



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Economic Development Division

m e m o r a n d u m

TO: Laurel Lunt Prussing, Mayor

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

DATE: July 7, 2016

SUBJECT: **A Resolution Approving Property Tax Rebates for a Certain Property Within the Beringer Commons Subdivision (2809 E. Clarion Road)**

Summary

On August 3, 2015, City Council adopted Resolution No. 2015-07-035R approving an Economic Incentive Agreement with the East Urbana Development Corporation to provide tax rebate incentives for the buildout of the Beringer Commons Subdivision in accordance with a previously adopted Annexation Agreement and Stipulated Court Order. On September 21, 2015, City Council adopted Resolution No. 2015-09-049R which approved property tax rebates for certain other properties within the Beringer Commons Subdivision that were not covered under the previously adopted Economic Incentive Agreement.

Attached to this memorandum is a Resolution approving tax rebates for an additional property in Beringer Commons Subdivision, located at 2809 E. Clarion Road. The property at 2809 E. Clarion Road was improved with a single-family house in 2011-12 and was occupied by Mr. Kenton McHenry in 2012. Mr. McHenry recently inquired with respect to the potential for property tax rebates at this location and it was determined that the address was eligible for tax rebates, but had been inadvertently left off the list of properties contained in Resolution No. 2015-09-049R.

Background

The previously adopted Economic Incentive Agreement and Resolution Approving Property Tax Rebates provided for the continuation of certain property tax rebate provisions that had been available to the developer and to the homeowners of Beringer Commons Subdivision since 2001. The rebates cover the difference between the tax rate in the City and that in the County and were provided for a total of seven years under the terms of a Circuit Court Stipulation and Consent Decree filed on August 1, 2000. It was necessary to adopt the Economic Incentive Agreement and Resolution to continue these rebate payments because the underlying agreement that allowed for the rebates had expired in 2011. The Economic Incentive Agreement allowed for those homeowners who were being rebated their taxes to continue to receive their rebates until the agreed-upon term of seven years and also allowed the lots and homes that are still under the ownership of East Urbana

Development Corporation to continue to be eligible for the rebates. Resolution No. 2015-07-035R then included certain other properties that were not covered by the Economic Incentive Agreement. The Resolution inadvertently did not include the subject property at 2809 E. Clarion Drive. While the provisions of the Urbana Enterprise Zone have now been substituted for those properties which remained unbuilt on January 1, 2016, construction on the subject property was completed in 2012 and it was not included within the boundary of the Enterprise Zone.

Discussion

Attached to this Memorandum is a Resolution providing for the payment of tax rebates for the property at 2809 E. Clarion Drive. The owner would be eligible for tax rebates for the 2015 through 2021 tax years. The estimated rebate payment for tax year 2015, payable 2016, is \$1,368.03 and would be eligible for payment by the Finance Director upon passage of this Resolution.

The Resolution identifies the following property as being eligible for the same tax rebate arrangement as provided for in the Economic Incentive Agreement:

Address	PIN	Owner	Eligible Tax Years
2809 E. Clarion Road	91-21-10-404-015	Kenton & Sara McHenry	2015-2021

Fiscal Impact

The continuation of tax rebates to Beringer residents, including that covered within the proposed Resolution, will have a fiscal impact upon the City in the short-term, but a significant financial benefit to the City in the long-run. The proposed Resolution itself will have an immediate fiscal impact of \$1,368.03, for the rebate of the 2015 tax year, payable in 2016. No Budget Amendment would be necessary to accommodate this payment.

Recommendation

Given the established commitment of the City of Urbana to work with the developer and the residents of Beringer Commons to promote the buildout of the subdivision through the tax rebate program, and the positive contribution of the Beringer Commons Subdivision to the overall tax base of the City and to the local economy, staff recommends that Council authorize the adoption of the attached Resolution, as presented. The Resolution would correct an oversight in that the subject property was not included in the previously adopted Resolution offering tax rebates to similarly situated properties within Beringer Commons Subdivision.

Attachments:

1. Location Map
2. A Resolution Approving Property Tax Rebates for a Certain Property within the Beringer Commons Subdivision (2806 E. Clarion Road).

Cc: Ivan Richardson; Kenton and Sara McHenry, 2806 E. Clarion Road

RESOLUTION NO. 2016-07-047R

**A RESOLUTION APPROVING PROPERTY TAX REBATES FOR A CERTAIN
PROPERTY WITHIN THE BERINGER COMMONS SUBDIVISION**

(2809 E. CLARION ROAD)

WHEREAS, the City of Urbana (the "City") is a home rule unit of local government pursuant to Article VII, Section 6, of the Illinois Constitution, 1970, and may exercise any power and perform any function pertaining to its government and affairs, and the passage of this Resolution constitutes an exercise of the City's home rule powers and functions as granted in the Illinois Constitution, 1970; and

WHEREAS, Section 8-1-2.5 of the Illinois Municipal Code, 65 ILCS 5/8-1-2.5, authorizes the corporate authorities of a municipality to appropriate and expend funds to promote economic development; and

WHEREAS, in furtherance of the economic development of the City, the City adopted Resolution No. 2015-07-35R on August 3, 2015, which approved an Economic Incentive Agreement between the East Urbana Development Corporation and the City which provides financial incentives for the construction and purchase of new homes in the Beringer Commons subdivision; and

WHEREAS, also in furtherance of the economic development of the City, the City adopted Resolution No. 2015-09-049R on September 21, 2015, which provided for similar incentives to those provided in the Economic Incentive Agreement for certain additional properties within the Beringer Commons subdivision; and

WHEREAS, such incentives will serve the public purpose of enabling the East Urbana Development Corporation to proceed with promoting occupancy of the subdivision, thereby increasing economic development in the City, adding to the tax base, and utilizing existing public improvements; and

WHEREAS, the improvements to the subdivision will be compatible with and will further the City 's 2005 Comprehensive Plan, as amended, and will provide an economic stimulus for the City by offering employment opportunities and by furthering the City's growth; and

WHEREAS, the City Council, after due consideration, has determined that it is necessary and desirable to foster additional economic development and to further enhance, promote, and serve the best interests and general welfare of the City and its residents by offering incentives for new construction on an additional property within the Beringer Commons subdivision similar to those offered under the Economic Incentive Agreement approved pursuant to Resolution 2015-07-035R.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Urbana, Champaign County, Illinois, as follows:

Section 1. The Finance Director shall annually pay to the owner of 2809 E. Clarion Road, as of the effective date of this Resolution, a real estate tax

rebate ("rebate") for said lot for each eligible tax year listed below, in accordance with the payment conditions for tax rebates for current owners set forth in Section 1.B and the payment formula set forth in section 1.A(2) of the Economic Incentive Agreement adopted by Resolution 2015-07-035R:

<u>Address</u>	<u>PIN</u>	<u>Owner</u>	<u>Eligible Tax Years</u>
2809 E. Clarion Road	91-21-10-404-015	Kenton & Sara McHenry	2015-21

Section 2. The terms, covenants and conditions contained in the Economic Incentive Agreement approved pursuant to Resolution 2015-07-035R shall control except to the extent that they conflict with any term, covenant or condition contained in this Resolution in which case the terms, covenants and conditions contained in this Resolution shall govern.


PASSED BY THE CITY COUNCIL this ____ day of _____, _____.

Phyllis D. Clark, City Clerk

APPROVED BY THE MAYOR this ____ day of _____, _____.

Laurel Lunt Prussing, Mayor



 Property Included in Resolution

