



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Economic Development Division

m e m o r a n d u m

TO: Mayor Laurel Lunt Prussing

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

DATE: September 22nd, 2016

SUBJECT: **AN ORDINANCE REVISING THE ANNUAL BUDGET ORDINANCE FOR FY2016/17 (Existing TIF District Revisions & Central TIF District)**

AND

AN ORDINANCE DISSOLVING THE SPECIAL TAX ALLOCATION FUND AND TERMINATING THE DESIGNATION OF THE DOWNTOWN URBANA TAX INCREMENT REDEVELOPMENT PROJECT AREA WITHIN THE CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS

AND

AN ORDINANCE OF THE CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS REMOVING CERTAIN PROPERTIES FROM THE DOWNTOWN URBANA TAX INCREMENT REDEVELOPMENT PROJECT AREA NUMBER TWO

Introduction

Over the last six months, the Urbana City Council has engaged in a public process to discuss and review a proposal for the establishment of the Urbana Central Tax Increment Finance (TIF) District in Downtown Urbana. The process was initiated on March 7th, 2016 when the Council approved a resolution declaring the intent of the City to establish the Central TIF District. The process would conclude with the formal adoption of the Central TIF which is currently scheduled to occur on October 17th, 2016.

On September 19th, the City Council formally introduced three ordinances which would collectively establish the Central TIF. The Council then respectively postponed approval of each ordinance to the October 17th Council meeting. The postponement provides the needed time to prepare financially and legally for the new TIF adoption. The three ordinances presented to Council herein are intended to accomplish this preparation by amending the City Budget (**Attachment A: Budget Amendment**

Ordinance with Exhibit), formally closing TIF District #1 (**Attachment B: Ordinance Terminating TIF 1**), and amending the boundary of TIF District #2 (**Attachment C: Ordinance Removing Properties from TIF 2 with Exhibits**).

Background

The area of the proposed Central TIF District represents the area at the core of Downtown Urbana that is most in need of reinvestment. Most of the properties targeted for inclusion in the Central TIF are already located within either TIF District 1 or 2 (**Attachment D: Proposed Central TIF Boundary Map**). It is necessary to eliminate the existing TIF designations on each parcel that is to be included in the Central TIF. This is to be accomplished through the closure of TIF 1 and the removal of certain properties from TIF 2 followed by the establishment of the Central TIF at a subsequent meeting.

Each of these actions will also require corresponding budget adjustments. For simplicity, all budget adjustments have been compiled into one TIF Budget Amendment action. The collective amendment will not increase total budgeted expenditures across TIF Funds and there are no new expenses introduced that have not already been authorized as part of the FY2016-17 budget. The budget amendment primarily reassigns budgeted expenses across funds and also reallocates fund balances accordingly. The City Council will be asked to take action on the TIF Budget Amendment first because the closure of TIF 1 is dependent on the budget adjustment already having occurred.

TIF 1 Closure & TIF 1 Budget Adjustments

The attached draft ordinance to dissolve TIF 1 (**Attachment B**) has been drafted to take effect on October 3rd immediately upon final approval by the Council. The closure of TIF 1 is expected to result in the return of approximately \$6.3 million in EAV to the general tax base for the City and all taxing partners for taxes levied in 2016 and collected in 2017. In addition, the ordinance requires that all funds have been distributed from the TIF 1 Fund prior to the district's closure. This outcome is affected through the TIF Budget Amendment (**Attachment A**) which reassigns existing budgeted expenses in the TIF 1 Fund (T09) to both the Central TIF Fund (T15) and TIF 2 Fund (T10). The budget amendment also transfers fund balance from the TIF 1 Fund (T09) to both TIF 2 (T10) and the Post Closure TIF Fund (T14). The result is a fund balance of zero with revenue equal to the actual expenses of the TIF 1 Fund at the time of its closure.

New Post Closure TIF Budget

The ordinance dissolving TIF 1 (**Attachment B**) also provides for the creation of an "escrow account" wherein certain obligated expenses and funds to meet those expenses will be transferred. In the TIF Budget Amendment (**Attachment A**), the "escrow account" is achieved through the creation of a Post Closure TIF Fund (T14) which was previously used for similar post-TIF 3 expenses.

