ph. 217/384-2464

Attachment D
Activities Statement

and

Attachment F
Additional Information

The following activities were undertaken in furtherance of the objectives of the redevelopment plan.

1. TIF 4 paid \$10,230 in marketing, promotion and legal services.
2. TIF 4 paid \$32,014 toward improvements of the Cunningham Avenue right-of-way including sidepath design and street lighting.
3. TIF 4 paid \$30,075 toward the design for Airport Road West reconstruction.
4. TIF 4 paid \$123,170 toward public works and improvements associated with the Urbana Parks District.
5. TIF 4 paid \$60,146 through a development agreement with Interchange Properties for the development of the O'Brien Automall.
6. TIF 4 paid \$52,521 through a redevelopment agreement with Archeorent LLC for the development of the Creative Thermal Solutions campus.
7. TIF 4 paid \$11,428 in Cunningham Corridor Loan/Rent subsidies to property owners and tenants engaged in improving or renovating existing buildings associated with the expansion of existing or the establishment of new businesses.

LOCAL AGENCY/COMPANY
AGREEMENT

(City of Urbana/Frasca International, Inc.)

THIS AGREEMENT is made as of the 30th day of May, 2014 by and between the City of Urbana, Illinois hereinafter called the LOCAL AGENCY and Frasca International, Inc., hereinafter called the COMPANY.

WHEREAS, the LOCAL AGENCY is interested in expanding its economic base with the primary emphasis on creating and retaining jobs; and

WHEREAS, the LOCAL AGENCY has entered into a Development Agreement with FRASCA ASSOCIATES to develop certain property in the City which agreement contemplates applying for an Economic Development Program (EDP) grant to assist in the project; and

WHEREAS, if such grant is awarded, special reporting obligations are a necessary condition of the grant; and

WHEREAS, the LOCAL AGENCY will enter into an agreement with the Illinois Department of Transportation, hereinafter called the STATE, to implement an economic development program that significantly impacts upon the LOCAL AGENCY's economic base; and

WHEREAS, proposed project will create and/or retain jobs, thus providing a significant benefit to the LOCAL AGENCY's economic base; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

I. REPORTING REQUIREMENTS

- I.1. As required by Public Act 93-552, the COMPANY shall submit to the STATE an annual progress report of employment for five years from the date of the IDOT/Local Agency funding agreement.
- I.2. The annual progress report shall consist of job classifications, wages, number of positions, and other pertinent information as shown on Exhibit I.
- I.3. All annual employee progress reports will be completed on-line through the Department of Commerce and Economic Opportunity. The COMPANY will be notified by letter annually with instructions on how and when to fill out their annual report. This report will then be submitted electronically to IDOT.
- I.4. COMPANY agrees to make all reporting requirements under Public Act 93-552, also an obligation of any tenants on parcel PIN 91-15-33-300-005 at 906 East Airport Road, Urbana, IL 61802.

II. DEFAULT AND REMEDIES

- II.1. The COMPANY agrees to use "reasonable efforts" to create forty (40) or more jobs in connection with the Project within five (5) years of the initial application date of October 1, 2012. "Reasonable efforts" shall mean and include the use of due diligence to create or cause the creation of such jobs under the economic conditions prevailing during such period.
- II.2. In the event the COMPANY fails to create the requisite number of full-time jobs in accordance with Section II.1. above, or the COMPANY fails to comply with the reporting requirements herein, the COMPANY may be held in default.
- II.3. The commitment of EDP funds is contingent upon the fulfillment of the commitments to business investment and job creation during the period October 1, 2012 through September 30, 2017 as represented to the IDOT by the city of Urbana and The COMPANY. Any substantial modifications to these commitments change in location of this facility or the failure of The COMPANY to make firm commitment to this site will cause IDOT's commitment to be reevaluated.

The employment levels committed by The COMPANY must be created within the period beginning October 1, 2012 and ending September 30, 2017. If these commitments are not met, the department will review the project funding provided to the city of Urbana. If reasonable justification for non-performance of the commitments is not provided, the city will be required to repay the EDP funding to IDOT in total or an appropriate pro rata sum commensurate with the circumstances of the situation.

