



Community Development Services
400 South Vine Street
Urbana, IL 61801
(217) 384-2444
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December 22, 2009

Mr. Daniel W. Hynes
Comptroller, State of Illinois
Office of the Comptroller
Local Government Division
100 W. Randolph, Suite 15-500
Chicago, IL 60601

Dear Mr. Hynes:

Pursuant to the Tax Increment Finance Allocation Redevelopment Act as amended, this letter and the accompanying reports will serve to advise you of the status of the City's Tax Increment Finance Districts (TIF) as of June 30, 2009. TIF One was established in 1980, TIF Two was established in 1986, TIF Three was established in 1990 and TIF Four was established in 2001.

Enclosed you will find the annual reports for TIF #1, TIF #2, TIF #3 and TIF #4 in the format set forth by the Illinois Comptroller.

If you have any questions please do not hesitate to call me at (217) 328-8265.

Sincerely,

Ryan L. Brault
Redevelopment Specialist
TIF Administrator

Enclosures





AGENDA

TAX INCREMENT FINANCING JOINT REVIEW BOARD MEETING

Wednesday, December 16, 2009 at 3:30 p.m.
Executive (2nd Floor) Conference Room, Urbana City Building

1. CALL TO ORDER
2. INTRODUCTION OF JRB MEMBERS
3. REVIEW OF MINUTES
4. TIF REFORM UPDATE – Updates on Legislation
5. PRESENTATION AND OVERVIEW OF TIF ACTIVITIES – TIF's 1 through 4
6. REVIEW OF CURRENT AND UPCOMING PROJECTS
 - a) Broadway properties
 - b) Denny's/Allman status updates
 - c) Block north of City Hall
 - d) Trammell-Crow development
 - e) Boneyard Master Plan
 - f) Lincoln exhibit support
 - g) King School
 - h) King Park
 - i) Other pending TIF projects
8. COMMENTS & QUESTIONS
9. ADJOURNMENT

Minutes of Meeting

TAX INCREMENT FINANCE JOINT REVIEW BOARD

Date: December 16, 2008

Time: 3:00 p.m.

Place: Executive Conference Room
Urbana City Building
400 S. Vine St.
Urbana, IL 61801

MEMBERS PRESENT: Carol Baker
Joanne Chester
John Dimit
Denny Inman
Vicki Mayes
Michael Walker
Preston Williams

STAFF PRESENT: Hon. Laurel Lunt Prussing, Mayor, City of Urbana
Ryan Brault, Redevelopment Specialist, TIF Administrator
Ron Eldridge, Comptroller, City of Urbana
Elizabeth Tyler, Director of Community Development
Tom Carrino, Economic Development Division Manager
Bill DeJarnette, Information Services Division Manager
Tony Weck, Recording Secretary

I. Call to order & introduction of Joint Review Board members

A quorum was declared and Mayor Prussing called the meeting to order at 3:07 p.m.

II. Introduction of J.R.B. members

The members of the Tax Increment Finance Joint Review Board introduced themselves individually.

III. Review of Minutes

Regarding the minutes from the 12/11/07 meeting, Mr. Inman moved to approve. Ms. Chester seconded the motion. Upon a vote, the minutes from the aforementioned meeting were approved unanimously.

IV. TIF Reform Update – Updates on Legislation Affecting TIF

Mr. Brault reviewed with the Joint Review Board new State of Illinois legislation affecting the Tax Increment Finance program. Questions and comments were addressed during the course of the presentation and a brief general discussion ensued.

V. Overview of TIF Annual Reports

Mr. Brault reviewed with the Joint Review Board the Annual Reports for each TIF District. Regarding TIF 1:

The fund balance at the beginning of the reporting period was \$1,176,698.00. The fund balance at the end of the reporting period was \$1,172,757.00. Following his overview of the financial status of TIF 1, Mr. Brault briefly highlighted projects both ongoing and completed within the same.

Regarding TIF 2:

The fund balance at the beginning of the reporting period was \$2,457,194.00. The fund balance at the end of the reporting period was \$3,286,391.00. Following his overview of the financial status of TIF 2, Mr. Brault briefly highlighted projects both ongoing and completed within the same.

Regarding TIF 3:

The fund balance at the beginning of the reporting period was \$2,712,052.00. The fund balance at the end of the reporting period was \$2,994,188.00. Following his overview of the financial status of TIF 3, Mr. Brault briefly highlighted projects both ongoing and completed within the same.

Regarding TIF 4:

The fund balance at the beginning of the reporting period was \$323,855.00. The fund balance at the end of the reporting period was \$323,689.00. Following his overview of the financial status of TIF 4, Mr. Brault briefly highlighted projects both ongoing and completed within the same.

VI. Review of TIF District Project Status – Updates on projects by TIF

- TIF/RIP Projects

Mr. Brault gave a brief presentation to the Joint Review Board on completed and ongoing projects with regards to the Redevelopment Incentive Program.

- Fiber-optic Connections Downtown

Mr. DeJarnette gave a brief presentation to the Joint Review Board on the installation of fiber-optics in the downtown area. His presentation was given during Mr. Brault's overview on TIF 1.

- Denny's/Allman Status Updates

Mr. Carrino gave a brief presentation to the Joint Review Board on the status of the ongoing projects at the former Denny's Cleaners site and the Allman's Garage site, both in downtown.

- Boneyard Master Plan

Ms. Tyler and Mr. Carrino gave a brief presentation to the Joint Review Board on the status of the Boneyard Creek Master Plan, specifically its impacts on the downtown area.

- King School A/C

Ms. Tyler briefly updated the Joint Review Board on a new air conditioning system to be installed at King School, a project which would utilize TIF funds. Ms. Mayes made a motion that the Joint Review Board officially support the King School air conditioning project. Mr. Williams seconded the motion. A voice vote was taken. All attending members of the Joint Review Board were in favor and the motion carried unanimously.

- Stratum Status Update

Mr. Brault reported to the Joint Review Board on this matter.

- Cunningham Beautification

Mr. Brault gave a brief presentation to the Joint Review Board on the status of the Cunningham Avenue Beautification project.

- Other Pending TIF Projects

There were none on which to report.

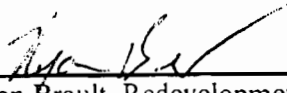
VII. Comments and Questions

Comments and questions from the members of the Joint Review Board were addressed by City staff.

VIII. Adjournment

The meeting was adjourned at 4:23 p.m. by Mayor Prussing.

Respectfully submitted,



Ryan Brault, Redevelopment Specialist, TIF Administrator



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Economic Development Division

m e m o r a n d u m

TO: TIF Joint Review Board Members

FROM: Ryan L. Brault, AICP, TIF Administrator

DATE: December 16, 2009

RE: Summary of Activities in All TIF Districts for Fiscal Year 08-09

It is my pleasure to submit to you the annual report for the City of Urbana's four Tax Increment Finance districts. These reports cover the activities and expenditures for the Fiscal Year 08-09, covering the period of July 1, 2008 through June 30, 2009. The following is a summary of many of the projects and activities that took place in the TIF districts during the past fiscal year as well important upcoming projects in each TIF:

TIF 1

Expires December 31, 2016

Beginning Balance:	\$1,172,757
Revenues FY08-09:	\$626,023
Expenditures FY08-09:	\$632,332 (includes \$228,030 surplus distribution)
End Balance:	\$1,166,448

Business Assistance

The City made a change to its loan/grant program by simplifying the guidelines and criteria and allowing for micro-grants of 25% of project cost for smaller projects (up to \$10,000). A copy of the new program guidelines is attached.

The City created a new rent subsidy program for new businesses that are a targeted use according to the Downtown Strategic Plan (retail, restaurants, and entertainment uses). The New Business Incentive Program covers up to 50% of the monthly lease amount for new businesses plus provides a one-time opening grant of \$1,000. The program applies to businesses locating within TIF One or Two. Red Star Liquors, a new bar at the location of the former Embassy Tavern, is the first recipient of the new incentive. The Wooden Hanger, a new women's clothing store, is also using the incentive program. A copy of the new program guidelines is attached.

The City also made changes to the Gallery District Program, a rent subsidy program that covers up to 50% of rent for the first year for new businesses that contain a retail art component, plus an opening grant. The program applies to locations within TIF One and Two. The City increased the amount of assistance up to 50% or \$600 per month for the first year, plus a \$2,000 opening grant. This makes it more attractive for new businesses to include an art component compared to using the New Business Incentive Program. A copy of the new program guidelines is attached. Some businesses assisted in TIF One include Fleurish flower shop, Beads N Botanicals, and Madeline's Gallery.

Other new businesses that opened or are planning to open soon within TIF One include Black Dog Smoke and Ale House, V. Picasso tapas restaurant, Collective Turf Co-working, and Shared Space artist studios and galleries.

Redevelopment Projects

The City paid \$56,119 out of TIF One funds under a redevelopment agreement with Stratford Properties in consideration of their having constructed a mixed-use 40-unit apartment building on a downtown site.

The City paid \$117,065 out of TIF One funds for debt service on the Downtown Parking Deck.

Infrastructure Projects

The City paid \$23,454 out of TIF One funds for design and engineering work related to the Boneyard Creek beautification project.

Other Activities

The City completed a Downtown Project Prioritization process that is a guide for future spending of TIF dollars in the downtown area. The end result sets a plan in place for budgeting of future projects for the remaining life of the two downtown TIF's.

The City of Urbana supported marketing of the downtown through special events (Sweetcorn Festival, Beer and Chili Cook-off), special holiday decorations, and banners through the Urbana Business Association, which also provides business networking and assistance.

Upcoming Projects and Plans

The City is finalizing an agreement with a development group for the purchase and rehab of the Historic Lincoln Hotel. This represents a substantial investment in a key property within TIF 1 that should prove to be an asset once it is complete.

The City is preparing to send out a Request for Proposals for a downtown market study to prospective consultants. This will assist the City in determining the types of businesses to target for business attraction efforts downtown as well as to determine the development potential of various sites. The Corkscrew Wine Emporium is planning to expand their existing space by an additional 3,000 square feet and will include some additional outdoor seating area.

TIF 2

Expires December 31, 2021

Beginning Balance:	\$3,286,391
Revenues FY08-09:	\$1,276,547
Expenditures FY08-09:	\$371,852
End Balance:	\$4,191,086

Business Assistance

Transitions retail store and gallery, Amara Yoga and Arts Studio, and International Galleries were all assisted through the Gallery District Incentive Program in FY 08-09. The program provides a rental subsidy for one year and an opening grant to businesses that contain a retail art component.

