



**Community Development Services**  
400 South Vine Street  
Urbana, IL 61801  
(217) 384-2444  
FAX (217) 384-0200

December 22, 2012

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

Dear Ms. Topinka:

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, 2012. 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) 328-8270.

Sincerely,

Brandon Boys  
Redevelopment Specialist

Enclosures



## AGENDA

### TAX INCREMENT FINANCING JOINT REVIEW BOARD MEETING

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Friday, December 14, 2012, at 2:30 p.m.  
Council Chambers, Urbana City Building

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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. Denny's status update
  - B. Block north of City Hall
  - C. Urbana Landmark Hotel
  - D. Boneyard Creek Project
  - E. Creative Thermal Solutions
  - F. UC2B
  - G. Burch demolition
  - H. Other pending TIF projects
7. UPCOMING INCENTIVE REVISIONS
8. COMMENTS & QUESTIONS
9. ADJOURNMENT

## Minutes of Annual Meeting

# TAX INCREMENT FINANCE JOINT REVIEW BOARD

**Date:** December 14, 2011

**Time:** 3:30 p.m.

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

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**MEMBERS PRESENT:** Carol Baker  
Deb Busey  
Tom Costello  
Nancy Delcomyn  
John Dimit  
Vicki Mayes  
Dan Stebbins

**STAFF PRESENT:** Hon. Laurel Lunt Prussing, Mayor, City of Urbana  
Tom Carrino, Economic Development Division Manager  
Ron Eldridge, Comptroller, City of Urbana  
Bill Gray, Director of Public Works  
Mike Monson, Chief of Staff, City of Urbana  
Libby Tyler, Community Development Director  
Sukiya J. Robinson, Recording Secretary

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### I. CALL TO ORDER

Mayor Prussing called the meeting to order at 3:36 p.m., and a quorum of the Joint Review Board members was declared to be present.

### II. INTRODUCTION OF JRB MEMBERS

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

### III. REVIEW OF MINUTES

Tom Costello moved to approve the minutes from the December 15, 2010 meeting. Deb Busey seconded the motion. The minutes were approved by unanimous voice vote.

#### **IV. TIF REFORM UPDATE – Updates on Legislation**

Mr. Carrino briefly reviewed possible changes that could affect the Tax Increment Finance program. Questions and comments from the board were addressed.

#### **V. PRESENTATION AND OVERVIEW OF TIF ACTIVITIES – TIFs 1 through 4**

Mr. Carrino summarized the activities and expenditures for the City of Urbana's four Tax Increment Finance (TIF) districts for Fiscal Year 2010-2011.

##### Regarding TIF 1:

The fund balance at the beginning of the reporting period was \$1,107,773. The fund balance at the end of the reporting period was \$1,063,575. Following his overview of the assistance programs and financial status of TIF 1, Mr. Carrino briefly highlighted projects both ongoing and completed within the same. Some of the projects he mentioned included Norm & Carolyn Baxley using funds provided by TIF RIP to make landscaping and facade improvements to their buildings along Goose Alley. Heartland Gallery, Shared Space, and Primelight Studio all benefited from funds provided by the Gallery District Incentive Program. Other types of projects (both redevelopment and infrastructure) and activities include the purchase and rehabilitation of the Urbana Landmark Hotel (formerly Historic Lincoln Hotel), public art projects and staffing, and marketing of the downtown through special events.

##### Regarding TIF 2:

The fund balance at the beginning of the reporting period was \$4,282,275. The fund balance at the end of the reporting period was \$3,309,587. Following his overview of the assistance programs and financial status of TIF 2, Mr. Carrino briefly highlighted projects both ongoing and completed within the same. Some TIF Redevelopment Incentive Program (TIF RIP) incentives have been used to assist with Buvo's, Rainbow Garden Chinese Restaurant, The Studio, Country Financial, and Sylvia's Irish Inn. Through the Gallery District Incentive Program, the City assisted Amara Yoga, Art Coop, and Wind, Water, and Light. Other types of projects (both redevelopment and infrastructure) and activities include property acquisition and demolition costs to prepare the Goodyear Block for redevelopment, road and sewer improvements, Boneyard Creek Beautification Project, downtown market study, and In Lincoln's Shadow podcast tour.