It is understood and agreed that the City is seeking an Economic Development Program grant from IDOT for the purpose of improving Airport Road for the benefit of both parties. If such grant is awarded but later declared by the State to be in default under Section II hereof, or for any reason, and the State demands repayment of all or a portion of the grant, COMPANY will pay the City \$50,000 as partial reimbursement for project expenses.

III. TERMINATION

- III.1. This Agreement may be terminated at any time by written, mutual agreement of the parties.
- III.2. This Agreement, and all further obligations of the parties hereunder, will terminate when the Project has been completed and when the COMPANY has satisfied its reporting obligations under Section I.

IV. GENERAL PROVISIONS

IV.1. Wherever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision shall be invalid under applicable law, such provision shall be ineffective to the extent of such invalidity without invalidating the remaining provisions of this Agreement.

IV.2. This Agreement represents the full and complete agreement between the parties with respect to the matters addressed herein and there are no oral agreements or understandings between the parties.

IV.3. This Agreement shall be construed in accordance with and governed by the law of the State of Illinois.

APPROVED BY

Frasca International, Inc.

Title President

Signature John Frasca

Date 5-27-2014

APPROVED BY

City of Urbana, Illinois

By James P. Quinn
Mayor

ATTEST

By Shirley D. Clark
City Clerk

Date 5/30/14

June 5, 2015

To Whom It May Concern:

The attached balance sheet and statement of revenues, expenditures and changes in fund balance for the City of Urbana Tax Increment Financing District Number Four is included as a fund of the City of Urbana Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014.



Elizabeth Hannan
Finance Director, City of Urbana

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TAX INCREMENT FINANCING DISTRICT 4 FUND For the Year Ended June 30, 2014

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Property taxes	\$ 884,510	\$ 884,510	\$ 779,786
Intergovernmental	-	-	4,814
Investment income	16,700	16,700	25,890
Total Revenues	<u>901,210</u>	<u>901,210</u>	<u>810,490</u>
EXPENDITURES			
Urban Redevelopment and Housing			
Personnel services	43,820	43,820	68,564
Contractual services	672,580	672,580	306,298
Total urban redevelopment and housing	<u>716,400</u>	<u>716,400</u>	<u>374,862</u>
Capital Outlay	250,000	450,000	62,089
Total Expenditures	<u>966,400</u>	<u>1,166,400</u>	<u>436,951</u>
Net Change in Fund Balance	<u>\$ (65,190)</u>	<u>\$ (265,190)</u>	373,539
FUND BALANCE - Beginning of Year			<u>1,738,610</u>
FUND BALANCE - END OF YEAR			<u>\$ 2,112,149</u>

CITY OF URBANA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of June 30, 2014**

	Special Revenue			
	Social Services	Vehicle and Equipment Replacement	Special Community Development	HOME Community Development
ASSETS				
Cash and investments	\$ 12,792	\$ 5,238,455	\$ 203,022	\$ 57
Receivables (net)				
Property taxes	-	-	-	-
Other taxes	-	-	-	-
Accounts	-	-	-	-
Due from other governments	-	-	10,000	-
Grants	-	7,308	1,111	700,379
Due from other funds	-	886	125,979	65,429
Prepaid items	-	-	-	-
	<u>\$ 12,792</u>	<u>\$ 5,246,649</u>	<u>\$ 340,112</u>	<u>\$ 765,865</u>
TOTAL ASSETS				
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 220	\$ 42,407	\$ 1,125	\$ 46,943
Accrued salaries and taxes	-	-	-	-
Due to other funds	-	2,733	115,116	670,108
Unearned revenues	-	36,371	5,271	-
Total Liabilities	<u>220</u>	<u>81,511</u>	<u>121,512</u>	<u>717,051</u>
Deferred Inflows of Resources				
Property taxes levied for future periods	-	-	-	-
Unavailable revenues for grants	-	-	-	409,998
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>409,998</u>
Fund Balances (Deficit)				
Nonspendable for prepaid items	-	-	-	-
Restricted for urban housing and development	-	-	-	-
Restricted for capital projects	-	-	-	-
Restricted for public safety	-	-	-	-
Committed for highways and streets	-	-	-	-
Committed for capital projects	-	-	-	-
Assigned for public safety	-	5,165,138	-	-
Assigned for urban housing and development	-	-	218,600	-
Assigned for social services	12,572	-	-	-
Assigned for workers' compensation	-	-	-	-
Assigned for public television	-	-	-	-
Assigned for capital projects	-	-	-	-
Unassigned	-	-	-	(361,184)
Total Fund Balances (deficit)	<u>12,572</u>	<u>5,165,138</u>	<u>218,600</u>	<u>(361,184)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
	<u>\$ 12,792</u>	<u>\$ 5,246,649</u>	<u>\$ 340,112</u>	<u>\$ 765,865</u>