The City paid \$47,481 in interest subsidies and grants for projects in TIF Two under the provisions of the TIF Redevelopment Incentive Program, which offers incentives to downtown retailers to locate downtown and improve the appearance of aging or vacant structures. Common Ground Food Co-op was assisted by the program during FY 08-09.

Other businesses that opened or are planning to open soon within TIF Two include Xinh Xinh Café, The Great Impasta, Patel Law Office, 4 Season Garage Sale, and Windy City Express.

Redevelopment Projects

TIF Two helped pay for options and environmental work for the former Allman Auto property at Springfield Avenue and Main Streets as well as for the former Denny's Cleaners located at 115-119 N. Race Street. The City will soon make a decision on whether to move forward with acquisition of the two properties and what options will be for future remediation, development and use of the properties.

The City recently purchased two lots at the corner of Broadway Avenue and Illinois Street for use as additional downtown/Farmer's Market parking and an eventual redevelopment site. The acquisition was initially funded by the Motor Vehicle Parking System fund, which will be reimbursed by TIF Two when the site is packaged as a redevelopment opportunity.

The City entered into an agreement with Baku Patel that will rebate a portion of his incremental property taxes out of TIF 2 for redevelopment of a former gas station located at 108 W. University Avenue into a new law office building.

Infrastructure Projects

The City paid \$13,425 out of TIF Two for a new pump and mechanicals for the Vine Street lift station to alleviate flooding issues near the underpass.

TIF Two paid costs related to the improvement of the streetscape, specifically the completion of brick paving, at Art in the Park.

TIF Two paid for costs related to the Boneyard Creek Master Plan. The Boneyard project is in the engineering design phase.

Other Activities

TIF Two covered the cost of the "Looking for Lincoln" sign that is now located near the corner of Main and Race Streets.

Upcoming Projects and Plans

The City is currently working with two property owners to acquire properties in the block just north of City Hall that will be marketed for redevelopment.

The City has budgeted \$19,000 in TIF 2 funds to support the Champaign County Lincoln Exhibits Committee for projects related to the Lincoln Exhibit at the county courthouse.

Work is beginning on a 15,000 square foot retail building at Gateway Shoppes at the northwest corner of Five Points under the terms of a 2006 development agreement that was amended in 2008.

TIF 3

Expires December 31, 2013

Beginning Balance:	\$2,994,188
Revenues FY08-09:	\$1,211,889
Expenditures FY08-09:	\$1,348,395
End Balance:	\$2,857,682

Redevelopment Projects

The City reimbursed Corridor Properties for TIF-eligible interest costs in the amount of \$272,977 out of TIF Three funds for the commercial block adjacent to Provena (Hampton Inn and Perkins Restaurant) per the terms of the redevelopment agreement.

The City entered into an agreement with TC-MET Urbana, LLC for the development of a 5-story mixed-use building near the corner of Goodwin and University Avenues; however, the project is currently on hold. A copy of the agreement is attached to the TIF Three Annual Report.

Infrastructure Projects

TIF Three paid \$844,601 for the Lincoln Avenue/Church Street intersection and signal per a prior agreement with Carle Hospital.

The City paid \$39,044 for lighting improvements along University Avenue.

Other Activities

The City is working with consultants and Regional Planning Commission on a University Avenue Corridor Plan that includes portions of TIF Three.

The City is working on a city-wide fiber optic connection infrastructure project that will be partially paid for out of TIF funds.

The City has budgeted for TIF Three funds to pay for air conditioning for King School.

Upcoming Projects and Plans

The City is working with Urbana School District on possible additional improvements to the King School site.

The City is working with Urbana Park District regarding improvements to King Park per the redevelopment plan.

TIF 4

Expires December 31, 2024

Beginning Balance:	\$323,689
Revenues FY08-09:	\$591,621
Expenditures FY08-09:	\$519,336
End Balance:	\$395,974

Business Assistance

In 2003, the City revised its façade loan program and further expanded it to include the TIF Four area. The TIF Redevelopment Incentive Program subsidizes up to 5.5% of the interest on a loan while adding a grant component of up to 10% of the loan amount. In FY 08-09 the recipients of loan/grant subsidies included Blossom Basket Florist and BBA Auto.

Other businesses that opened or are planning to open in TIF Four include ZiHm Auto, Nikki Marie's restaurant, Jimmy's Automotive, and Armored Gopher Games. McDonald's restaurant is currently undergoing an extensive remodeling.

Redevelopment Projects

The City reimbursed O'Brien Auto Park for interest costs in FY08-09 in the amount of \$324,535 as part of the redevelopment agreement.

TIF Four paid \$3,715 to Michelle's Bridal Shop as reimbursement per a development agreement.

Infrastructure Projects

TIF Four covered \$13,685 of the cost of curb cut closure at BBA Auto in accordance with the recommendations of the Cunningham Avenue Beautification Plan.

Other Activities

TIF Four paid the Park District for some improvements to parks located within the TIF Four boundary area.

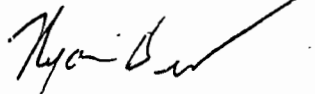
Conclusion

In summary, the past year has been one of development stability and business expansion in light of the current economic conditions. Much of the focus within the TIF districts has been on supporting existing local businesses and attracting new businesses through improvement of existing incentive programs and staying in touch with local businesses during the challenging economic times. The fact that the number of vacancies downtown has declined and that vacancy rates along Cunningham Avenue and within the other commercial areas of the City have remained constant or declined, is a testament to the overall strength and stability of our local economy combined with the efforts that have been made through economic development.

While new private construction activity has been down, as it has been almost everywhere, there are signs that it is picking up as the City is beginning to receive additional plans for new projects. In the upcoming year as the economy recovers the City anticipates new development activity for projects such as the Historic Lincoln Hotel, Five Points/Gateway Shoppes, the Denny's site, the Blockbuster site, and newly acquired vacant sites that will help contribute to the strength of the TIF districts so that we may continue to pursue important redevelopment projects.

If you have any questions regarding any of the information in the annual report, please feel free to contact me.

Respectfully Submitted,



Ryan L. Brault
Redevelopment Specialist
City of Urbana

Attachments:
Updated Program Guidelines



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Economic Development Division

TIF Redevelopment Incentive Program

Updated 7-09

The TIF (Tax Increment Finance District) Redevelopment Incentive Program provides financial incentives for Urbana businesses located within TIF 1, 2, or 4 which are constructing or rehabilitating their building, landscaping, and/or site. For the Downtown Area, the grant amount will be awarded based upon a point system and priorities established in the downtown strategic plan. For the North Cunningham area, loans will be available only to certain types of businesses that can generate a minimum increase in equalized assessed valuation. Grants in this area are available for specific targeted retail uses that fill an unmet need in Urbana (e.g., sale of large appliances). Multiple numbers of loans/grants (up to 3) may be available for large projects. Following is a summary of the criteria and guidelines of the program.

For businesses funding their project using bank financing:

- An eligible business located within Tax Increment Finance District One, Two, or Four can apply for a loan to rehabilitate its building, landscaping, site or remodel enclosed commercial mall space.
- The loan amount must range from \$5,000 to \$60,000 for each allocation.
- The City of Urbana pays an interest subsidy amount to the participating lending institution equivalent to the interest amount on a loan of up to a 5.5% rate.
- The term of the loan is 5 years; with 60 payments.
- At least 50% of the loan proceeds must be used on the exterior of the structure under rehabilitation, except in the case of enclosed mall space renovation.
- In addition to the loan amount, businesses may also be eligible for a grant of up to \$6,000 for each allocation, based upon how many of the grant criteria are met for interior or exterior improvements to the real estate in the Downtown and whether they meet the targeted retail needs identified in the North Cunningham area.
- Loans cannot be used for working capital, property acquisition, or refinancing of an existing debt.
- The lender establishes all underwriting criterion.
- For investments under \$100,000 total project cost, the City will allocate 1 loan subsidy/grant, for investment between \$100,000 and 250,000 the City will allocate 2 loan subsidies/grants, for investment over \$250,000 the City will allocate 3 loan subsidies/grants.

For businesses not utilizing bank financing:

- An amount equivalent to a 5.5% loan interest subsidy using the same terms as described above will be paid to the owner/s of the business for projects of over \$10,000 investment.
- For projects under \$10,000 investment, a grant will be paid to the owner/s upon completion of the project equal to 25% of the investment in the project, with no interest buy-down.

For all businesses:

- Applicants must be the owner of record, mortgagor, contract purchaser, or long-term lessee and must receive approval of their application by the City of Urbana and the participating lending institution.
- Retail uses must have 75% of their floor space devoted to sales/display to qualify.
- Qualifying businesses must be new to Urbana or must involve improvement/expansion of existing Urbana businesses.
- An applicant cannot receive more than 1 City subsidized loan/grant in a 5-year period.

See reverse...

For the downtown area, the full grant amount of up to \$6,000 will automatically be awarded to those projects that are eligible retail or entertainment uses. In addition, variable points are awarded for fulfillment of criteria including Downtown Strategic Plan compliance, provision of upper story residential uses, site improvements, building re-use, historic preservation, exterior improvements, new construction, and code improvements.

For the North Cunningham area, the loan is eligible to retail, entertainment, and lodging/conference businesses involving new construction, expansion, or renovation. In addition, the business must be able to increase its Equalized Assessed Valuation (EAV) by at least \$50,000 and comply with the goals and objectives outlined in the Cunningham Avenue Corridor Redevelopment Plan. In order to qualify for the additional 10% grant component in TIF 4 (up to \$6,000), the business must provide a targeted retail use as outlined in the criteria.

For further information, contact: Ryan Brault, Redevelopment Specialist
City of Urbana Community Development Services 400 S. Vine St. Urbana, IL 61801
Phone: (217) 328-8265 Fax: (217) 384-2367 Email: rlbrault@city.urbana.il.us



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Economic Development Division

Art Gallery Incentive Program

One of the major initiatives identified in the Urbana Downtown Strategic Plan is the Niche Market Initiative. A niche market identified by City Council as appropriate to downtown Urbana are businesses related to the arts, and specifically art galleries. Also, both the plans for Tax Increment Finance District Number 1 (TIF 1) and Tax Increment Finance District Number 2 (TIF 2) call for City assistance and incentive programs for small businesses within those districts. The purpose of the programs is to promote and to serve as a catalyst for private investment within areas that have seen a trend of disinvestment. The Art Gallery Incentive Program has been designed to offer City assistance to help meet the needs of small start-up businesses within an identified niche market.