Upcoming projects and plans include demolition and site preparation for a future redevelopment project at 203 W. Green, and construction of the Boneyard Beautification Project. Related to the Boneyard Beautification project are the reconstruction of Race Street, the installation of streetscape along Broadway Avenue, and the rehabilitation of the mini-park at Broadway Avenue and Water Street.

##### Regarding TIF 3:

The fund balance at the beginning of the reporting period was \$3,282,761. The fund balance at the end of the reporting period was \$2,437,600. Mr. Carrino stated that TIF Three is winding down and will expire on December 31, 2013. The City has budgeted for all of the projects that they want to happen in the district for the remainder of the life of TIF 3. Some of the projects

include improvements along Goodwin Avenue and Park Street, improvements at King School and King Park, and city-wide fiber optic connection infrastructure (UC2B).

Regarding TIF 4:

The fund balance at the beginning of the reporting period was \$772,117. The fund balance at the end of the reporting period was \$1,163,425. Following his overview of the assistance programs and financial status of TIF 4, Mr. Carrino briefly highlighted projects that are being funded or plan to be funded. The projects include Hearth and Home Consignments, the development by Creative Thermal Solutions on Anthony Drive, Soccer Planet, signal work at Kerr and Cunningham Avenues, and improvements to parks located within the TIF 4 boundary area. Upcoming projects include improvement to Airport Road east of Cunningham Ave, and upgrade of Willow Road from Anthony Drive north to the driveway of Soccer Planet.

General discussion regarding the TIF District Activities ensued.

**VI. REVIEW OF CURRENT AND UPCOMING PROJECTS**

Mr. Carrino gave updates on several projects, some of which were mentioned in the previous agenda item. They are Denny's project, Block north of City Hall, Urbana Landmark Hotel, Boneyard Creek Project, Soccer Planet, Creative Thermal Solutions, UC2B, King School and King Park. Other pending projects include the Signage and Wayfinding Project. Mr. Carrino stated that staff had been contacted by Blossom Basket, Po Boys, and James Burch regarding potential improvement projects.

Discussion regarding the projects ensued.

**VII. COMMENTS & QUESTIONS**

There were none.

**VIII. ADJOURNMENT**

The meeting was adjourned at 4:47 p.m. by Mayor Prussing.

Respectfully submitted,



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Tom Carrino, Economic Development Division Manager

STATE OF ILLINOIS  
COMPTROLLER  
JUDY BAAR TOPINKA

TIF Administrator Contact Information			
First Name:	Brandon	Last Name:	Boys
Address:	400 S. Vine St.	Title:	
Telephone:	217/328-8270	City:	Urbana
		Zip:	61801
Mobile		E-mail	bsboys@urbanainline.com
Mobile		Best way to	Email
Provider		contact	Mobile
			Phone
			Mail

I attest to the best of my knowledge, this report of the redevelopment project areas in: City/Village of \_\_\_\_\_

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.]

BLA. B. 12/22/2012

Written signature of TIF Administrator Date

[illegible]

\*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.]**

<b>Name of Redevelopment Project Area:</b>	TIF District One
<b>Primary Use of Redevelopment Project Area*:</b>	Central Business Dist.
<b>If "Combination/Mixed" List Component Types:</b>	
<b>Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):</b>	
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)] <b>If yes, please enclose the amendment labeled Attachment A</b>	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)] <b>Please enclose the CEO Certification labeled Attachment B</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)] <b>Please enclose the Legal Counsel Opinion labeled Attachment C</b>		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)] <b>If yes, please enclose the Activities Statement labeled Attachment D</b>		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)] <b>If yes, please enclose the Agreement(s) labeled Attachment E</b>		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)] <b>If yes, please enclose the Additional Information labeled Attachment F</b>		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)] <b>If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G</b>	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)] <b>If yes, please enclose the Joint Review Board Report labeled Attachment H</b>	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)] <b>If yes, please enclose the Official Statement labeled Attachment I</b>	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)] <b>If yes, please enclose the Analysis labeled Attachment J</b>	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) <b>If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K</b>		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)] <b>If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L</b>		X
A list of all intergovernmental agreements in effect in FY 2010, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] <b>If yes, please enclose list only of the intergovernmental agreements labeled Attachment M</b>	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.**