The post closure expenses for TIF 1 represent budgeted expenses that are impractical to transfer to the proposed Central TIF District Fund. These expenses include:

- a reimbursement of project expenses to the Urbana-Champaign Independent Media Center under the Redevelopment Incentive Program,
- the annual TIF 1 surplus distribution to taxing partners as required by the TIF 1 Plan and a

corresponding transfer to the General Fund for the City's share of this surplus (annual authorization of this disbursement by Council is a separate item on this meeting's agenda),

- the annual vocational payment to the Urbana School District,
- funds remaining for reimbursement under the 204 W Main Street (SIPYARD) Redevelopment Agreement with Cake Design Development LLC, and
- funds remaining for reimbursement under the Stephens Building Agreement with Stephens Building LLC.

The Post Closure TIF Fund is also expected to receive the final distribution of property taxes for TIF 1. While this budget is designed to balance, any funds left unexpended from the Post Closure TIF Fund will be surplussed in accordance with the TIF Act. Any surplus would result in approximately a 50/50 split of remaining funds between the State of Illinois and the City of Urbana due to TIF 1's prior utilization of sales tax revenue.

TIF 2 Boundary Amendment & TIF 2 Budget Adjustments

The ordinance removing properties from TIF 2 (**Attachment C**) affects a minor amendment to the boundary of TIF 2. The properties targeted for removal from TIF 2 are those most in need of reinvestment in the downtown area. The removal of these properties from TIF 2 is expected to result in the return of approximately \$1.5 million in EAV to the general tax base for the City and all taxing partners effective for taxes levied in 2016 and collected in 2017.

The TIF Budget Amendment (**Attachment A**) reassigns existing budgeted expenses from the TIF 1 Fund (T09) to the TIF 2 Fund (T10) and from the TIF 2 Fund (T10) to the Central TIF Fund (T15). In addition, fund balance is transferred from the TIF 2 Fund (T10) to the Central TIF Fund (T15) to cover the cost of the reassigned budgeted expenses. Lastly, the property tax revenues for TIF 2 have been downwardly adjusted to reflect the removal of EAV from the TIF which will impact property taxes collected in the first half of 2017.

New Central TIF Budget

In preparation for the final adoption of the Central TIF at the October 17th City Council meeting, the TIF Budget Amendment (**Attachment A**) also establishes a new Central TIF Fund (T15). This fund is comprised of the aforementioned reassignments of previously budgeted expenses from the TIF 1 Fund (T09) and the TIF 2 Fund (T10) as well as revenues from the transfer of fund balance from TIF 2 (T10). The fund also contains new property tax revenue from the anticipated property taxes to be collected in the first half of 2017.

Fiscal Impacts

The combined impact of the proposed closure of TIF 1 and removal of properties from TIF 2 is expected to cumulatively return \$7.8 million to the total general tax base for all taxing partners for taxes levied in 2016 and collected in 2017. At current tax rates, this enhanced tax base would result in approximately \$827,000 of new tax revenues annually to all taxing districts with \$105,000 accruing in revenues to the City each year.

The collective TIF Budget Amendment will not increase cumulative budgeted expenditures across TIF funds and does not create any new expenses that had not already been authorized in the FY2016-17 budget.

Recommendation

Staff recommends that the City Council approve all three draft ordinances discussed herein in preparation for the adoption of the proposed Urbana Central TIF District at the October 17th City Council meeting.

Please contact staff with any questions on the proposed adoption process for the Urbana Central TIF.

Prepared By:



Brandon S. Boys, Economic Development Manager, TIF Administrator

Attached: Attachment A: Budget Amendment Ordinance with Exhibit
 Attachment B: Ordinance Terminating TIF 1
 Attachment C: Ordinance Removing Properties from TIF 2 with Exhibits
 Attachment D: Proposed Central TIF Boundary Map

Cc: Elizabeth Hannan, Finance Director
 Mike Weber, PGAV
 Ken Beth, TIF Attorney

ATTACHMENT A

ORDINANCE NO. 2016-09-089

**AN ORDINANCE REVISING THE
ANNUAL BUDGET ORDINANCE FOR FY2016/17
(Existing TIF District Revisions & Central TIF District)**