In place of a loan interest subsidy and grant, the proprietor of a for profit art gallery business and building owner may apply for a monthly rent subsidy and grant with the following provisions:

- The business must be locating in a building within the TIF 1 or TIF 2 boundary.
- The rent subsidy is up to 50% of the monthly rent amount, up to a maximum subsidy of \$600 per month.
- The subsidy can be used for up to 12 consecutive months that the business is open and operating and is paid directly to the owner/landlord.
- The monthly rental amount in the lease agreement must be verified by City staff to be at or below market rate.
- The lease term must be for a period of at least 2 years.
- The applicant must present a business or financial plan evidencing the projected ability to pay monthly rental costs during and following the 12-month subsidy period. The business must be a start up or a relocation of an existing business from outside of TIF 1 or 2.
- In addition to the monthly rent subsidy, the applicant may apply for a \$2,000 start-up grant to be paid to the business owner upon opening. This money may be used to offset costs related to relocation, advertising, and tenant improvements.
- Landlord must notify city of tenant business closing or non-payment of rent.
- Approval at discretion of City based on availability of funds and the ability to meet the goals and guidelines of the program.
- A business owner cannot receive more than 1 City rent subsidy/grant in a two year period.

For further information, contact:

Ryan Brault, Redevelopment Specialist

City of Urbana Community Development Services 400 S. Vine St. Urbana, IL 61801
Phone: (217) 328-8265 Fax: (217) 384-2367 Email: rlbrault@city.urbana.il.us



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Economic Development Division

New Business Incentive Program

The Downtown Strategic Plan identifies the attraction of additional retail-type businesses such as certain destination retail stores, restaurants, and entertainment venues as vital to the success and vibrancy of downtown Urbana. Tax Increment Finance District Number 1 (TIF 1) and Tax Increment Finance District Number 2 (TIF 2) call for City assistance and incentive programs for small businesses within those districts. The purpose of the programs are to promote and to serve as a catalyst for private investment within areas that have seen a trend of disinvestment. To that end, the Business Startup Program has been designed to offer City assistance to help meet the needs of small retail start-up businesses.

In place of a loan interest subsidy and grant, the proprietor of a for profit retail store, restaurant, or entertainment venue and building owner may apply for a monthly rent subsidy and grant with the following provisions:

- The business must be locating in a building within the TIF 1 or TIF 2 boundary.
- The rent subsidy is up to 50% of the monthly rent amount, up to a maximum subsidy of \$500 per month.
- The subsidy can be used for up to 12 consecutive months that the business is open and operating and is paid directly to the owner/landlord.
- The monthly rental amount in the lease agreement must be verified by City staff to be at or below market rate.
- The lease term must be for a period of at least 2 years.
- The applicant must present a business or financial plan evidencing the projected ability to pay monthly rental costs during and following the 12 month subsidy period. The business must be a start up or a relocation of an existing business from outside of TIF 1 or 2.
- In addition to the monthly rent subsidy, the applicant may apply for a \$1,000 start-up grant to be paid to the business owner upon opening. This money may be used to offset costs related to relocation, advertising, and tenant improvements.
- Landlord must notify city of tenant business closing or non-payment of rent.
- Approval at discretion of City based on availability of funds and the ability to meet the goals and guidelines of the program.
- A business owner cannot receive more than 1 City rent subsidy/grant in a two year period.

For further information, contact:

Ryan Brault, Redevelopment Specialist

City of Urbana Community Development Services 400 S. Vine St. Urbana, IL 61801
Phone: (217) 328-8265 Fax: (217) 384-2367 Email: rbrault@city.urbana.il.us

FY 2009

ANNUAL TAX INCREMENT FINANCE REPORT

Name of Municipality	Urbana	Reporting Fiscal Year	2009
Unit Code	010/120/30	Fiscal Year End	6/30/2009
County	CHAMPAIGN		

TIF Administrator Contact Information

First Name:	Ryan Brault, Redevelopment Specialist		
Address:	400 S Vine St		
City:	Urbana, Illinois	Zip:	61801
Telephone:	(217) 328-8265	E-Mail:	rlbrault@city.urbana.il.us

I attest to the best of my knowledge, this report of the redevelopment project areas in:
Urbana City
is complete and accurate at the end of this reporting fiscal year under the Tax Increment Allocation
Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.]
Or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

[Signature]
Written signature of TIF Administrator

Date

Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)*)

FILL OUT ONLY ONCE (PER MUNICIPALITY), ADD ADDITIONAL ROWS AS NECESSARY

Name of Redevelopment Project Area	Date Designated	Date Terminated
TIF 1	12/22/1980	
TIF 2	12/31/1986	
TIF 3	12/3/1990	
TIF 4	12/17/2001	

*All statutory citations refer to one of two sections of the Illinois Municipal Code: the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

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

Name of Redevelopment Project Area:	TIF District One
Primary Use of Redevelopment Project Area*:	Central Business District
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

* 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.

Reporting Year	Cumulative
----------------	------------

Fund Balance at Beginning of Reporting Period

\$ 1,172,757.00

Revenue/Cash Receipts Deposited in Fund During Reporting FY:

			% of Total
Property Tax Increment	\$ 592,965	\$ 13,434,656	76%
State Sales Tax Increment		\$ 491,976	3%
Local Sales Tax Increment		\$ 565,327	3%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 33,058	\$ 841,251	5%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources		\$ 2,300,000	13%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

**Total Amount Deposited In Special Tax Allocation
Fund During Reporting Period**

\$ 626,023

Cumulative Total Revenues/Cash Receipts

\$ 17,633,210 100%

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

\$ 404,302.00

Distribution of Surplus

\$ 228,030.00

Total Expenditures/Disbursements

\$ 632,332

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

\$ (6,309)

FUND BALANCE, END OF REPORTING PERIOD

\$ 1,166,448

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

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) (6) and (o)(8) Downtown Parking, Busey Bank Trustee	117,065	
		\$ 117,065
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) Vocational Training, Urbana School District	75,000	
		\$ 75,000

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
Downtown Loan Interest Subsidies		
Downtown Rental Subsidies	35,250	
Contractual Agreement, Stratford Improvement	56,119	
		\$ 91,369
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		\$ 404,302

Section 3.2 B

List all vendors, including other municipal funds, that were paid in excess of \$10,000 during the current reporting year.

_____ There were no vendors, including other municipal funds, paid in excess of \$10,000 during the current reporting period.

[illegible]

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
(65 ILCS 5/11-74.4-5 (d) (5) (D) and 65 ILCS 5/11-74.6-22 (d) (5) (D))****FUND BALANCE, END OF REPORTING PERIOD****\$ 1,166,448**

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
2005 Downtown Improvement Bonds	\$ 805,000	\$ 518,180

Total Amount Designated for Obligations**\$ 805,000 \$ 518,180****2. Description of Project Costs to be Paid**

Downtown Streetscape Improvements		\$ 648,268

Total Amount Designated for Project Costs**\$ 648,268****TOTAL AMOUNT DESIGNATED****\$ 1,166,448****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)]

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)

Please include a brief description of each project.

 No Projects Were Undertaken by the Municipality Within the Redevelopment Project Area

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

Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois.

SECTION 6

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	\$ 9,662,907

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 116	\$ 130,480
City of Urbana	\$ 38,820
Champaign County	\$ 22,270
Champaign County Forest Preserve	\$ 2,350
Parkland Community College	\$ 15,340
Cunningham Township	\$ 5,620
Urbana Park District	\$ 20,880
C-U Mass Transit District	\$ 7,720
C-U Public Health District	\$ 3,160
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
TOTAL	

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	

Annual Report – FY08-09

URBANA TAX INCREMENT FINANCE DISTRICT ONE

The Urbana Tax Increment Finance (TIF) District One was created in December 1980 in an effort to stimulate private development in the Downtown. The District encompasses approximately 37 acres of the inner core of the Urbana Central Business District (CBD).

The following is the information for TIF District One (TIF 1) as required by Section 11-74.4-8a(6) of the Tax Increment Allocation Redevelopment Act. This annual report shall be submitted to the Illinois Comptroller's Office and to all taxing districts that are affected by the Urbana Tax Increment Finance District One.

A. Amendments to the Redevelopment Plan, Redevelopment Project Area, or State Sales Tax Boundary

No amendments were made to the TIF 1 Plan or Boundaries in the past reporting year.

B. Audited Financial Statement of the Special Tax Allocation Fund

A copy of the audited Financial Statement for TIF District One Special Revenue Fund (Special Tax Allocation Fund) is included as Attachments K and L of this report. The Financial Statement was prepared by the Urbana Finance Department and examined by the city auditors, Bray, Drake, Liles & Richardson, LLP, 1606 Willow View Road, Urbana 61802-7446.

C. Certification of Compliance by the Chief Executive Officer of the Municipality

See Attachment B.

D. Opinion of Compliance by Legal Counsel of the Municipality

See Attachment C.

E. Analysis of the Special Tax Allocation Fund

See Attachment K and L.

1. The balance in the Special Tax Allocation Fund at the beginning of FY 2008-09 (July 1, 2008) for Urbana's TIF One was **\$1,172,757**.
2. The amounts deposited into the Special Tax Allocation Fund during FY 2008-09 are listed below by source:

<u>Revenues</u>	<u>Amount</u>	<u>% Total</u>
Property Tax	592,965	94.7
Interest	33,058	5.3
Total	626,023	100.0%

3. The amounts expended from the Special Tax Allocation Fund during FY 2008-09, by source:

<u>Expenditures</u>	<u>Amount</u>	<u>% Total</u>
Staff Costs	36,706	5.8
Marketing	21,540	3.4
Park District Public Improvements	34,000	5.4
Station Theatre Improvements	5,168	0.8
Public Capital Improvements	23,454	3.8
Debt Service	117,065	18.5
Vocational Training	75,000	11.9
Rental Subsidies	35,250	5.6
Contractual Agreement, Stratford	56,119	8.8
Surplus Distributions	228,030	36.0
Total	632,332	100.0%

4. The balance in the Special Tax Allocation Fund at the end of FY 2008-09 (June 30, 2009) for Urbana TIF One was **\$1,166,448**. This balance has been carried forward into FY 2009-10 for completion of contractual obligations for infrastructure and streetscape projects in TIF 1 and to pay future debt service on the 2005 Parking Bonds. The City reserves the right to use funds carried forward for early retirement of debt service, and other potential redevelopment projects consistent with the Plan. No part of this is considered surplus.