Fund Balance at Beginning of Reporting Period

\$ 1,063,575

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	\$ 614,514	\$ 15,268,536	76%
State Sales Tax Increment		\$ 491,976	2%
Local Sales Tax Increment		\$ 565,327	3%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 18,711	\$ 908,884	5%
Land/Building Sale Proceeds			0%
Bond Proceeds		\$ 2,300,000	11%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule) Transfer from TIF Two	\$ 594,475	\$ 594,475	3%

\*must be completed where 'Reporting Year' is populated

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

\$ 1,227,700

**Cumulative Total Revenues/Cash Receipts**

\$ 20,129,198 100%

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

\$ 1,052,679

**Distribution of Surplus**

\$ 253,950

**Total Expenditures/Disbursements**

\$ 1,306,629

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

\$ (78,929)

**FUND BALANCE, END OF REPORTING PERIOD\***

\$ 984,646

\* 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))

PAGE 1

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

FOR AMOUNTS &gt;\$10,000 SECTION 3.2 B MUST BE COMPLETED

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
Administration costs, staff	27,047	
Public arts costs, staff	46,322	
Legal Services	2,160	
		\$ 75,529
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
Downtown marketing	88,419	
		\$ 88,419
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)		
Public arts projects	49,027	
Main Street improvement	101,051	
		\$ 150,078
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		\$ -

SECTION 3.2 A		
PAGE 2		
7. Cost of job training and retraining, including "welfare to work" programs Subsection (q)(5), (o)(7) and (o)(12)		
		\$ -
8. Financing costs. Subsection (q) (6) and (o)(8)		
Downtown parking bonds, Busey Bank trustee	132,398	
		\$ 132,398
9. Approved capital costs. Subsection (q)(7) and (o)(9)		
		\$ -
10. Cost of Reimbursing school districts for their increased costs caused by TIF assisted housing projects. Subsection (q)(7.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
11. Relocation costs. Subsection (q)(8) and (o)(10)		
		\$ -
12. Payments in lieu of taxes. Subsection (q)(9) and (o)(11)		
		\$ -
13. Costs of job training, retraining advanced vocational or career education provided by other taxing bodies. Subsection (q)(10) and (o)(12)		
		\$ -
		\$

## SECTION 3.2 A

## PAGE 3

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
Downtown loan interest subsidies	6,225	
Downtown rental subsidies	30,950	
Incentive under contractual development agreement, Stratford Place	75,655	
Incentive under contractual development agreement, Landmark Hotel	493,425	
		\$ 606,255
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 1,052,679

### 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**

**FUND BALANCE, END OF REPORTING PERIOD** \$ 984,646

	<b>Amount of Original Issuance</b>	<b>Amount Designated</b>
<b>1. Description of Debt Obligations</b>		
2005 Downtown Bonds	\$ 2,300,000	\$ 127,000

**Total Amount Designated for Obligations** \$ 2,300,000    \$ 127,000

<b>2. Description of Project Costs to be Paid</b>		
Main St. Impr.		\$ 598,949
Broadway Ave. Impr.		\$ 258,697

**Total Amount Designated for Project Costs** \$ 857,646

**TOTAL AMOUNT DESIGNATED** \$ 984,646

**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)

## PAGE 1

If **NO** projects were undertaken by the Municipality Within the Redevelopment Project Area, indicate so in the space provided: \_\_\_\_\_

If Projects **WERE** undertaken by the Municipality Within the Redevelopment Project Area enter the **TOTAL** number of projects and list them in detail below. \_\_\_\_\_