WHEREAS, the Annual Budget Ordinance of and for the City of Urbana, Champaign County, Illinois, for the fiscal year beginning July 1, 2016, and ending June 30, 2017, (the “Annual Budget Ordinance”) has been duly adopted according to Sections 8-2-9.1 et seq. of the Illinois Municipal Code (the “Municipal Code”) and Division 2, entitled “Budget”, of Article VI, entitled “Finances and Purchases”, of Chapter 2, entitled “Administration”, of the Code of Ordinances, City of Urbana, Illinois (the “City Code”); and

WHEREAS, the City Council of the said City of Urbana finds it necessary to revise said Annual Budget Ordinance by deleting, adding to, changing or creating sub-classes within object classes and object classes themselves; and

WHEREAS, funds are available to effectuate the purpose of such revision; and

WHEREAS, such revision is not one that may be made by the Budget Director under the authority so delegated to the Budget Director pursuant to section 8-2-9.6 of the Municipal Code and section 2-133 of the City Code.

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

Section 1. That the Annual Budget for FY2016/17, as revised, is hereby revised to provide as outlined in the attached Exhibit A.

Section 2. This Ordinance shall be in full force and effect from and after its passage and publication in accordance with Section 1-2-4 of the Illinois Municipal Code.

This Ordinance is hereby passed by the affirmative vote, the “ayes” and “nays” being called, of two-thirds of the corporate authorities then holding office (6 of 8 votes) of the City of Urbana, Illinois, at a meeting of the corporate authorities.

PASSED by the City Council this _____ day of _____, _____.

AYES:

NAYS: _____

ABSTAINED:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____, _____.

Laurel Lunt Prussing, Mayor

Budget Amendment 2016/17 - Exhibit A

		<u>Current Budget</u>	<u>Revised Budget</u>	<u>Difference</u>	<u>Reason</u>
General Operating Fund					
<u>Revenues</u>					
009-0-0424-0000	TIF 1 Surplus Transfer	35,705	35,606	(99)	adjust TIF 1 transfer
<u>Total Revenues</u>		<u>33,102,230</u>	<u>33,102,131</u>	<u>(99)</u>	
<u>Ending Fund Balance</u>		<u>6,868,497</u>	<u>6,868,398</u>	<u>(99)</u>	
<hr/>					
Tax Increment Financing District 1 Fund					
<u>Revenues</u>					
T09-0-0010-0000	Property Taxes	317,554	247,515	(70,039)	adjust revenues - TIF closure
T09-0-0130-0000	Interest on Investments	5,400	-	(5,400)	adjust revenues - TIF closure
T09-0-0060-0000	Transfer from TIF 2	141,100	-	(141,100)	transfer not required
		<u>464,054</u>	<u>247,515</u>	<u>(216,539)</u>	
<u>Expenditures</u>					
T09-1-1100-1102	Arts Specialist	57,504	12,338	(45,166)	reassign to TIF2
T09-1-1100-1800	Employee Insurance	7,725	1,931	(5,794)	reassign to TIF2
T09-1-1100-1850	IMRF	7,487	1,606	(5,881)	reassign to TIF2
T09-1-1100-1855	FICA	4,400	932	(3,468)	reassign to TIF2
T09-1-1300-3000	Redevelopment Incentive	60,000	-	(60,000)	reassign to Central TIF
T09-1-1300-3002	DT Business Grants	30,000	4,000	(26,000)	reassign to Central TIF
T09-1-1300-3008	Legal Costs	10,000	4,075	(5,925)	reassign to Central TIF
T09-1-1300-3009	NEA Program Match	15,000	-	(15,000)	reassign to Central TIF
T09-1-1300-3010	Arts Grants	15,000	425	(14,575)	reassign to Central TIF
T09-1-1300-3011	Arts Programs	7,000	6,020	(980)	reassign to Central TIF
T09-1-1300-3012	Surplus Payments to Gov't	245,467	-	(245,467)	reassign to Post Closure TIF
T09-1-1300-3020	Marketing Dues Studies	10,000	983	(9,017)	reassign to Central TIF
T09-1-1300-3022	Vocational Payment	37,500	-	(37,500)	reassign to Post Closure TIF
T09-1-1300-3023	Reg UBA Contribution .25	20,815	-	(20,815)	reassign to Post Closure TIF
T09-1-1300-3026	DT UBA Festival Market	7,500	5,000	(2,500)	reassign to Central TIF
T09-1-1300-3040	Stratford Tax Incentives	99,915	46,689	(53,226)	agreement complete
T09-1-1300-3041	Downtown Studies	9,199	7,388	(1,811)	reassign to Central TIF
T09-1-1300-3053	Cake Design Dev Costs	22,645	-	(22,645)	reassign to Post Closure TIF
T09-1-1300-3054	Stephens Building Dev	220,000	-	(220,000)	reassign to Post Closure TIF
T09-1-2500-5061	Downtown Improvements	25,000	-	(25,000)	reassign to Central TIF
T09-1-1300-3013	Tfr to Gen Op - Surplus	35,705	-	(35,705)	reassign to Post Closure TIF
T09-1-1500-3014	Tfr to TIF 2	-	180,648	180,648	close fund - balance to zero
T09-1-1500-3015	Tfr to Post TIF Closure Fund	-	499,333	499,333	tfr to balance Post Closure TIF
<u>Total Expenditures</u>		<u>947,862</u>	<u>771,368</u>	<u>(176,494)</u>	current ending balance adjusted based on 6/30/16 year end
<u>Ending Fund Balance</u>		<u>40,045</u>	<u>-</u>	<u>(40,045)</u>	

