



**DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES**

*Economic Development 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:** November 4, 2004

**SUBJECT:** Proposal to Extend the Build Urbana Tax Rebate Program for an Additional Two Years (To December 1, 2006)

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**Description**

This memorandum provides information pertaining to a proposal to extend the City's Build Urbana Tax Rebate Program from its current expiration date of December 1, 2004 to December 1, 2006. This program has successfully encouraged the construction of new single-family and duplex housing in Urbana by providing incentives to builders, developers, and homeowners since 2001. Specifically, this program rebates the property tax difference between the total tax rates in the Cities of Urbana and Champaign to owners of new homes for a total of five years, equalizing the tax rates on these structures during that period. The Build Urbana Tax Rebate Program is an integral component of the Build Urbana program, which promotes development and real estate investment in the community.

The Tax Rebate Program has helped to encourage the creation of new subdivisions and the expansion of existing subdivisions in Urbana. Subdivisions included in the first year of adoption included Beringer Commons (a clause to the program for Beringer Commons specifies that their rebates fall under different requirements due to a previous legal agreement), Eagle Ridge, Fairway Estates, Landis Farms, Lincolnwood, South Ridge, Stone Creek, and Savannah Green. The Eastgate subdivision was added in 2002. In 2003 - 2004, additional subdivisions or phases were added at South Ridge, Sunny Estates, The Ridge, Beringer Commons, Savannah Green and Landis Farm. Also in 2004, the Prairie Winds mixed-use senior housing project began development of owner occupied single-family housing lots.

## Issues

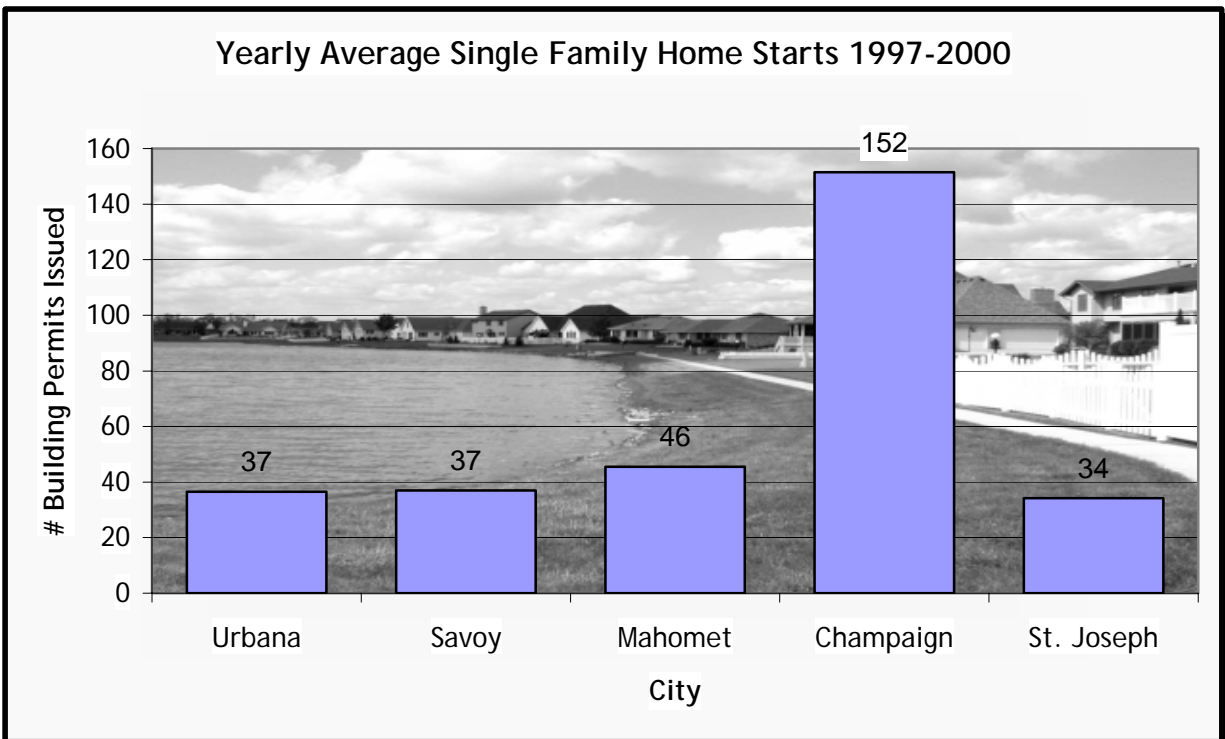
City staff regularly receives positive comments about the program from the development community and homeowners. In recent months, concern has been expressed about the pending conclusion of the program and several requests have been received advocating its extension. Attached are letters requesting extension of the program from The Atkins Group, Tatman Enterprises, Inc. and Hillshire Construction.

Since initiation of the Tax Rebate Program, staff has provided regular updates to the Council as to the progress and effects of the program. Staff also periodically updates the Urbana School District, Urbana Park District and Cunningham Township. The Park District Board of Commissioners reviewed the program on August 10, 2004 and on September 14, 2004; the Board unanimously approved and supported extending the program for another two years (see attached letter from Vicki Mayes). At their regular business meeting on October 19, 2004, the Board of Education of Urbana School District 116 also unanimously adopted a Resolution supporting the two-year extension of the program (copy attached) and members noted the positive impacts of the program on the tax revenues and student base of Urbana.