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

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

## Project 1:

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

<b>Project 25:</b>			
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	\$ 9,436,548

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	\$ 134,771
Urbana Park District	\$ 27,920
Cunningham Township	\$ 5,950
Champaign County	\$ 22,981
Champaign-Urbana Mass Transit District	\$ 8,297
Champaign County Forest Preserve	\$ 2,471
Champaign County Public Health District	\$ 3,230
Parkland College	\$ 15,006
City of Urbana	\$ 38,657
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -

## 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 – FY11-12**

## **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 2011-12 (July 1, 2011) for Urbana's TIF One was **\$1,063,575**.
2. The amounts deposited into the Special Tax Allocation Fund during FY 2011-12 are listed below by source:

<u>Revenues</u>	<u>Amount</u>	<u>%</u>	<u>Total</u>
Property Tax	614,514		50.1
Transfer from TIF 2	594,475		48.4
Investment Income	18,711		1.5
<b>Total</b>	<b>1,227,700</b>		<b>100.0%</b>

3. The amounts expended from the Special Tax Allocation Fund during FY 2011-12, by source:

<u>Expenditures</u>	<u>Amount</u>	<u>%</u>	<u>Total</u>
Staff Costs	27,047		2.1
Downtown Marketing	88,419		6.8
Public Art Improvements	95,349		7.3
Debt Service	132,398		10.1
Loan Interest Subsidies	6,225		0.5
Rental Subsidies	30,950		2.4
Professional Legal Services	2,160		0.2
Contractual Agreement, Stratford	75,655		5.8
Contractual Agreement, Historic Lincoln	493,425		37.8
Surplus Distributions	253,950		19.4
Main St. Improvement	101,051		7.6
<b>Total</b>	<b>\$1,306,629</b>		<b>100.0%</b>

4. The balance in the Special Tax Allocation Fund at the end of FY 2011-12 (June 30, 2012) for Urbana TIF One was **\$984,646**. This balance has been carried forward into FY 2012-13 for completion of contractual obligations for infrastructure 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 during FY11-12.

**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

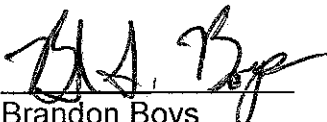
incremental taxes and other revenues of the TIF One.

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:

  
Brandon Boys  
Redevelopment  
Specialist

  
Ronald Eldridge  
City Comptroller

December 22, 2012  
Date

Attachments

## **Attachment A**

### **Amendment to the Redevelopment Plan**

**Attachment B**

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

December 22, 2012

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, 2011 through June 30, 2012**

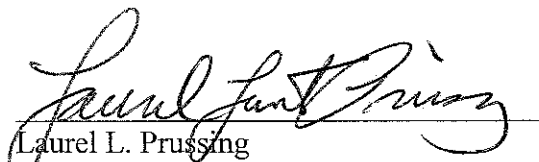
Dear Local Government Compliance Manager:

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, 2011 through June 30, 2012.

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 2011-12.

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

Sincerely,

  
Laurel L. Prussing  
Mayor



**Attachment C**

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

December 22, 2012

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, 2011 through June 30, 2012**

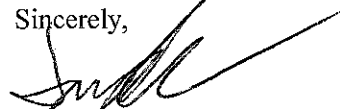
Dear Local Government Compliance Manager:

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

1. Annual Tax Increment Finance Report for Urbana Tax Increment Finance District One, as prepared by Brandon Boys, Redevelopment Specialist for the City, and Ronald Eldridge, City Comptroller, dated December 22, 2012.
2. Comprehensive Annual Financial Report of the City for the year ended June 30, 2012, 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, 2012, together with the letter from Bray, Drake, Liles & Richardson, LLP, an independent certified public accounting firm, for Fiscal Year July 1, 2011 through June 30, 2012, indicating compliance with the requirements of Section 11-74.4-3 of the Act.
3. A letter dated December 22, 2012 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,