Tax Increment Financing District 2 Fund

Revenues

T10-0-0060-0000	Tfr from TIF 1	-	180,648	180,648	close TIF 1 Fund
<u>Total Revenues</u>		<u>1,393,782</u>	<u>1,574,430</u>	<u>180,648</u>	

Expenditures

T10-1-1100-1102	Arts Specialist	-	45,166	45,166	reassign from TIF 1
T10-1-1100-1800	Employee Insurance	-	5,794	5,794	reassign from TIF 1
T10-1-1100-1850	IMRF	-	5,881	5,881	reassign from TIF 1
T10-1-1100-1855	FICA	-	3,468	3,468	reassign from TIF 1
T10-1-1300-3025	Art at Market Program	2,400	1,200	(1,200)	reassign to Central TIF
T10-1-1300-3026	DT UBA Festival	7,500	5,000	(2,500)	reassign to Central TIF
T10-1-1300-3028	Boneyard Art Event	1,500	-	(1,500)	reassign to Central TIF
T10-1-1300-3030	TIF Training / Conferences	6,500	-	(6,500)	reassign to Central TIF
T10-1-1300-3500	Legal Services	10,000	5,000	(5,000)	reassign to Central TIF
T10-1-1300-3585	Arts Grants	18,000	3,842	(14,158)	reassign to Central TIF
T10-1-1300-3600	Marketing Dues Studies	15,000	9,113	(5,887)	reassign to Central TIF
T10-1-1300-3610	Redevelopment Incentive	80,000	49,583	(30,417)	reassign to Central TIF
T10-1-1300-3614	Business Incentives	25,000	15,000	(10,000)	reassign to Central TIF
T10-1-1300-3616	Structural Studies	18,000	-	(18,000)	reassign to Central TIF
T10-1-1300-4016	129 N Race Development	82,500	29,852	(52,648)	reassign to Central TIF
T10-1-1300-4018	401 N Broadway Incent	345,000	-	(345,000)	reassign to Central TIF
T10-1-2500-5058	Engineering & Appraisals	8,000	4,000	(4,000)	reassign to Central TIF
T10-1-2500-5074	Boneyard Design/Constr	255,000	88,571	(166,429)	reassign to Central TIF
T10-1-2500-5082	Env Costs - 202 Vine	20,532	358	(20,174)	reassign to Central TIF
T10-1-2500-5088	Bldg Demo Costs	15,000	7,500	(7,500)	reassign to Central TIF
T10-1-1400-4019	Tfr to TIF 1	141,100	-	(141,100)	transfer not required
T10-1-1500-5015	Tfr to Central TIF	-	839,280	839,280	required for Central TIF startup
<u>Total Expenditures</u>		<u>2,302,053</u>	<u>2,369,629</u>	<u>67,576</u>	
<u>Ending Fund Balance</u>		<u>1,032,866</u>	<u>1,145,938</u>	<u>113,072</u>	