F. Purchase of Property Within the Redevelopment Project Area

No real property, nor any interest therein, was acquired by the City of Urbana through the use of the Special Tax Allocation Fund in TIF District One.

G. Statement of Activities Undertaken in the Redevelopment Project Area

See Attachment D

H. Obligations Issued by the Municipality

All of the following debt obligations are payable from and secured by the incremental taxes and other revenues of the TIF One.

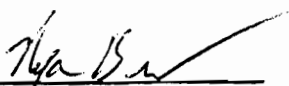
In February 1982, the City of Urbana issued \$2,300,000 in bonds for the purpose

of constructing parking and related improvements within the Tax Increment Financing District One Redevelopment Project Area. On March 21, 1985, in order to lower interest costs, the City issued \$2,820,000 bonds for the purpose of advance refunding all the outstanding 82 bonds. On June 1, 1994, the City issued \$1,990,000 in bonds for the purpose of advance refunding the 85 bonds, in order to again lower interest costs. These bonds were issued after the City extended the terms of TIF One to 12/31/2013 in accordance with the Tax Increment Allocation Redevelopment Act. On April 1, 2005, the City issued \$805,000 in bonds for the purpose of refunding the 94 Bonds, in order to again lower interest costs. Annual scheduled debt service payments on the 2005 Bonds range from \$98,300 to \$134,000 with the last payment due 4/01/2013.

I. Certified Audit Reviewing Compliance

A certified audit report performed by an independent public accountant certified and licensed by the State of Illinois, is included as Attachments K and L of this report. The Financial Statement and letter prepared by Bray, Drake, Liles & Richardson, LLP, 1606 Willow View Road, Suite 1E, Urbana, Illinois 61802-7446 demonstrates compliance with Chapter 24, Section 11-74.4-4.q of the Illinois Revised Statutes.

Prepared by:


Ryan Brault
Redevelopment
Specialist


Ronald Eldridge
City Comptroller

December 22, 2009
Date

Attachments

Attachment B

**Certification of Compliance
By the Chief Executive Officer**

December 22, 2009

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, 2008 through June 30, 2009**

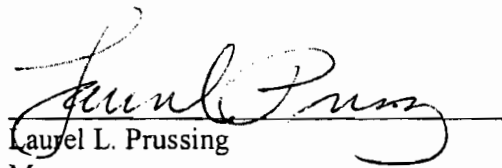
Dear Local Government Compliance Manager:

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, 2008 through June 30, 2009.

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 2008-09.

Should you have any questions concerning our annual report for Urbana TIF District One, please contact Ryan Brault, Redevelopment Specialist, at 217/328-8265.

Sincerely,


Laurel L. Prussing
Mayor

Attachment C

**Certification of Compliance by Legal Counsel
of the Municipality**

December 22, 2009

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, 2008 through June 30, 2009**

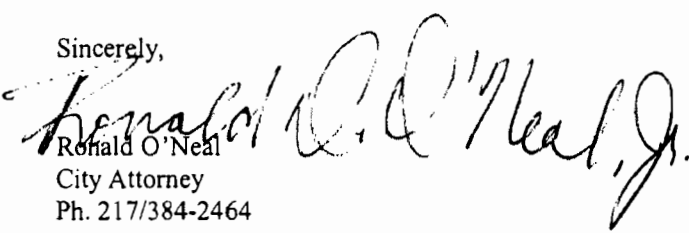
Dear Local Government Compliance Manager:

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 Ryan Brault, Redevelopment Specialist for the City, and Ronald Eldridge, City Comptroller, dated December 22, 2009.
2. Comprehensive Annual Financial Report of the City for the year ended June 30, 2009, as the line item accounts therein are further defined and explained by the letter of Ronald C. Eldridge, City Comptroller of Urbana, dated December 22, 2009, together with the letter from Bray, Drake, Liles & Richardson, LLP, an independent certified public accounting firm, for Fiscal Year July 1, 2008 through June 30, 2009, indicating compliance with the requirements of Section 11-74.4-3 of the Act.
3. A letter dated December 22, 2009 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,


Ronald O'Neal
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. Downtown marketing \$21,540
2. The City of Urbana paid \$35,250 in the form of rental subsidies to the downtown.
2. The City paid the Urbana School District \$75,000 for vocational training.
4. The City paid \$56,119 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. Urbana Park District public improvements \$34,000.
6. Station Theatre public improvements \$5,168
7. The City paid \$23,454 for engineering costs associated with planned Race/Broadway and Boneyard improvements.

Attachment E

No new agreements were entered into by the municipality in FY 08-09

Attachment G

Contracts

No new contracts were entered into in FY08-09.

Attachment K
Audited Financial Statement

and

Attachment L
Certified Audit Report by CPA
Certifying Compliance with Chapter 24, Section 11-74.4.q

December 22, 2009

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, 2009.


Ronald C. Eldridge
City Comptroller

BRAY, DRAKE, LILES & RICHARDSON LLP
Certified Public Accountants

KARL E. DRAKE, CPA
CURTIS D. LILES, CPA
R. NEIL RICHARDSON, CPA

1606 N. Willow View Road, Suite 1E
Urbana, Illinois 61802-7446

Phone 217/337-0004
Fax 217/337-5822

JAMES P. BRAY, CPA (RETIRED)

December 22, 2009

**Honorable Laurel Lunt Prussing, Mayor
and Members of the Urbana City Council
Urbana, IL**

Independent Auditor's Report
On Compliance with Illinois Municipal Code Subsection (q)
Section 11-74.4-3
Based on an Audit of the Basic Financial Statements

We have audited the basic financial statements of the City of Urbana, Illinois, as of and for the year ended June 30, 2009 and have issued our report thereon dated December 22, 2009.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the City of Urbana, Illinois, is the responsibility of the City's management. As a part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of the City's compliance with provisions of the Illinois Municipal Code Subsection (q), Section 11-74.4.3. However, the objective of our audit of the basic financial statements was not to provide an opinion on the overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, the City of Urbana, Illinois complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to the items not tested, nothing came to our attention that caused us to believe that the City of Urbana, Illinois, had not complied, in all material respects, with those provisions.


BRAY, DRAKE, LILES & RICHARDSON LLP

CITY OF URBANA

Tax Increment Financing District 1 Special Revenue Fund
Balance Sheet

June 30, 2009

ASSETS

Cash and Cash Equivalents:

Savings	\$	255,983
Investments		857,995
Receivables-Property Tax		303,381
Prepaid Expenditures		7,125
Total Assets	\$	<u>1,424,484</u>

LIABILITIES AND FUND BALANCE

Liabilities:

Due to Other Funds	\$	852
Accounts Payable		18,527
Accrued Salaries and Taxes		740
Deferred Revenues		237,917
Total Liabilities		<u>258,036</u>

Fund Balance:

Reserved for Prepaid Expenditures		7,125
Unreserved		1,159,323
Total Fund Balance		<u>1,166,448</u>
Total Liabilities and Fund Balance	\$	<u>1,424,484</u>

CITY OF URBANA

Tax Increment Financing District 1 Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual

Fiscal Year Ended June 30, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Tax	\$ 635,000	\$ 635,000	\$ 592,965	\$ (42,035)
Net Investment Earnings:				
Interest	30,000	30,000	33,386	3,386
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	(328)	(328)
Total Net Investment Earnings	30,000	30,000	33,058	3,058
Total Revenues	665,000	665,000	626,023	(38,977)
Expenditures:				
Current-Urbana Redevelopment and Housing:				
Personnel Services	36,170	36,170	36,706	(536)
Contractual Services	374,741	374,741	227,077	147,664
Surplus Distribution	228,030	228,030	228,030	-
Debt Service	117,100	117,100	117,065	35
Capital Outlay	230,564	230,564	23,454	207,110
Total Expenditures	986,605	986,605	632,332	354,273
Net Revenues Over (Under) Expenditures	(321,605)	(321,605)	(6,309)	315,296
Fund Balance, Beginning of Year	1,172,757	1,172,757	1,172,757	-
Fund Balance, End of Year	\$ 851,152	\$ 851,152	\$ 1,166,448	\$ 315,296

FY 2009

ANNUAL TAX INCREMENT FINANCE REPORT

Name of Municipality Urbana
Unit Code 010/120/30
County CHAMPAIGN

Reporting Fiscal Year 2009
Fiscal Year End 6/30/2009

TIF Administrator Contact Information

First Name: Ryan Brault, Redevelopment Specialist
Address: 400 S Vine St
City: Urbana, Illinois **Zip:** 61801
Telephone: (217) 328-8265 **E-Mail:** rbrault@city.urbana.il.us

I attest to the best of my knowledge, this report of the redevelopment project areas in:
Urbana City
is complete and accurate at the end of this reporting fiscal year under the Tax Increment Allocation
Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.]
Or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

Written signature of TIF Administrator

Date

Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)*)

FILL OUT ONLY ONCE (PER MUNICIPALITY). ADD ADDITIONAL ROWS AS NECESSARY.

Name of Redevelopment Project Area	Date Designated	Date Terminated
TIF 1	12/22/1980	
TIF 2	12/31/1986	
TIF 3	12/3/1990	
TIF 4	12/17/2001	

*All statutory citations refer to one of two sections of the Illinois Municipal Code: the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

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

Name of Redevelopment Project Area:	TIF District 2
Primary Use of Redevelopment Project Area*:	Central Business District
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

* 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.