Special Revenue

Community Development Block Grant	Tax Increment Financing District 1	Tax Increment Financing District 2	Tax Increment Financing District 3	Tax Increment Financing District 4	Economic Development	Insurance Financing
\$ 919	\$ 857,299	\$ 2,289,659	\$ -	\$ 2,173,262	\$ 179,418	\$ 2,997,790
-	264,918	636,797	-	512,472	-	-
-	-	-	-	-	-	-
125,515	-	39,310	-	-	234,630	-
-	-	-	-	-	-	-
9,576	90,457	-	-	-	125,270	-
-	-	-	-	-	12,238	-
<u>\$ 136,010</u>	<u>\$ 1,212,674</u>	<u>\$ 2,965,766</u>	<u>\$ -</u>	<u>\$ 2,685,734</u>	<u>\$ 551,556</u>	<u>\$ 2,997,790</u>
\$ 9,677	\$ 371,318	\$ 331,964	\$ -	\$ 76,780	\$ 12,202	\$ -
-	3,344	2,898	-	5,912	1,550	-
130,331	142,864	137,192	-	1,502	205,117	-
-	-	-	-	-	-	-
<u>140,008</u>	<u>517,526</u>	<u>472,054</u>	<u>-</u>	<u>84,194</u>	<u>218,869</u>	<u>-</u>
-	263,327	561,993	-	489,391	-	-
21,291	-	-	-	-	-	-
<u>21,291</u>	<u>263,327</u>	<u>561,993</u>	<u>-</u>	<u>489,391</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	12,238	-
-	431,821	1,931,719	-	2,112,149	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	320,449	-
-	-	-	-	-	-	2,997,790
-	-	-	-	-	-	-
(25,289)	-	-	-	-	-	-
<u>(25,289)</u>	<u>431,821</u>	<u>1,931,719</u>	<u>-</u>	<u>2,112,149</u>	<u>332,687</u>	<u>2,997,790</u>
<u>\$ 136,010</u>	<u>\$ 1,212,674</u>	<u>\$ 2,965,766</u>	<u>\$ -</u>	<u>\$ 2,685,734</u>	<u>\$ 551,556</u>	<u>\$ 2,997,790</u>



BAKER TILLY

Baker Tilly Vitchow Krause, LLP
1301 W 22nd St, Ste 400
Oak Brook, IL 60523-2389
tel 630 990 3131
fax 630 990 0039
bakertilly.com

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
TAX INCREMENT FINANCING DISTRICTS

To the Honorable Mayor and Members of the City Council
City of Urbana
Urbana, Illinois

We have audited the basic financial statements of the City of Urbana, as of and for the year ended June 30, 2014, and have issued our report thereon dated June 5, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with provisions of Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, "An Act in Relation to Tax Increment Financing", insofar as it relates to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above-referenced statute, insofar as it relates to accounting matters.

This report is intended solely for the information and use of the City Council, management, the State of Illinois, and others within the City and is not intended to be, and should not be, used by anyone other than the specified parties.

Baker Tilly Vitchow Krause, LLP

Oak Brook, Illinois
June 5, 2015