Post Closure TIF Fund (renamed - was Post TIF 3 Fund)

Revenues

T14-0-0010-0000	Property Tax	-	70,039	70,039	remaining prop tax for TIF 1
T14-0-0400-0000	Tfr from Other Funds	-	499,333	499,333	tfr from TIF 1 for obligations
<u>Total Revenues</u>		-	<u>569,372</u>	<u>569,372</u>	

Expenditures

T14-1-1300-3000	Redevelopment Incentive	-	6,834	6,834	remaining TIF 1 obligations
T14-1-1300-3012	Surplus Payments to Gov't	-	246,787	246,787	remaining TIF 1 obligations
T14-1-1300-3022	Vocational Payment	-	37,500	37,500	remaining TIF 1 obligations
T14-1-1300-3053	Cake Design Dev Costs	-	22,645	22,645	remaining TIF 1 obligations
T14-1-1300-3054	Stephens Building Dev	-	220,000	220,000	remaining TIF 1 obligations
T14-1-1500-5000	Tfr to Gen Op - Surplus	-	35,606	35,606	remaining TIF 1 obligations
<u>Total Expenditures</u>		-	<u>569,372</u>	<u>569,372</u>	

Ending Fund Balance

-	-	-
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ATTACHMENT B

ORDINANCE NO. 2016-09-090

AN ORDINANCE DISSOLVING THE SPECIAL TAX ALLOCATION FUND AND TERMINATING THE DESIGNATION OF THE DOWNTOWN URBANA TAX INCREMENT REDEVELOPMENT PROJECT AREA WITHIN THE CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS

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 of Urbana, Champaign County, Illinois (the **“Municipality”**) as a home rule unit under Section 6 of Article VII of the Constitution of Illinois, the City Council of the Municipality (the **“Corporate Authorities”**) adopted 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 Municipality designated the Urbana Downtown Tax Increment Redevelopment Project Area (the **“Redevelopment Project Area”**), 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 established a special tax allocation fund (the **“Fund”**) in connection therewith; and

WHEREAS, the Municipality has notified affected taxing districts of the proposed termination of the Redevelopment Project Area, as a redevelopment project area, in accordance with the provisions of Section 8 of the TIF; and

WHEREAS, with respect to the Redevelopment Project Area, provisions have been made or will be made prior to October 3, 2016 to create an escrow account (the **“Escrow Account”**) and to transfer certain amounts from the Fund to the Escrow Account for the purposes of:

- (i) the annual surplus payment to all of the affected taxing districts as specified in Redevelopment Plan;
- (ii) certain amounts remaining to be paid in connection with certain payment obligations under existing Redevelopment Agreements;
- (iii) the annual vocational payment to Community Unit School District 116;
- (iv) paying any administrative costs incurred by the Municipality for staff and professional services related to the administration of this Ordinance, the Redevelopment Plan, the Redevelopment Project Area and the Fund; and

WHEREAS, except for such transfers to the Escrow Account as described above, all redevelopment project costs have been or will be paid, all obligations relating thereto have been or will be paid and retired and all excess monies, if any, have been or will be distributed prior to October 3, 2016; and

WHEREAS, in accordance with the provisions of Section 8(b) of the Act, the Municipality desires to dissolve the special tax allocation fund relating to the Redevelopment Project Area and to terminate the designation of the Redevelopment Project Area as a redevelopment project area.

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

Section 1. Dissolution of Fund. The Fund established in regard to the Redevelopment Project Area is hereby dissolved as of the effective date of this Ordinance.

Section 2. Termination of Redevelopment Project Area. The designation of the Redevelopment Project Area as a redevelopment project area is hereby terminated as of October 3, 2016.

Section 3. Closing of Escrow Account. Amounts remaining in the Escrow Account, if any, shall be distributed by being paid in the manner specified by Section 8 of the TIF Act.

Section 4. Effective Date. This Ordinance shall be in full force and effect upon its passage and approval in the manner provided by law.

Section 5. Invalidity. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

Section 6. Conflicts. All ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby superseded.