James Simon  
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: \$88,419
2. Public art projects: \$49,027
3. TIF 1 paid \$30,950 in the form of rental subsidies to the downtown.
4. TIF 1 paid \$6,225 in the form of loan interest subsidies to the downtown.
5. TIF 1 paid \$75,655 as an interest subsidy under a redevelopment agreement with Stratford Properties as consideration of their having constructed a mixed-use 40-unit apartment building on a downtown site.
6. TIF 1 paid \$493,425 through a redevelopment agreement with Xiao Jin Yuan for the Urbana Landmark Hotel (copy of agreement amendment in Attachment E.)
7. TIF 1 paid \$101,051 for improvements to Main Street.

## Attachment E

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**FIRST AMENDMENT TO  
REDEVELOPMENT AGREEMENT**

**by and between the**

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

**and**

**XIAO JIN YUAN,  
a natural person**

**Dated as of June 1, 2012**

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**Document Prepared By:**

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

**FIRST AMENDMENT  
TO REDEVELOPMENT AGREEMENT**

**THIS FIRST AMENDMENT TO REDEVELOPMENT AGREEMENT**, including any Exhibit hereto (collectively, this **"First Amendment"**) is made as of the 1st day of June, 2012, but actually executed by each of the parties on the dates set forth below, by and between the City of Urbana, Champaign County, Illinois, an Illinois municipal corporation (the **"City"**), and Xiao Jin Yuan, a natural person (the **"Developer"**), with respect to that certain Redevelopment Agreement dated as of November 1, 2010 (the **"Agreement"**), by and between the City and the Developer. This First Amendment shall become effective as of the last of the City to so execute and deliver this First Amendment to the other (the **"Effective Date"**). Except as otherwise specifically defined elsewhere herein, all capitalized words, terms and phrases as used in this First Amendment shall have the same meanings as respectively ascribed to them in the Agreement.

**RECITALS:**

**WHEREAS**, due to circumstances beyond the reasonable control of the Developer, the rehabilitation, reconstruction, repair and remodeling of the Hotel Facility in one or more phases (the **"Project"**) has not progressed according to the time schedule as originally contemplated by the City and the Developer under the Agreement; and

**WHEREAS**, the Developer has sought the assistance of the City in restructuring the Agreement and the City has agreed to increase the amount of the Redevelopment Loan by \$400,000, to correspondingly decrease the amount of Reimbursement Amounts by \$400,000 and to extend the Occupancy Date until December 31, 2012; and

**WHEREAS**, the City and the Developer each now finds and determines that it is necessary, desirable and appropriate to supplement and amend the Agreement by this First Amendment in order to make such modifications to the Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements by the City and the Developer as parties to the Agreement, including those as contained in this First Amendment to the Agreement, the City and the Developer do mutually covenant and agree to supplement and amend the Agreement to provide as follows:

**Section 1. Definitions.** The definition of **"Due Date"** shall have the meaning provided for herein and the definitions of **"Occupancy Date"** and **"Promissory Note"** as contained in Section 1.1 of the Agreement are hereby supplemented and amended to provide as follows:

**"Due Date"** means the date that occurs two (2) years from and after the Occupancy Date, the date on which the Promissory Note becomes due and payable.

**"Occupancy Date"** means, subject to **"unavoidable delays"** as described in Section 9.5 of the Agreement, December 31, 2012, the date on which the Hotel Facility is ready for occupancy, utilization and continuous commercial operation as evidenced by the issuance of a certificate of occupancy by the City, or such earlier date that any such certificate of occupancy is actually issued for the Hotel Facility by the City.

**"Promissory Note"** means, form of the Promissory Note attached to this First Amendment as

Exhibit C, which shall, upon the execution and delivery thereof by the Developer, completely replace and cancel the Promissory Note attached to the Agreement as Exhibit B.