Reporting Year	Cumulative
----------------	------------

Fund Balance at Beginning of Reporting Period

\$ 3,286,391.00

Revenue/Cash Receipts Deposited in Fund During Reporting FY:

			% of Total
Property Tax Increment	\$ 1,086,753	\$ 9,856,058	49%
State Sales Tax Increment	\$ 74,961	\$ 3,383,681	17%
Local Sales Tax Increment		\$ 2,578,647	13%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 114,833	\$ 625,088	3%
Land/Building Sale Proceeds			0%
Bond Proceeds		\$ 2,882,674	14%
Transfers from Municipal Sources		\$ 650,000	3%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period

\$ 1,276,547

Cumulative Total Revenues/Cash Receipts

\$ 19,976,148 100%

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

\$ 371,852.00

Distribution of Surplus

\$ -

Total Expenditures/Disbursements

\$ 371,852

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

\$ 904,695

FUND BALANCE, END OF REPORTING PERIOD

\$ 4,191,086

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

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

		Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
Administrative Costs, Staff	57,640	
Professional Services, Legal	10,846	
		\$ 68,486
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
Professional Services, Marketing	2,824	
		\$ 2,824
3. Property assembly, demolition, site preparation and environmental site improvement costs. Subsection (q)(2), (o)(2) and (o)(3)		
Allman Property Option	15,000	
Lincome Property Option	18,000	
Allman Property Environmental Study	38,526	
Lincome Property Environmental Study	23,435	
		\$ 94,961
4. Costs of rehabilitation, reconstruction, repair or remodeling and replacement of existing public buildings. Subsection (q)(3) and (o)(4)		
		\$ -
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)		
Downtown Lighting and Streetscape Improvements	21,106	
Race/Broadway Improvement	37,252	
Lincoln Byway Sign	3,125	
Streetscape, Art in Park	38,096	
Engineering Design, Boneyard Impr.	23,650	
Vine Street Lift Station Improvement	13,425	
		\$ 136,654
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		\$ -

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) (6) and (o)(8)		
Downtown Improvements, Busey Bank Trustee	20,659	
Omni Care Lab Development	787	
		\$ 21,446
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)		
		\$ -

8. Financing costs. Subsection (q) (6) and (o)(8)

Downtown Improvements, Busey Bank Trustee

Omni Care Lab Development

\$

•

20,659

787

\$	
----	--

21,446

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

	\$
--	----

1

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)

\$

☐

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
Downtown Loan Interest Subsidies	47,481	
		\$ 47,481
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		\$ 371,852

Section 3.2 B

List all vendors, including other municipal funds, that were paid in excess of \$10,000 during the current reporting year.

_____ There were no vendors, including other municipal funds, paid in excess of \$10,000 during the current reporting period.

[illegible]

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
(65 ILCS 5/11-74.4-5 (d) (5) (D) and 65 ILCS 5/11-74.6-22 (d) (5) (D))****FUND BALANCE, END OF REPORTING PERIOD****\$ 4,191,086**

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
2005 Parking Bonds	\$ 805,000	\$ 102,996

Total Amount Designated for Obligations**\$ 805,000 \$ 102,996****2. Description of Project Costs to be Paid**

Downtown Streetscape/Boneyard Improvements		\$ 4,088,090

Total Amount Designated for Project Costs**\$ 4,088,090****TOTAL AMOUNT DESIGNATED****\$ 4,191,086****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)]

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)

Please include a brief description of each project.

 No Projects Were Undertaken by the Municipality Within the Redevelopment Project Area

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

Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois.

SECTION 6

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
1986	\$ 9,834,200	\$ 23,485,780

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
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -

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	

Annual Report – FY08-09

URBANA TAX INCREMENT FINANCE DISTRICT TWO

The Urbana Tax Increment Finance (TIF) District Two was created in December 1986 in an effort to stimulate private development in the downtown. The District encompasses approximately 173 acres of the outer core of the Urbana Central Business District (CBD) and completely surrounds Urbana Tax Increment Finance District One.

The following is the information for TIF District Two (TIF 2) as required by Section 11-74.4-8a(6) of the Tax Increment Allocation Redevelopment Act. This annual report shall be submitted to the Illinois Comptroller's Office and to all taxing districts that are affected by the Urbana Tax Increment Finance District Two.

A. Amendments to the Redevelopment Plan, Redevelopment Project Area, or State Sales Tax Boundary

No amendments were made to the Redevelopment Plan, Redevelopment Project Area, or State Sales Tax Boundary during Fiscal Year 2008-09.

B. Audited Financial Statement of the Special Tax Allocation Fund

A copy of the audited Financial Statement for TIF District Two Special Revenue Fund (Special Tax Allocation Fund) is included as Attachments K and L of this report. The Financial Statement was prepared by the Urbana Finance Department and examined by the city auditors, Bray, Drake, Liles & Richardson, LLP, 1606 Willow View Road, Suite 1E, Urbana, Illinois 61802-7446.

C. Certification of Compliance by the Chief Executive Officer of the Municipality

See Attachment B.

D. Opinion of Compliance by Legal Counsel of the Municipality

See Attachment C.

E. Analysis of the Special Tax Allocation Fund

1. The balance in the Special Tax Allocation Fund at the beginning of FY 2008-09 (July 1, 2008) for Urbana's TIF Two was **\$3,286,391**.

2. The amounts deposited into the Special Tax Allocation Fund during FY 2008-09 are listed below by source:

<u>Revenues</u>	<u>Amount</u>	<u>% Total</u>
Property Tax	1,086,753	85.1
State Sales Tax Grant	74,961	5.9
Interest	114,833	9.0
Total	1,276,547	100.0%

3. The amounts expended from the Special Tax Allocation Fund during FY 2008-09, by source:

<u>Expenditures</u>	<u>Amount</u>	<u>% Total</u>
Staff Costs	57,640	15.5
Legal and Marketing	13,670	3.7
Property Demo. & Acquisition	94,961	25.5
Loan Interest Subsidies	47,481	12.8
Debt Service	20,659	5.6
Contractual Agreement, Omni Care	787	0.2
Public Capital Improvements	136,654	36.4
Total	371,852	100.0%

4. The balance in the Special Tax Allocation Fund at the end of FY 2008-09 (June 30, 2009) for Urbana TIF Two was **\$4,191,086**. This balance has been carried forward into FY 2009-10 for completion of contractual obligations for infrastructure, streetscape projects, and other commitments to fund projects in TIF 2 and to pay future debt service payments. The City also reserves right to use funds carried forward for early retirement of debt service, and other potential redevelopment projects consistent with the Plan. No part of this fund is considered surplus.

G. Statement of Activities Undertaken in the Redevelopment Project Area

See Attachment D and F.

H. Obligations Issued by the Municipality

All of the following debt obligations are payable from and secured by the incremental taxes and other revenues of the TIF Two.

In March 1990, the City of Urbana issued \$3,890,000 in bonds for the purpose of constructing parking and infrastructure improvements within the Tax Increment Financing District Two Redevelopment Project Area. On June 1, 1994, the City issued \$1,975,000 in bonds for the purpose of advance refunding the 90 bonds, in order to again lower interest costs. On April 1, 2005, the City issued bonds

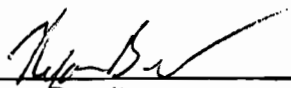
and paid off the balance of the 1994 Bonds in order to again lower interest costs. These bonds were issued after the City extended the terms of TIF Two to 12/31/2013 in accordance with the Tax Increment Allocation Redevelopment Act. Annual scheduled debt service payments on the 05 Bonds range from \$22,000 to \$28,000 with the last payment due 3/01/2013.

On July 27, 1999, the City of Urbana agreed to pay Schnuck Markets the amount of \$1,300,000 together with interest thereon under the terms of a Redevelopment Agreement between Schnuck Markets and the City of Urbana for a Redevelopment Project in the Tax Increment Financing District Two Redevelopment Project Area. On July 1, 2007, the City paid off this agreement early to save future financing costs. No future payments are owed.

I. Certified Audit Reviewing Compliance

A certified audit report performed by an independent public accountant certified and licensed by the State of Illinois, is included as Attachments K and L of this report. The Financial Statement and letter prepared by Bray, Drake, Liles & Richardson, LLP, 1606 Willow View Road, Urbana, Illinois 61802-7446, demonstrates compliance with Chapter 24, Section 11-74.4-4.q of the Illinois Revised Statutes.

Prepared by:



Ryan Brault
Redevelopment Specialist



Ronald C. Eldridge
City Comptroller

December 22, 2009
Date

Attachments

Attachment B

**Certification of Compliance
By the Chief Executive Officer**

December 22, 2009

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, 2008 through June 30, 2009**

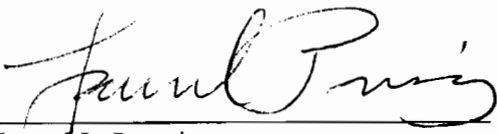
Dear Local Government Compliance Manager:

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, 2008 through June 30, 2009.

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 2008-09.

Should you have any questions concerning our annual report for Urbana TIF District Two, please contact Ryan Brault, Redevelopment Specialist, at 217/328-8265.

Sincerely,

A handwritten signature in black ink, appearing to read "Laurel Prussing", written over a horizontal line.

Laurel L. Prussing
Mayor

Attachment C

**Certification of Compliance by Legal Counsel
of the Municipality**

December 22, 2009

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, 2008 through June 30, 2009**

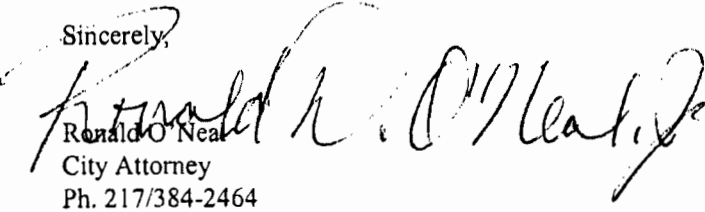
Dear Local Government Compliance Manager:

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 Ryan Brault, Redevelopment Specialist for the City, and Ronald Eldridge, City Comptroller, dated December 22, 2009.
2. Comprehensive Annual Financial Report of the City for the year ended June 30, 2009, as the line item accounts therein are further defined and explained by the letter of Ronald C. Eldridge, City Comptroller of Urbana, dated December 22, 2009, together with the letter from Bray, Drake, Liles & Richardson, LLP, an independent certified public accounting firm, for Fiscal Year July 1, 2008 through June 30, 2009, indicating compliance with the requirements of Section 11-74.4-3 of the Act.
3. A letter dated December 22, 2009 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,


Ronald O'Neal
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 Two paid \$58,358 in streetscape improvements in the downtown area, including replacement of sidewalks, brick pavers, and streetlights, and storm sewers, to upgrade existing deteriorated streetscape and to update the appearance of downtown pursuant to the recommendations of the Downtown Strategic Plan.
2. TIF Two paid interest on \$47,481 in loans for projects in TIF Two under the provisions of a TIF Redevelopment Incentive Program, which offers incentives to downtown retailers to locate downtown and improve the appearance of aging or vacant structures.
3. TIF Two paid \$23,650 for engineering on the Boneyard Improvement .
4. TIF Two paid \$94,961 in property acquisition option costs and environmental study costs for 302 W. Springfield Ave. and 115-119 N. Race Street.
5. TIF Two paid \$13,425 toward the construction of a new lift station on Vine Street to correct flooding issues.
6. TIF Two paid \$3,125 for acquisition and installation of a new Lincoln Byway sign.
7. The City paid \$38,096 out of TIF 2 for brick paving/streetscape for Art in the Park.