Section 7. Filing. The City Clerk shall immediately file or cause to be filed a certified copy of this Ordinance with the County Clerk of Champaign County, Illinois.

Upon motion by _____, seconded by _____, adopted this ____ day of _____, 2016 by roll call vote, as follows:

Voting "Aye" (names): _____

Voting "Nay" (names): _____
Absent, Etc. (names): _____

Approved: _____, 2016

(SEAL)

City Clerk

Mayor

[File with Champaign County Clerk]

STATE OF ILLINOIS)
) SS.
COUNTY OF CHAMPAIGN)

CERTIFICATION OF ORDINANCE

I, Phyllis D. Clark, do hereby certify that I am the duly selected, qualified and acting City Clerk of the City of Urbana, Champaign County, Illinois (the “**Municipality**”), and as such official I am the keeper of the records and files of the Municipality and of its City Council (the “**Corporate Authorities**”).

I do further certify that the attached ordinance constitutes a full, true and correct excerpt from the proceedings of the Municipality’s Corporate Authorities held on _____, 2016, insofar as same relates to the adoption of Ordinance No. _____, entitled:

AN ORDINANCE DISSOLVING THE SPECIAL TAX ALLOCATION FUND AND TERMINATING THE DESIGNATION OF THE DOWNTOWN URBANA TAX INCREMENT REDEVELOPMENT PROJECT AREA WITHIN THE CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS,

a true, correct and complete copy of which ordinance as adopted at such meeting appears in the minutes of such meeting and is hereto attached. Such ordinance was adopted and approved on the date thereon set forth by not less than a affirmative vote of a majority of the Corporate Authorities and approved by the Mayor on the date indicated thereon.

I do further certify that the deliberations of the Corporate Authorities on the adoption of the above ordinance were taken openly, that the vote on the adoption of such ordinance was taken openly and was preceded by a public recital of the nature of the matter being considered and such other information as would inform the public of the business being conducted, that such meeting was held at a specified time and place convenient to the public, that notice of such meeting was duly given to all of the news media requesting such notice, that the agenda for such meeting was continuously posted on the Municipality’s website and at the offices of the Municipality at least 48 hours before the meeting, that such meeting was called and held in strict compliance with the provisions of the Open Meetings Act and the Illinois Municipal Code, as amended, and that the Corporate Authorities have complied with all of the applicable provisions of such Act and such Code and their procedural rules in the adoption of such ordinance.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the City of Urbana, Champaign County, Illinois, this ____ day of _____, 2016.

City Clerk

(SEAL)

ATTACHMENT C

ORDINANCE NO. 2016-09-091

AN ORDINANCE OF THE CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS REMOVING CERTAIN PROPERTIES FROM THE DOWNTOWN URBANA TAX INCREMENT REDEVELOPMENT PROJECT AREA NUMBER TWO

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 (the “**Corporate Authorities**”) of the City of Urbana, Champaign County, Illinois (the “**Municipality**”) did adopt an ordinance (Ordinance No. 8687-45 on December 23, 1986) including as supplemented and amended by certain ordinances (Ordinance No. 9394-101 on May 16, 1994, Ordinance No. 2002-06-064 on June 17, 2002, and Ordinance No. 2005-03-032 on March 21, 2005, collectively, the “**TIF Ordinances**”); and

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

WHEREAS, the Municipality desires to amend the Redevelopment Project Area and Redevelopment Plan by removing certain parcels of property as described by a Property Identification Number (“**PIN**”) in Exhibit A and depicted on the map in Exhibit B attached hereto and made a part hereof, (the “**Removed Parcels**”) from the boundaries of the Redevelopment Project Area as of the effective date of this Ordinance (the “**Effective Date**”); and

WHEREAS, the amendments as made by this Ordinance effect changes which do not (1) add additional parcels of property to the Redevelopment Project Area, (2) substantially affect the general land uses proposed in the Redevelopment Plan, (3) substantially change the nature of the Redevelopment Projects, (4) increase the total estimated redevelopment project cost set out in the Redevelopment Plan by more than 5% after adjustment for inflation from the date the Redevelopment Plan was adopted, (5) add additional redevelopment project costs to the itemized list of redevelopment project costs set out in the Redevelopment Plan, or (6) increase the number of inhabited residential units to be displaced from the Redevelopment Project Area, as measured from the time of creation of the Redevelopment Project Area to a total of more than 10.