**Section 2. City's TIF Funded Financial Obligations.** The City's TIF Funded Financial Obligations, as set forth in Section 4.1 of the Agreement, are hereby supplemented and amended to provide as follows:

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

(a) **Initial Redevelopment Loan Financing.** Upon satisfaction by the Developer of all of the conditions precedent as set forth in Section 3.1 of the Agreement and the execution and delivery of the Promissory Note by the Developer, the City shall provide to the Developer the Redevelopment Loan. The Redevelopment Loan shall be a straight line of credit in the principal amount of up to \$1,050,000, shall bear interest at a non-default rate of -0%- per annum, and shall be due and payable upon demand on the day that occurs two (2) years from and after the Occupancy Date (the "Due Date"). The \$400,000 balance of the proceeds of the Redevelopment Loan shall be made available to the Developer in the form of Loan Advances payable in equal amounts to or at the direction of the Developer upon the Effective Date of this First Amendment and on the same day of the month in July, 2012. Anything to the contrary in the Promissory Note notwithstanding, in the event that: (i) the Developer continues to retain exclusive ownership of the Property; (ii) the Hotel Facility has remained in continuous commercial operation up to and including the Due Date; and (iii) no "Default" under Section 7.7. of the Agreement by the Developer has then occurred and is continuing, the Redevelopment Loan shall be deemed fully paid and discharged.

(b) **Annual Benefit.** In addition to the initial Redevelopment Loan financing pursuant to Section 4.1(a) above, the City shall reimburse the Developer or pay as directed by the Developer a total amount of up to \$400,000 in Reimbursement Amounts, such total amount being payable in two (2) equal annual installments on July 15, 2013 and July 15, 2014.

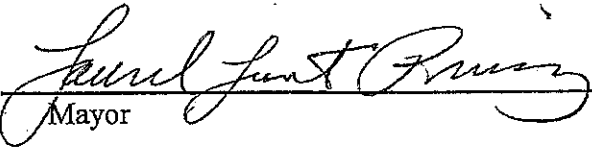
(c) **Termination.** Anything to the contrary in the foregoing Section 4.1(b) above notwithstanding, the obligations of the City to reimburse the Developer for any Reimbursement Amounts under Section 4.1(b) above shall terminate: (i) no later than December 31, 2016, or such earlier date upon which the total amount of the reimbursement or payment obligations of the City under Section 4.1(b) above are reimbursed to the Developer or paid as directed by the Developer in accordance with this Section 4.1 of the Agreement; or (ii) at any time the Hotel Facility ceases continuous commercial operation or "goes dark".

**Section 3. Ratification of Agreement.** Except as expressly supplemented and amended as provided in this First Amendment above, all other provisions of the Agreement shall be and remain in full force and effect. The provisions of the Agreement, as now supplemented and amended by this First Amendment, are hereby ratified, confirmed and approved by both the City and the


Developer.

IN WITNESS WHEREOF, the City and the Developer have caused this First Amendment to be executed by their duly authorized officers or individually as of the 1st day of June, 2012.

CITY OF URBANA, CHAMPAIGN COUNTY,  
ILLINOIS

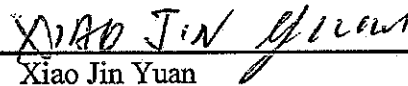
By:   
Mayor

ATTEST:

  
City Clerk

Date: 06/22/12

XIAO JIN YUAN

By:   
Xiao Jin Yuan

Date: 6/20/2012

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



**EXHIBIT C**

**Promissory Note**

## PROMISSORY NOTE

Borrower: Xiao Jin Yuan  
209 S. BROADWAY AVE  
URBANA, IL 61801

Lender: City of Urbana, Champaign County, Illinois,  
an Illinois municipal corporation  
400 S. Vine Street  
Urbana, IL 61801  
Attn: City Comptroller

Principal Amount: \$1,050,000.00

Interest Rate: -0-%

Date of Note: 6/20/, 2012

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**PROMISE TO PAY.** Xiao Jin Yuan, a natural person (the "Borrower") promises to pay to City of Urbana, Champaign County, Illinois ("Lender"), or order, in lawful money of the United States of America, the principal amount of One Million, Fifty Thousand Dollars (\$1,050,000.00), or so much as may be outstanding, together with interest at the rate of -0-% per annum on the unpaid principal balance of each advance. Interest shall be calculated from the date of each advance until repayment of such advance. This Note replaces and cancels in its entirety the Promissory Note from the Borrower to the Lender in the principal amount of \$650,000.00 dated 11/10/, 2010.