Attachment E

No new agreements were entered into by the municipality in FY 08-09

Attachment G

Contracts

No new contracts were entered into in FY08-09.

Attachment K
Audited Financial Statement

December 22, 2009

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, 2009.


Ronald C. Eldridge
City Comptroller

Attachment L

**Certified Audit Report by CPA
Certifying Compliance with Chapter 24, Section 11-74.4.q**

BRAY, DRAKE, LILES & RICHARDSON LLP
Certified Public Accountants

KARL E. DRAKE, CPA
CURTIS D. LILES, CPA
R. NEIL RICHARDSON, CPA

1606 N. Willow View Road, Suite 1E
Urbana, Illinois 61802-7446

Phone 217/337-0004
Fax 217/337-5822

JAMES P. BRAY, CPA (RETIRED)

December 22, 2009

**Honorable Laurel Lunt Prussing, Mayor
and Members of the Urbana City Council
Urbana, IL**

Independent Auditor's Report
On Compliance with Illinois Municipal Code Subsection (q)
Section 11-74.4-3
Based on an Audit of the Basic Financial Statements

We have audited the basic financial statements of the City of Urbana, Illinois, as of and for the year ended June 30, 2009 and have issued our report thereon dated December 22, 2009.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the City of Urbana, Illinois, is the responsibility of the City's management. As a part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of the City's compliance with provisions of the Illinois Municipal Code Subsection (q), Section 11-74.4.3. However, the objective of our audit of the basic financial statements was not to provide an opinion on the overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, the City of Urbana, Illinois complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to the items not tested, nothing came to our attention that caused us to believe that the City of Urbana, Illinois, had not complied, in all material respects, with those provisions.


BRAY, DRAKE, LILES & RICHARDSON LLP

CITY OF URBANA

Tax Increment Financing District 2 Special Revenue Fund
Balance Sheet

June 30, 2009

ASSETS

Cash and Cash Equivalents:

Savings	\$ 602,573
Investments	3,451,324
Receivables-Property Tax	602,281
Due from Other Funds	470

Total Assets	<u>\$ 4,656,648</u>
--------------	---------------------

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts Payable	\$ 15,450
Accrued Salaries and Taxes	1,046
Deferred Revenues	449,066

Total Liabilities	<u>465,562</u>
-------------------	----------------

Fund Balance:

Reserved for Loans Receivable	50,000
Unreserved	4,141,086

Total Fund Balance	<u>4,191,086</u>
--------------------	------------------

Total Liabilities and Fund Balance	<u>\$ 4,656,648</u>
---------------------------------------	---------------------

CITY OF URBANA

Tax Increment Financing District 2 Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual

Fiscal Year Ended June 30, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Tax	\$ 1,017,200	\$ 1,017,200	\$ 1,086,753	\$ 69,553
Intergovernmental-State Grant	-	-	74,961	74,961
Investment Earnings:				
Interest	96,000	96,000	116,035	20,035
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	(1,202)	(1,202)
Total Net Investment Earnings	96,000	96,000	114,833	18,833
Total Revenues	1,113,200	1,113,200	1,276,547	163,347
Expenditures:				
Current:				
Urban Redevelopment and Housing:				
Personnel Services	53,760	53,760	53,194	566
Contractual Services	963,737	963,737	164,296	799,441
Total Urban Redevelopment and Housing	1,017,497	1,017,497	217,490	800,007
Debt Service	23,000	23,000	20,658	2,342
Capital Outlay	1,456,263	1,501,263	133,704	1,367,559
Total Expenditures	2,496,760	2,541,760	371,852	2,169,908
Net Revenues Over (Under) Expenditures	(1,383,560)	(1,428,560)	904,695	2,333,255
Fund Balance, Beginning of Year	3,286,391	3,286,391	3,286,391	-
Fund Balance, End of Year	\$ 1,902,831	\$ 1,857,831	\$ 4,191,086	\$ 2,333,255

DANIEL W. HYNES
COMPTROLLER

www.ioc.state.il.us

FY 2009

ANNUAL TAX INCREMENT FINANCE REPORT

Name of Municipality Urbana
Unit Code 010/120/30
County CHAMPAIGN

Reporting Fiscal Year 2009
Fiscal Year End 6/30/2009

TIF Administrator Contact Information

First Name: Ryan Brault, Redevelopment Specialist
Address: 400 S Vine St
City: Urbana, Illinois Zip: 61801
Telephone: (217) 328-8265 E-Mail: rbrault@city.urbana.il.us

I attest to the best of my knowledge, this report of the redevelopment project areas in:
Urbana City
is complete and accurate at the end of this reporting fiscal year under the Tax Increment Allocation
Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.]
Or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

Written signature of TIF Administrator

Date

Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)*)

FILL OUT ONLY ONCE (PER MUNICIPALITY). ADD ADDITIONAL ROWS AS NECESSARY.

Name of Redevelopment Project Area	Date Designated	Date Terminated
TIF 1	12/22/1980	
TIF 2	12/31/1986	
TIF 3	12/3/1990	
TIF 4	12/17/2001	

*All statutory citations refer to one of two sections of the Illinois Municipal Code: the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

100 West Randolph Street, Suite 15-500
Chicago, Illinois 60601-3252
Tel: (877) 304-3899 Fax: (312) 814-2986



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

Name of Redevelopment Project Area:	TIF District Three
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

* 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.

Reporting Year	Cumulative
----------------	------------

Fund Balance at Beginning of Reporting Period

\$ 2,994,188.00

Revenue/Cash Receipts Deposited in Fund During Reporting FY:

			% of Total
Property Tax Increment	\$ 1,121,315	\$ 9,752,205	79%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 90,574	\$ 1,009,348	8%
Land/Building Sale Proceeds		\$ 243,800	2%
Bond Proceeds		\$ 1,000,000	8%
Transfers from Municipal Sources		\$ 335,000	3%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period

\$ 1,211,889

Cumulative Total Revenues/Cash Receipts

\$ 12,340,353 100%

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

\$ 1,348,395.00

Distribution of Surplus

\$ -

Total Expenditures/Disbursements

\$ 1,348,395

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

\$ (136,506)

FUND BALANCE, END OF REPORTING PERIOD

\$ 2,857,682

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

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

		Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
Administrative Costs, Staff	53,289	
Professional Services, Legal	682	
		\$ 53,971
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
		\$ -
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 and replacement of existing public buildings. Subsection (q)(3) and (o)(4)		
		\$ -
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)		
University Ave. Lighting Improvement	39,044	
Church/Lincoln Signal Improvements	844,601	
University Ave. Design Study	11,232	
		\$ 894,877
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		\$ -

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) (6) and (o)(8)		
		\$ -
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)		
Vocational Training, Urbana School District	126,570	
		\$ 126,570

Section 3.2 B

List all vendors, including other municipal funds, that were paid in excess of \$10,000 during the current reporting year.

_____ There were no vendors, including other municipal funds, paid in excess of \$10,000 during the current reporting period.

[illegible]

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
(65 ILCS 5/11-74.4-5 (d) (5) (D) and 65 ILCS 5/11-74.6-22 (d) (5) (D))****FUND BALANCE, END OF REPORTING PERIOD****\$ 2,857,682**

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
1990 TIF Bonds	\$ 1,000,000	

Total Amount Designated for Obligations**\$ 1,000,000 \$ -****2. Description of Project Costs to be Paid**

Provena Interest Subsidy	\$ 602,075
Big Broadband Project	\$ 380,000
King School HVAC	\$ 400,000
Park/Goodwin Impr.	\$ 1,475,607

Total Amount Designated for Project Costs**\$ 2,857,682****TOTAL AMOUNT DESIGNATED****\$ 2,857,682****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)]

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)
Please include a brief description of each project.

 No Projects Were Undertaken by the Municipality Within the Redevelopment Project Area

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

Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois.

SECTION 6

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
1991	\$ 2,152,836	\$ 15,415,686

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
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -

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	

Annual Report – FY08-09

URBANA TAX INCREMENT FINANCE DISTRICT THREE

The Urbana Tax Increment Finance (TIF) District Three was created in December 1990 in an effort to stimulate private development. The District encompasses approximately 32 blocks within a primarily older residential area known as the King Park Neighborhood.

The following is the information for TIF District Three (TIF 3) as required by Section 11-74.4-8a(6) of the Tax Increment Allocation Redevelopment Act. This annual report shall be submitted to the Illinois Comptroller's Office and to all taxing districts that are affected by the Urbana Tax Increment Finance District Three.

A. Amendments to the Redevelopment Plan, Redevelopment Project Area, or State Sales Tax Boundary

No amendments were made to the Redevelopment Plan, Redevelopment Project Area, or State Sales Tax Boundary during Fiscal Year 2008-09.

B. Audited Financial Statement of the Special Tax Allocation Fund

A copy of the audited Financial Statement for TIF District Three Special Revenue Fund (Special Tax Allocation Fund) is included as an attachment of this report. The Financial Statement was prepared by the Urbana Finance Department and examined by the city auditors, Bray, Drake, Liles & Richardson, LLP, 1606 Willow View Road, Suite 1E, Urbana, IL 61802-7446. See Attachment K and L.

C. Certification of Compliance by the Chief Executive Officer of the Municipality

See Attachment B.

D. Opinion of Compliance by Legal Counsel of the Municipality

See Attachment C.

E. Analysis of the Special Tax Allocation Fund

1. The balance in the Special Tax Allocation Fund at the beginning of FY 2008-09 (July 1, 2008) for Urbana's TIF Three was **\$2,994,188**.

2. The amounts deposited into the Special Tax Allocation Fund during FY 2008-09 are listed below by source:

<u>Revenues</u>	<u>Amount</u>	<u>% Total</u>
Property Tax	1,121,315	92.5
Interest	90,574	7.5
Total	1,211,889	100.0%

3. The amounts expended from the Special Tax Allocation Fund during FY 2008-09, by source:

<u>Expenditures</u>	<u>Amount</u>	<u>% Total</u>
Staff Costs	53,289	4.0
Legal Services	682	0.1
Public Improvements	894,877	66.4
Vocational training	126,570	9.4
Contractual agreements, Provena	272,977	20.1
Total	1,348,395	100.0%

4. The balance in the Special Tax Allocation Fund at the end of FY 2008-09 (June 30, 2009) for Urbana TIF Three was **\$2,857,682**. This balance has been carried forward into FY 2009-10 for completion of contractual obligations for infrastructure, streetscape projects, and other commitments to fund projects in TIF 3. City also reserves right to use funds carried forward for early retirement of debt service, and other potential redevelopment projects consistent with the Plan. No part of this fund is considered surplus.