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

Section 1. Amendment. The Removed Parcels shall be and hereby are removed from the Redevelopment Project Area, including in connection with the Redevelopment Plan and the

Projects as of the Effective Date. The Redevelopment Area, the Redevelopment Plan and the Projects shall be and are hereby amended by such removal of the Removed Parcels as of the Effective Date. A copy of this Ordinance shall be attached to the Redevelopment Plan to effect the amendments hereby, but any failure to so attach this Ordinance shall not abrogate, diminish, impair or delay the effect of such amendments.

Section 2. Publication. Within 10 days of the passage and approval of this Ordinance, notice of such changes as made by this Ordinance shall be given by (i) publication in a newspaper of general circulation within the affected taxing districts, and by (ii) mail (a) to each registrant on the interested parties registry with respect to the Redevelopment Project Area and (b) to each taxing district having taxable property within the Redevelopment Project Area. The changes and amendments as made by this Ordinance are authorized under Section 11-74.4-5 of the TIF Act.

Section 3. Filing. The City Clerk shall file or cause to be filed a certified copy of this Ordinance with the County Clerk of Champaign County, Illinois.

Section 4. Effective. This ordinance shall be effective immediately upon its passage, approval and publication in the manner required by applicable law.

Upon motion by _____, seconded by _____, adopted this ____ day of _____, 2016 by roll call vote, as follows:

Voting "Aye" (names): _____

Voting "Nay" (names): _____
Absent, Etc. (names): _____

Approved: _____, 2016

(SEAL)

City Clerk

Mayor

EXHIBIT A

<u>PIN</u>	<u>PIN</u>	<u>PIN</u>
912108376012	912108459005	922117233003
912108376017	912108463006	922117233004
912108382013	912108504002	922117233005
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912108451004	922117141004	922117254010
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912108451006	922117210009	922117212024
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912108453016	922117211004	912108384015
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912108453018	922117212022	912108504001
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912108458002	922117227011	
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912108459003	922117233002	

EXHIBIT B

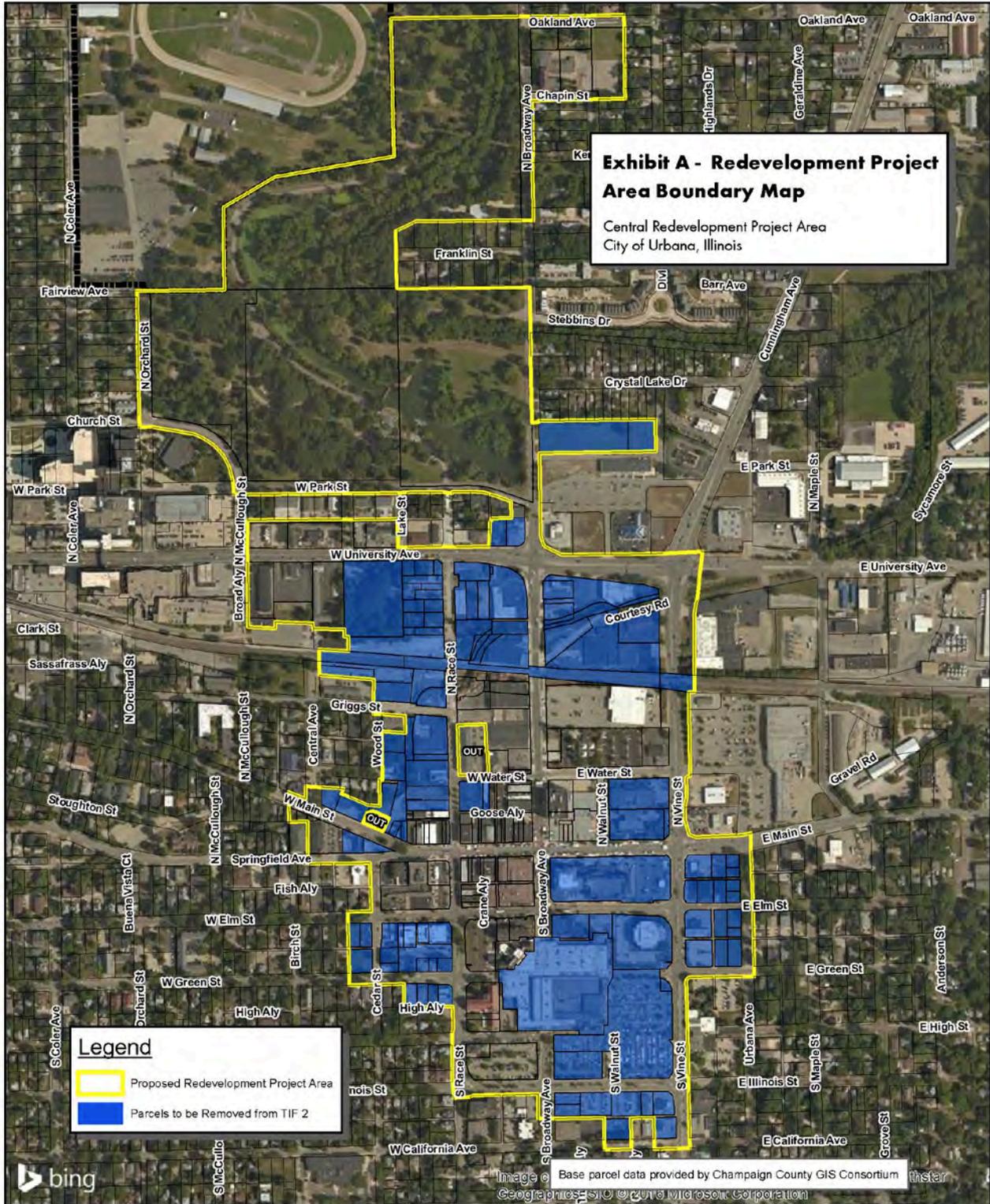
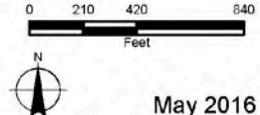


