



**CITY OF URBANA, ILLINOIS  
FINANCE DEPARTMENT**

**MEMORANDUM**

**TO:** Mayor Prussing and City Council Members  
**FROM:** Elizabeth Hannan, Finance Director  
**DATE:** September 22, 2016  
**SUBJECT: TIF One Surplus Distribution**

**Introduction:** The attached Resolution will authorize a surplus distribution from the Tax Increment Financing District One based on the 2015 tax levy extended in 2016.

**Distribution:** This would be the thirteenth and final year for a TIF One surplus distribution. When TIF One was extended in 2004, the city agreed with the School and Park Districts to distribute surplus annually (based on the approximate net amount the School District would have received) until TIF1 expires in 2016. The amounts to be distributed are based on current tax rates, and are:

Urbana School District	\$157,215
City of Urbana	35,606
Urbana Park District	32,096
Champaign County	22,788
Parkland	14,348
M.T.D.	8,756
Cunningham Township	5,660
C-U Health District	3,435
Forest Preserve	<u>2,489</u>
Total	<u>\$282,393</u>

The amount increased 0.74% from last year since the amount of property tax extended for TIF1 increased by 0.74%. This increase is attributable to small increases in both the incremental amount of EAV, and in the tax rate. This amount is available to be considered as surplus and distributed to the various taxing bodies, as required by law.

This surplus distribution is in addition to other amounts paid to the School District as reimbursement for vocational training, and to the Park District for various community projects

this year.

**Fiscal Impact:** Budget revisions being recommended related to the end of the life of TIF One include reassigning these expenses to a Post Closure TIF Fund so that they can be paid after the TIF has been closed.

**Recommendation:** Approval of the attached Resolution authorizing the TIF One surplus distribution.

**RESOLUTION NO. 2016-09-062R**

**A RESOLUTION DEEMING CERTAIN FUNDS IN THE SPECIAL TAX ALLOCATION FUND FOR THE DOWNTOWN URBANA TAX INCREMENT REDEVELOPMENT PROJECT AREA AS “SURPLUS” FUNDS AND DIRECTING THE PAYMENT AND DISTRIBUTION THEREOF (2016)**

**WHEREAS**, pursuant to a series of ordinances (Ordinance Nos. 8081-61, 8081-62 and 8081-63), adopted December 22, 1980, including as subsequently supplemented and amended (collectively, the “**TIF Ordinances**”) in connection with the Urbana Downtown Tax Increment Redevelopment Project Area (the “**Redevelopment Project Area**”), the City Council (the “**Corporate Authorities**”) of the City of Urbana, Champaign County, Illinois (the “**Municipality**”) adopted the Urbana Downtown Tax Increment Area Redevelopment Plan and related Redevelopment Projects, designated the Redevelopment Project Area, and authorized tax increment finance under the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 *et seq.*), as supplemented and amended (including the predecessor Act thereof, the “**TIF Act**”); and

**WHEREAS**, the Municipality is required under Sections 11-74.4-5(d) and 11-74.4-8 of the TIF Act to annually designate all funds deposited into the special tax allocation fund established under the TIF Ordinances that are not identified as being required, pledged, earmarked or otherwise designated for payment of or securing of obligations or anticipated redevelopment project costs as “surplus” funds and to cause the distribution thereof by paying the same to the taxing districts in the Redevelopment Project Area, the Illinois Department of Revenue and the Municipality in direct proportion to the amount of funds received from the collection of real estate taxes and from the State of Illinois and deposited into such special tax allocation fund, such amount to the taxing districts in the Redevelopment Project Area to be in the same manner and proportion as the most recent distribution by the County Collector of Champaign County, Illinois to the affected taxing districts of real property taxes from real property in the Redevelopment Project Area.

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

**Section 1. Findings.**

The Corporate Authorities find, determine and declare that the amount of funds deposited in the special tax allocation fund for the Redevelopment Project Area that is not required, pledged, earmarked or otherwise designated for payment of or securing of obligations or anticipated redevelopment project costs is \$282,393 such amount having been calculated and now deemed to be “surplus” funds for the year 2015 under and pursuant to Sections 11-74.4-5(d) and 11-74.4-8 of the TIF Act.

**Section 2. Direction.**

The Finance Director of the City be and the same is hereby authorized and directed to cause the payment and distribution of all such “surplus” funds in the manner and proportion as that specified in Sections 11-74.4-5(d) and 11-74.4-8 of the TIF Act.

**Section 3. Effective Date.**

This Resolution shall become effective upon its passage and approval as required by law.

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