F. Purchase of Property Within the Redevelopment Project Area

No real property, nor any interest therein, was acquired by the City of Urbana through the use of the Special Tax Allocation Fund in TIF District Three.

G. Statement of Activities Undertaken in the Redevelopment Project Area

See Attachment D and F.

H. Obligations Issued by the Municipality

There are no current outstanding debt obligations of the TIF Three.

I. Certified Audit Reviewing Compliance

A certified audit report performed by an independent public accountant certified and licensed by the State of Illinois, is included as Attachment L of this report.

The Financial Statement and letter prepared by Bray, Drake, Liles & Richardson, LLP, 1606 Willow View Road, Suite 1E, Urbana, Illinois 61802-7446, demonstrates compliance with Chapter 24, Section 11-74.4-4.q of the Illinois Revised Statutes.

Prepared by:



Ryan Brault
Redevelopment Specialist



Ronald Eldridge
Comptroller

December 22, 2009
Date

Attachments

Attachment B

**Certification of Compliance
By the Chief Executive Officer**

December 22, 2009

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, 2008 through June 30, 2009**

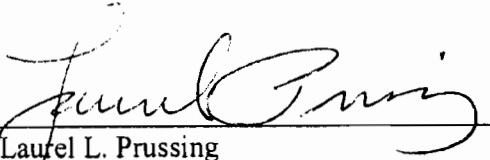
Dear Local Government Compliance Manager:

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, 2008 through June 30, 2009.

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 2008-09.

Should you have any questions concerning our annual report for Urbana TIF District Three, please contact Ryan Brault, Redevelopment Specialist, at 217/328-8265.

Sincerely,



Laurel L. Prussing
Mayor

Attachment C

**Certification of Compliance by Legal Counsel
of the Municipality**

December 22, 2009

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, 2008 through June 30, 2009**


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 Ryan Brault, Redevelopment Specialist for the City, and Ronald Eldridge, City Comptroller, dated December 22, 2009.
2. Comprehensive Annual Financial Report of the City for the year ended June 30, 2009, as the line item accounts therein are further defined and explained by the letter of Ronald C. Eldridge, City Comptroller of Urbana, dated December 22, 2009, together with the letter from Bray, Drake, Liles & Richardson, LLP, an independent certified public accounting firm, for Fiscal Year July 1, 2008 through June 30, 2009, indicating compliance with the requirements of Section 11-74.4-3 of the Act.
3. A letter dated December 22, 2009 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,


Ronald C. O'Neal, Jr.
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. A redevelopment agreement was approved on September 1, 1993 to provide TIF funds necessary to assist in the development of a two-block commercial development to provide a hotel and office building in accordance with redevelopment plans. The agreement provided TIF funds to assist the developer, Corridor Properties, Inc (now Provena Properties Inc.) to clear the two block area and construct the hotel and office projects. The developer succeeded in attracting a Hampton Inn and Perkins Restaurant to one block. In FY08-09, TIF3 reimbursed the developer for TIF-eligible interest costs in the amount of \$272,977.
2. TIF3 paid \$126,570 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.
3. TIF3 paid \$39,044 for lighting improvements along University Avenue.
4. TIF3 paid \$844,601 for improvements to the Lincoln/Church intersection.
5. TIF3 paid \$11,232 for a study for improvements to University Avenue.
6. TIF 3 paid \$682 for legal costs associated with drafting a redevelopment agreement with TC-MET, LLC (a copy of the agreement is included as Attachment E).

Attachment E

An Agreement between the City of Urbana and TC-MET Urbana, LLC was entered into and approved on August 26, 2008. A copy of the agreement is attached.

Attachment G

Contracts

No new contracts were entered into by the City of Urbana during FY 08-09.

Attachment K
Audited Financial Statement

and

Attachment L
Certified Audit Report by CPA
Certifying Compliance with Chapter 24, Section 11-74.4.q

December 22, 2009

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, 2009.

A handwritten signature in cursive script, reading "Ronald C. Eldridge".

Ronald C. Eldridge
City Comptroller

BRAY, DRAKE, LILES & RICHARDSON LLP
Certified Public Accountants

KARL E. DRAKE, CPA
CURTIS D. LILES, CPA
R. NEIL RICHARDSON, CPA

1606 N. Willow View Road, Suite 1E
Urbana, Illinois 61802-7446

Phone 217/337-0004
Fax 217/337-5822

JAMES P. BRAY, CPA (RETIRED)

December 22, 2009

**Honorable Laurel Lunt Prussing, Mayor
and Members of the Urbana City Council
Urbana, IL**

Independent Auditor's Report
On Compliance with Illinois Municipal Code Subsection (q)
Section 11-74.4-3
Based on an Audit of the Basic Financial Statements

We have audited the basic financial statements of the City of Urbana, Illinois, as of and for the year ended June 30, 2009 and have issued our report thereon dated December 22, 2009.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the City of Urbana, Illinois, is the responsibility of the City's management. As a part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of the City's compliance with provisions of the Illinois Municipal Code Subsection (q), Section 11-74.4.3. However, the objective of our audit of the basic financial statements was not to provide an opinion on the overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, the City of Urbana, Illinois complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to the items not tested, nothing came to our attention that caused us to believe that the City of Urbana, Illinois, had not complied, in all material respects, with those provisions.


BRAY, DRAKE, LILES & RICHARDSON LLP

CITY OF URBANA

Tax Increment Financing District 3 Special Revenue Fund
Balance Sheet

June 30, 2009

ASSETS

Cash and Cash Equivalents:

Savings	\$ 18,458
Investments	2,907,599
Receivables-Property Tax	<u>573,779</u>

Total Assets	<u><u>\$ 3,499,836</u></u>
--------------	----------------------------

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts Payable	\$ 204,773
Accrued Salaries and Taxes	1,102
Deferred Revenues	<u>436,279</u>

Total Liabilities	642,154
-------------------	---------

Fund Balance-Unreserved	<u>2,857,682</u>
-------------------------	------------------

Total Liabilities and Fund Balance	<u><u>\$ 3,499,836</u></u>
---------------------------------------	----------------------------

CITY OF URBANA

Tax Increment Financing District 3 Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual

Fiscal Year Ended June 30, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Tax	\$ 1,045,200	\$ 1,045,200	\$ 1,121,315	\$ 76,115
Investment Earnings:				
Interest	65,000	65,000	91,543	26,543
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	(969)	(969)
Total Net Investment Earnings	65,000	65,000	90,574	25,574
Total Revenues	1,110,200	1,110,200	1,211,889	101,689
Expenditures:				
Current:				
Urban Redevelopment and Housing:				
Personnel Services	53,299	53,299	53,289	10
Contractual Services	1,247,511	1,247,511	411,461	836,050
Total Urban Redevelopment and Housing	1,300,810	1,300,810	464,750	836,060
Capital Outlay	1,276,132	1,276,132	883,645	392,487
Total Expenditures	2,576,942	2,576,942	1,348,395	1,228,547
Net Change in Fund Balance	(1,466,742)	(1,466,742)	(136,506)	1,330,236
Fund Balance, Beginning of Year	2,994,188	2,994,188	2,994,188	-
Fund Balance, End of Year	\$ 1,527,446	\$ 1,527,446	\$ 2,857,682	\$ 1,330,236

FY 2009

ANNUAL TAX INCREMENT FINANCE REPORT

Name of Municipality Urbana
Unit Code 010/120/30
County CHAMPAIGN

Reporting Fiscal Year 2009
Fiscal Year End 6/30/2009

TIF Administrator Contact Information

First Name: Ryan Brault, Redevelopment Specialist
Address: 400 S Vine St
City: Urbana, Illinois **Zip:** 61801
Telephone: (217) 328-8265 **E-Mail:** ribrault@city.urbana.il.us

I attest to the best of my knowledge, this report of the redevelopment project areas in:
Urbana City
is complete and accurate at the end of this reporting fiscal year under the Tax Increment Allocation
Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.]
Or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

[Signature]
Written signature of TIF Administrator

Date

Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)*)

FILL OUT ONLY ONCE (PER MUNICIPALITY) ADD ADDITIONAL ROWS AS NECESSARY

Name of Redevelopment Project Area	Date Designated	Date Terminated
TIF 1	12/22/1980	
TIF 2	12/31/1986	
TIF 3	12/3/1990	
TIF 4	12/17/2001	

*All statutory citations refer to one of two sections of the Illinois Municipal Code: the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

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

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 <u>X</u>	Industrial Jobs Recovery Law

	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

* 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.

	Reporting Year	Cumulative	
Fund Balance at Beginning of Reporting Period	\$ 323,689.00		
Revenue/Cash Receipts Deposited in Fund During Reporting FY:			
			% of Total
Property Tax Increment	\$ 575,251	\$ 2,455,477	94%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 16,370	\$ 83,268	3%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources		\$ 21,025	1%
Private Sources		\$ 59,259	2%
Other (identify source _____; if multiple other sources, attach schedule)			0%
Total Amount Deposited in Special Tax Allocation Fund During Reporting Period	\$ 591,621		
Cumulative Total Revenues/Cash Receipts		\$ 2,619,029	100%
Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)	\$ 519,336.00		
Distribution of Surplus	\$ -		
Total Expenditures/Disbursements	\$ 519,336		
NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS	\$ 72,285		
FUND BALANCE, END OF REPORTING PERIOD	\$ 395,974		

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

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

		Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
		\$ -
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
Professional Services, Marketing	502	
		\$ 502
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 and replacement of existing public buildings. Subsection (q)(3) and (o)(4)		
		\$ -
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)		
Urbana Park District Public Improvements	151,163	
Cunningham Ave. Curbside Improvements	13,685	
Cunningham Ave. Improvement Study	2,516	
		\$ 167,364
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		\$ -

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) (6) and (o)(8)		
		\$ -
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)		
		\$ -

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
Interest Subsidy, Obrien Auto	324,535	
Interest Subsidy, Michelle's Bridal	3,715	
Cunningham Ave. Loan Interest Subsidy	23,220	
		\$ 351,470
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		\$ 519,336

Section 3.2 B

List all vendors, including other municipal funds, that were paid in excess of \$10,000 during the current reporting year.

_____ There were no vendors, including other municipal funds, paid in excess of \$10,000 during the current reporting period.