**PAYMENT.** Borrower will pay this loan in accordance with the following payment schedule:

Any and all principal and interest owing hereon is due and payable upon demand by the City in the event that any and all such principal and interest owing hereon is not deemed fully paid and discharged on the day immediately following the "Due Date" as described in Section 4.1(a) of the Redevelopment Agreement between Lender and Borrower dated as of November 1, 2010, as supplemented and amended by a First Amendment dated as of June 1, 2012 (the "Redevelopment Agreement", including as such quoted terms are defined therein).

The annual interest rate for this Note is computed on the basis of 360 days or twelve 30-day months. Borrower will pay Lender at Lenders address shown above or at such other place as Lender may designate in writing. Unless otherwise agreed or required by applicable law, payments will be applied first to accrued unpaid interest, then to principal, and any remaining amount to any unpaid collection costs and late charges.

**PREPAYMENT.** Borrower may pay all or a portion of the amount owed earlier than it is due without Lender's consent.

**LATE CHARGE.** If a payment is 10 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment.

**DEFAULT.** Borrower will be in default if any of the following happens: (a) Borrower fails to make any payment when due; (b) Borrower breaks any promise Borrower has made to Lender, or Borrower fails to comply with or to perform when due any other term, obligation, covenant, or condition contained in this Note, the related Redevelopment Agreement or other agreement related to this Note, or in any other agreement or loan Borrower has with Lender; (c) any representation or statement made or furnished to Lender by Borrower or on Borrower's behalf is false or misleading in any material respect either now or at the time made or furnished; (d) Borrower does or becomes insolvent, a receiver is appointed for any part of Borrower's property, Borrower makes an assignment for the benefit of creditors, or any proceeding is commenced either by Borrower or against Borrower under any bankruptcy or insolvency laws; (e) any creditor tries to take any of Borrower's property on or in which Lender has a lien or security interest; or (f) any guarantor dies or any of the other events described in this default section occurs with respect to any guarantor of this Note.

**LENDER'S RIGHTS.** Upon default, Lender may declare the entire unpaid principal balance on this Note and all accrued unpaid interest immediately due, without notice, and then Borrower will pay that amount. Upon default, or if this Note is not paid or deemed paid at final maturity, Lender, at its option, may add any unpaid accrued interest to principal and such sum will bear interest therefrom until paid, at the rate of 8% per annum. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower also will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law. This Note has been delivered to Lender and accepted by Lender in the State of Illinois. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Champaign County, the State of Illinois. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other. This Note shall be governed by and construed in accordance with the laws of the State of Illinois.

**PROMISSORY NOTE**  
(Continued)

Page 2

**CONFESSION OF JUDGMENT.** Borrower hereby irrevocably authorizes and empowers any attorney-at-law to appear in any court of record and to confess judgment against Borrower for the unpaid amount of this Note as evidenced by an affidavit signed by an officer of Lender setting forth the amount then due, plus attorney's fees as provided in this Note, plus costs of suit, and to release all errors, and waive all rights of appeal. If a copy of this Note, verified by an affidavit, shall have been filed in the proceeding, it will not be necessary to file the original as a warrant of attorney. Borrower waives the right to any stay of execution and the benefit of all exemption laws now or hereafter in effect. No single exercise of the foregoing warrant and power to confess judgment will be deemed to exhaust the power, whether or not any such exercise shall be held by any court to be invalid, voidable, or void; but the power will continue undiminished and may be exercised from time to time as Lender may elect until all amounts owing on this Note have been paid in full.