Exhibit A - Redevelopment Project Area Boundary Map
 Central Redevelopment Project Area
 City of Urbana, Illinois

Legend
 [Yellow Outline] Proposed Redevelopment Project Area
 [Blue Fill] Parcels to be Removed from TIF 2



May 2016

STATE OF ILLINOIS)
) SS.
COUNTY OF CHAMPAIGN)

CERTIFICATION OF ORDINANCE

I, Phyllis D. Clark, do hereby certify that I am the duly selected, qualified and acting City Clerk of the City of Urbana, Champaign County, Illinois (the “**Municipality**”), and as such official I am the keeper of the records and files of the Municipality and of its City Council (the “**Corporate Authorities**”).

I do further certify that the attached ordinance constitutes a full, true and correct excerpt from the proceedings of the Municipality’s Corporate Authorities held on _____, 2016, insofar as same relates to the adoption of Ordinance No. _____, entitled:

AN ORDINANCE OF THE CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS REMOVING CERTAIN PROPERTIES FROM THE DOWNTOWN URBANA TAX INCREMENT REDEVELOPMENT PROJECT AREA NUMBER TWO,

a true, correct and complete copy of which ordinance as adopted at such meeting appears in the minutes of such meeting and is hereto attached. Such ordinance was adopted and approved on the date thereon set forth by not less than a affirmative vote of a majority of the Corporate Authorities and approved by the Mayor on the date indicated thereon.

I do further certify that the deliberations of the Corporate Authorities on the adoption of the above ordinance were taken openly, that the vote on the adoption of such ordinance was taken openly and was preceded by a public recital of the nature of the matter being considered and such other information as would inform the public of the business being conducted, that such meeting was held at a specified time and place convenient to the public, that notice of such meeting was duly given to all of the news media requesting such notice, that the agenda for such meeting was continuously posted on the Municipality’s website and at the offices of the Municipality at least 48 hours before the meeting, that such meeting was called and held in strict compliance with the provisions of the Open Meetings Act and the Illinois Municipal Code, as amended, and that the Corporate Authorities have complied with all of the applicable provisions of such Act and such Code and their procedural rules in the adoption of such ordinance.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the City of Urbana, Champaign County, Illinois, this ____ day of _____, 2016.

City Clerk

(SEAL)