[illegible]

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
(65 ILCS 5/11-74.4-5 (d) (5) (D) and 65 ILCS 5/11-74.6-22 (d) (5) (D))****FUND BALANCE, END OF REPORTING PERIOD****\$ 395,974**

	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 Interest Subsidy		\$ 395,974

Total Amount Designated for Project Costs**\$ 395,974****TOTAL AMOUNT DESIGNATED****\$ 395,974****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)]

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)

Please include a brief description of each project.

 No Projects Were Undertaken by the Municipality Within the Redevelopment Project Area

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

Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois.

SECTION 6

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
2001	\$ 7,334,900	\$ 14,522,212

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
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -

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	

Annual Report – FY08-09

URBANA TAX INCREMENT FINANCE DISTRICT FOUR

The Urbana Tax Increment Finance (TIF) District Four was created in December 2001 to assist in redeveloping and paying for infrastructure needs along the N. Cunningham entryway to the City, extending from the Central Business District north to beyond Interstate 74. It is a real estate tax TIF only, with the last property tax payment being received in the fall of 2024.

The following is the information for TIF District Four (TIF 4) as required by Section 11-74.4-8a(6) of the Tax Increment Allocation Redevelopment Act. This annual report shall be submitted to the Illinois Comptroller's Office and to all taxing districts that are affected by the Urbana Tax Increment Finance District Four.

A. Amendments to the Redevelopment Plan, Redevelopment Project Area, or State Sales Tax Boundary

No amendments were made to the Redevelopment Plan, Redevelopment Project Area, or State Sales Tax Boundary during Fiscal Year 2008-09.

B. Audited Financial Statement of the Special Tax Allocation Fund

A copy of the audited Financial Statement for TIF District Four Special Revenue Fund (Special Tax Allocation Fund) is included as an attachment of this report. The Financial Statement was prepared by the Urbana Finance Department and examined by the city auditors, Bray, Drake, Liles & Richardson, LLP, 1606 Willow View Road, Suite 1E, Urbana, Illinois 64802-7446. See Attachment K and L.

C. Certification of Compliance by the Chief Executive Officer of the Municipality

See Attachment B.

D. Opinion of Compliance by Legal Counsel of the Municipality

See Attachment C.

E. Analysis of the Special Tax Allocation Fund

1. The balance in the Special Tax Allocation Fund at the beginning of FY 2008-09 (July 1, 2008) for Urbana's TIF Four was **\$323,689**.
2. The amounts deposited into the Special Tax Allocation Fund during FY 2008-09 are listed below by source:

<u>Revenues</u>	<u>Amount</u>	<u>% Total</u>
Property Tax	575,251	97.2
Interest	16,370	2.8
Total	591,621	100.0%

3. The amounts expended from the Special Tax Allocation Fund during FY 2008-09, by source:

<u>Expenditures</u>	<u>Amount</u>	<u>% Total</u>
Marketing Costs	502	0.1
Urbana Park District Public Improvements	151,163	29.1
Cunningham Ave. Curbscuts	13,685	2.6
Cunningham Ave. Improvement Study	2,516	0.5
Contractual, O'Brien's Development	324,535	62.5
Contractual, Michelle's Bridal	3,715	0.7
Loan Interest Subsidies	23,220	4.5
Total	519,336	100.0%

4. The balance in the Special Tax Allocation Fund at the end of FY 2008-09 (June 30, 2009), for Urbana TIF Four was **\$395,974**. This balance has been carried forward into FY 2009-10 for completion of contractual obligations for infrastructure, streetscape projects, and other commitments to fund projects in TIF 4. City also reserves right to use funds carried forward for early retirement of debt service, and other potential redevelopment projects consistent with the Plan. No part of this fund is considered surplus.

F. Purchase of Property Within the Redevelopment Project Area

No real property, nor any interest therein, was acquired by the City of Urbana through the use of the Special Tax Allocation Fund in TIF District Four.

G. Statement of Activities Undertaken in the Redevelopment Project Area

See Attachment D and F.

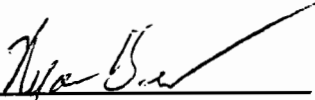
H. Obligations Issued by the Municipality

There are no outstanding debt obligations the TIF Four as of June 30, 2009.

I. Certified Audit Reviewing Compliance

A certified audit report performed by an independent public accountant certified and licensed by the State of Illinois, is included as an attachment of this report. The Financial Statement and letter prepared by Bray, Drake, Liles & Richardson, LLP, 1606 Willow View Road, Suite 1E, Urbana, Illinois 61802-7446, demonstrates compliance with Chapter 24, Section 11-74.4-4.q of the Illinois Revised Statutes.

Prepared by:



Ryan Brault
Redevelopment Specialist



Ronald Eldridge
Comptroller

December 22, 2009
Date

Attachments

Attachment B

**Certification of Compliance
By the Chief Executive Officer**

December 14, 2009

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, 2008 through June 30, 2009**

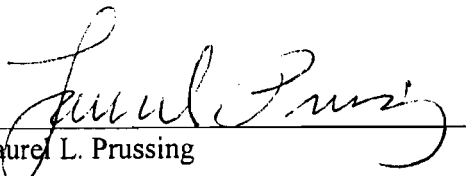
Dear Local Government Compliance Manager:

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, 2008 through June 30, 2009.

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 2008-09.

Should you have any questions concerning our annual report for Urbana TIF District Four, please contact Ryan Brault, Redevelopment Specialist, at 217/328-8265.

Sincerely,



Laurel L. Prussing
Mayor

Attachment C

**Certification of Compliance by Legal Counsel
of the Municipality**

December 22, 2009

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, 2008 through June 30, 2009**


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 Ryan Brault, Redevelopment Specialist for the City, and Ronald Eldridge, City Comptroller, dated December 22, 2009.
2. Comprehensive Annual Financial Report of the City for the year ended June 30, 2009, as the line item accounts therein are further defined and explained by the letter of Ronald C. Eldridge, City Comptroller of Urbana, dated December 22, 2009, together with the letter from Martin, Hood, Friese & Associates, LLC, an independent certified public accounting firm, for Fiscal Year July 1, 2008 through June 30, 2009, indicating compliance with the requirements of Section 11-74.4-3 of the Act.
3. A letter dated December 22, 2009 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,


Ronald O'Neal
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. In 2003, the City revised its façade loan program and further expanded it to include the TIF Four area. The TIF redevelopment incentive program raises the maximum loan amount to \$60,000 from \$40,000 and subsidizes up to 5.5% of the interest while adding a possible grant component of up to 10% of the loan amount. TIF 4 paid \$23,220 in interest subsidies under this program in FY08-09.
2. The City completed an agreement with O'Brien Auto Park to complete provision of the 2001 agreement. O'Brien Auto Park opened its new car dealership in August 2006. TIF4 paid \$330,000 for its share of the construction of O'Brien Drive. The City has also agreed to reimburse O'Brien for interest costs on the project over the next 10 years. The amount of interest reimbursed in FY08-09 was \$324,535.
3. TIF4 paid \$2,516 for part of a study to improve the appearance and marketability of Cunningham Ave.
4. TIF4 paid \$151,163 to the Park District for improvements to parks located within the TIF Four boundary area.
5. TIF4 paid \$3,715 to Michelle's Bridal Shop as part of a development agreement.
6. TIF4 paid \$13,685 for the closure of curb cuts at a business located at 610 N. Cunningham Ave (BBA Auto) in compliance with recommendations of the Cunningham Avenue Beautification Plan.

Attachment E

No new agreements were entered into by the City of Urbana in TIF 4 during FY 08-09

Attachment G

Contracts

No new contracts were entered into by the municipality during FY 08-09.

Attachment K
Audited Financial Statement

and

Attachment L
Certified Audit Report by CPA
Certifying Compliance with Chapter 24, Section 11-74.4.q

December 22, 2009

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, 2009.

A handwritten signature in cursive script, reading "Ronald C. Eldridge". The signature is written in black ink and is positioned above the printed name and title.

Ronald C. Eldridge
City Comptroller

BRAY, DRAKE, LILES & RICHARDSON LLP
Certified Public Accountants

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JAMES P. BRAY, CPA (RETIRED)

December 22, 2009

**Honorable Laurel Lunt Prussing, Mayor
and Members of the Urbana City Council
Urbana, IL**

Independent Auditor's Report
On Compliance with Illinois Municipal Code Subsection (q)
Section 11-74.4-3
Based on an Audit of the Basic Financial Statements

We have audited the basic financial statements of the City of Urbana, Illinois, as of and for the year ended June 30, 2009 and have issued our report thereon dated December 22, 2009.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the City of Urbana, Illinois, is the responsibility of the City's management. As a part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of the City's compliance with provisions of the Illinois Municipal Code Subsection (q), Section 11-74.4.3. However, the objective of our audit of the basic financial statements was not to provide an opinion on the overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, the City of Urbana, Illinois complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to the items not tested, nothing came to our attention that caused us to believe that the City of Urbana, Illinois, had not complied, in all material respects, with those provisions.


BRAY, DRAKE, LILES & RICHARDSON LLP

CITY OF URBANA

Tax Increment Financing District 4 Special Revenue Fund
Balance Sheet

June 30, 2009

ASSETS

Cash and Cash Equivalents-Savings	\$ 191,214
Investments	256,898
Receivables-Property Tax	319,124
Prepaid Expenditures	<u>1,500</u>
Total Assets	<u>\$ 768,736</u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts Payable	\$ 136,337
Deferred Revenues	<u>236,425</u>

Total Liabilities 372,762

Fund Balance-Unreserved

Reserved for Prepaid Expenditures	1,500
Unreserved	<u>394,474</u>

Total Fund Balance 395,974

Total Liabilities and
Fund Balance \$ 768,736

CITY OF URBANA

Tax Increment Financing District 4 Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual

Fiscal Year Ended June 30, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Tax	\$ 483,740	\$ 483,740	\$ 575,251	\$ 91,511
Net Investment Earnings:				
Interest	1,000	1,000	16,458	15,458
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	(88)	(88)
Net Investment Earnings	1,000	1,000	16,370	15,370
Total Revenues	484,740	484,740	591,621	106,881
Expenditures:				
Current:				
Urban Redevelopment and Housing:				
Contractual Services	686,245	686,245	505,651	180,594
Capital Outlay	100,000	100,000	13,685	86,315
Total Expenditures	786,245	786,245	519,336	266,909
Net Change in Fund Balance	(301,505)	(301,505)	72,285	373,790
Fund Balance, Beginning of Year	323,689	323,689	323,689	-
Fund Balance, End of Year	\$ 22,184	\$ 22,184	\$ 395,974	\$ 373,790