**LINE OF CREDIT.** This Note evidences a straight line of credit. Once the total amount of principal has been advanced, Borrower is not entitled to further loan advances. Advances under this Note may be requested by Borrower or by an authorized person in accordance with the Redevelopment Agreement. The following party or parties are authorized to request advances under the line of credit until Lender receives from Borrower at Lender's address shown above written notice of revocation of their authority: Xiao Jin Yuan. Borrower agrees to be liable for all sums advanced in accordance with the instructions of an authorized person. The unpaid principal balance owing on this Note at any time shall be evidenced by endorsements on this Note. Lender will have no obligation to advance funds under this Note if: (a) Borrower is in default under the terms of this Note; or any agreement that Borrower has with Lender, including the Redevelopment Agreement made in connection with the signing of this Note; (b) Borrower ceases doing business or is insolvent; or (c) Borrower has applied funds provided pursuant to this Note for purposes other than those authorized by Lender.

**GENERAL PROVISIONS.** Lender may delay or forego enforcing any of its rights or remedies under this Note without losing them. Borrower, and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waives presentment, demand for payment, protest and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan, or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made.

**PRIOR TO SIGNING THIS NOTE, BORROWER HAS READ AND UNDERSTANDS ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO THE TERMS OF THE NOTE AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THE NOTE.**

**BORROWER:**

**XIAO JIN YUAN**

XIAO Jin Yuan

## ENDORSEMENTS

[illegible]

## **Attachment G**

### **Contracts**

No new contracts were entered into in FY11-12.

**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, 2012

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, 2012.

  
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  
JAMES P. BRAY (RETIRED)

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

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

**December 22, 2012**

**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, 2012 and have issued our report thereon dated December 22, 2012.

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, 2012

**ASSETS**

Cash and Cash Equivalents:

Savings	\$	401,732
Investments		10,524
Receivables - Property Tax		309,752
Due from Other Funds		543,857

Total Assets	\$	1,265,865
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**LIABILITIES AND FUND BALANCE**

Liabilities:

Accounts Payable	\$	33,291
Deferred Revenues		247,928

Total Liabilities		281,219
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Fund Balance:

Restricted for Economic Development		984,646
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Total Liabilities and Fund Balance	\$	1,265,865
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# 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, 2012

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Tax	\$ 693,811	\$ 693,811	\$ 614,514	\$ (79,297)
Transfer from TIF2, Historic Lincoln	200,000	200,000	493,425	293,425
Transfer from TIF2, Main St. Impr.	575,000	575,000	101,050	(473,950)
Net Investment Earnings:				
Interest	24,000	24,000	7,224	(16,776)
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	11,487	11,487
Total Net Investment Earnings	24,000	24,000	18,711	(5,289)
Total Revenues	1,492,811	1,492,811	1,227,700	(265,111)
Expenditures:				
Current:				
Downtown Development/Redevelopment:				
Personnel Services	26,430	27,047	27,047	-
Contractual Services:				
Downtown Loan/Rent Subsidies	84,492	85,442	37,175	48,267
Marketing/Promotion	12,907	12,907	3,653	9,254
Stratford Incentives	76,800	76,800	75,655	1,145
U.B.A. Marketing Activities	84,766	84,766	84,766	-
Historic Lincoln Incentives	588,423	588,423	493,425	94,998
Legal Services	1,291	2,160	2,160	-
Public Arts Program:				
Personnel Services	53,654	53,654	46,322	7,332
Contractual Services	75,575	75,575	49,027	26,548
Surplus Distribution	266,800	266,800	253,950	12,850
Debt Service	130,000	132,398	132,398	-
Capital Outlay:				
Broadway Ave. Impr.	650,000	650,000	-	650,000
Main St. Impr.	810,000	810,000	101,051	708,949
Total Expenditures	2,861,138	2,865,972	1,306,629	1,559,343
Net Revenues Over (Under) Expenditures	(1,368,327)	(1,373,161)	(78,929)	1,294,232
Fund Balance, Beginning of Year	1,063,575	1,063,575	1,063,575	-
Fund Balance, End of Year	\$ (304,752)	\$ (309,586)	\$ 984,646	\$ 1,294,232