



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Administrative Division

m e m o r a n d u m

TO: Bruce K. Walden, Chief Administrative Officer

FROM: Elizabeth H. Tyler, AICP, Director

DATE: June 6, 2002

SUBJECT: Ordinances Amending Tax Increment Finance District Terms

Description

City Council is requested to adopt three ordinances to amend and clarify the terms of the City's first three Tax Increment Finance (TIF) Districts in accordance with 1999 amendments to the Illinois Redevelopment Act.

The three attached ordinances, prepared by Urbana TIF Attorney Ken Beth, would amend the Redevelopment Plans for Urbana TIF Districts 1, 2 and 3 to provide for the terms thereof to be twenty-three years after the year in which the ordinance approving the TIFs were adopted.

Background

The City of Urbana established its first TIF District for the downtown in 1980 via the Urbana Downtown Tax Increment Area Redevelopment Plan and Related Redevelopment Project. This was followed by adoption of a second downtown TIF District via the Central Business District Redevelopment Plan and Related Redevelopment Project in 1986 (TIF II Downtown Area No. 2) and by the North Campus and King Park Neighborhood Redevelopment Plan and Related Redevelopment Project (TIF District Number 3) adopted in 1989.

The Redevelopment Plans as adopted by Urbana established the life or term of the Redevelopment Plans and tax increment allocation funding as simply being for "23 years". Because of statewide confusion over the issue of how the 23-year term was to be measured for TIFs, the 1999 amendments to the TIF Act provided that the 23-year term "shall not be later than December 31 of the year in which the payment to the municipality's treasurer . . . is to be made with respect to ad valorem taxes levied in the 23rd calendar year after the year in which the ordinance approving the redevelopment project area is adopted." These ordinances amending each of

the Redevelopment Plans for TIFs 1, 2 and 3 simply removes any ambiguity associated with the life or term of these TIFs in accordance with the amended TIF legislation which specifically authorized such clarification by the adoption of an ordinance without any requirement for hearing or notice. Clarification of the completion date for the Cunningham Avenue Corridor Redevelopment Plan and Project (TIF No. 4), adopted in 2001, is not necessary, since its adopting ordinances were prepared subsequent to the 1999 TIF Act Amendment.

Upon adoption of these Ordinances, the estimated dates for completion of the three Redevelopment Projects (i.e., TIF Districts) and retirement of obligations incurred therefrom will, for the purposes of real estate tax increment financing, be as follows:

TIF No. 1	December 31, 2004
TIF No. 2	December 31, 2010
TIF No. 3	December 31, 2013

However, it should be noted that pursuant to Ordinance Numbers 9394-100 and 9394-101, adopted on May 16, 1994, the effective completion date for TIF Districts 1 and 2 is March 1, 2013, for the purposes of sales tax increment collection and retirement of bond obligations.

Fiscal Impact

The Ordinances will clarify the completion date for the three TIF Districts. No fiscal impact is anticipated from this adjustment.

Recommendation

Under the direction of TIF Attorney Ken Beth, the Administration and Community Development Staff are recommending that the attached Ordinances be adopted pursuant to the 1999 Amendments to the TIF Act.

c: Ken Beth
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Attachments:

1. An Ordinance Amending The Urbana Downtown Tax Increment Area Redevelopment Plan And Related Redevelopment Project For The Urbana Downtown Tax Increment Redevelopment Project Area Of The City Of Urbana, Champaign County, Illinois
2. An Ordinance Amending The Central Business District (“TIF II Downtown Area No. 2”) Redevelopment Plan And Related Redevelopment Project For The Central Business District (“TIF II Downtown Area No. 2”) Redevelopment Project Area Of The City Of Urbana, Champaign County, Illinois

3. An Ordinance Amending The North Campus And King Park Neighborhood Redevelopment Plan And Related Redevelopment Project For The North Campus And King Park Neighborhood Redevelopment Project Area Of The City Of Urbana, Champaign County, Illinois