## Background

The Tax Rebate Program was conceived when builders, developers (under the leadership of UBA and UDBA), and the city decided to increase single-family home starts in Urbana. At the time, single-family home starts in the community were comparably lower than rates in surrounding communities (See Chart A.) and realtors viewed Urbana's higher tax rate to be the cause. Since the commencement of the Tax Rebate Program Urbana has significantly increased its share of the new single family housing market.

**Chart A**



In March of 2001, the Tax Rebate Program was approved by City Council (by Resolution No. 2001-02-007R) with the following characteristics and guidelines:

- The program's goal is to increase new home construction in Urbana
- The program rebates the difference between the total property tax rate in Urbana and Champaign
- The program allows the property owner of a newly constructed single family home a tax rebate for up to 5 years (subsequently extended to cover duplexes, condominiums, cooperatives, and zero-lot line townhouses)
- The home must be owner-occupied
- The home must be within Urbana city limits
- The home's building permit must have been issued between March 1, 2001 and December 1, 2002 (subsequently extended to 2004)
- The rebate is transferable to subsequent owners within the 5-year time frame

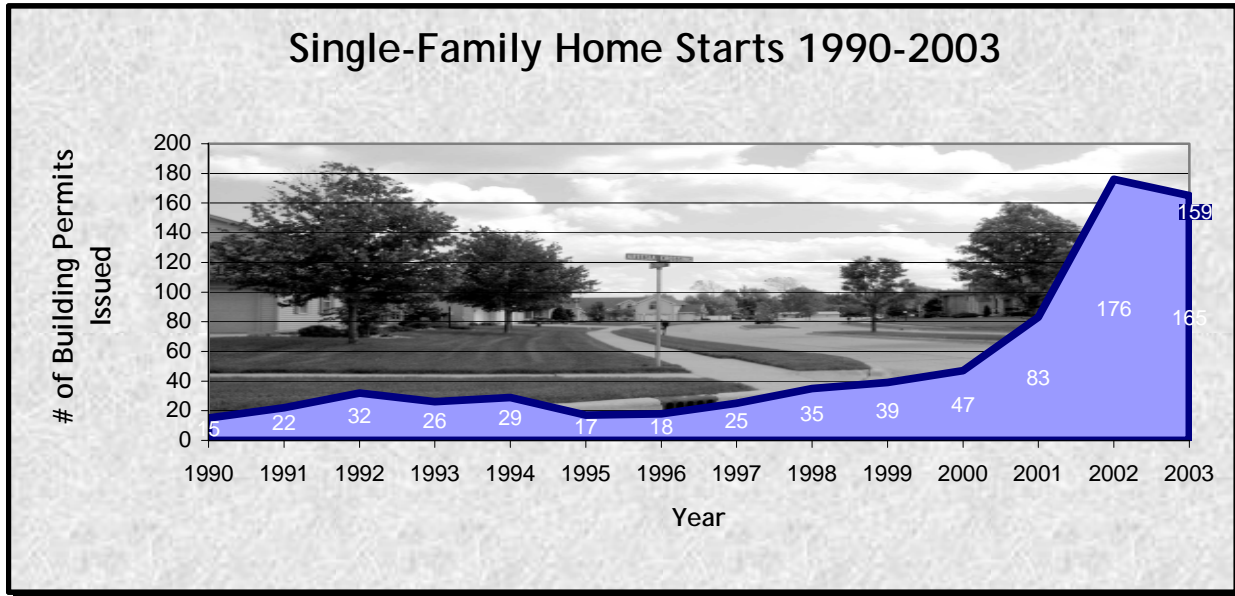
Under the Build Urbana program, a wide array of efforts promoting single family-housing opportunities in Urbana have occurred through the cooperation of the City with the Urbana Business Association, the builders and developers association, and other groups. City staff developed a Tax Rebate Brochure, which provides information on program guidelines and Urbana subdivisions with available building sites and homes. Community organizations and businesses have also promoted the Tax Rebate Program, as a part of the outreach for Build Urbana, through tours, the annual 'Parade of Homes', cooperative forums, presentations, realtor breakfasts, interviews, press releases and advertising via the full spectrum of media.

In July 2001, the Tax Rebate Program was extended by the Council to include Zero Lot Line Townhouses, Condominiums, and Duplexes (by Resolution No. 2001-07-022R). Some clarification is now desired to ensure that the program is applied only to new, owner-occupied homes with a ground lease component so that the program continues to support existing and planned subdivision and is not applied to non-subdivision projects with secondary rental goals. In November 2002, the Build Urbana Tax Rebate Program was extended until December 1, 2004, due to its effectiveness.

Since initiation of the Build Urbana program, Urbana's share of single-family housing development has dramatically increased, while Savoy, St. Joseph, and Champaign has seen either a decrease in home starts, or a stable rate. For the year 2001, Urbana's single-family home starts jumped to 83 (87 counting duplexes), three times the average of the previous eleven years – even though the program did not cover the full calendar year (see Chart B). In 2002, single-family home starts totaled 176 (178 counting duplexes), over six times the 1990 – 2000 average of 28 homes. In 2003, the single family total was 159, or 165 counting duplexes. In 2004 (to date), there have been 141 single-family home starts, or 143 counting duplexes. The total for all single-family and duplex units built under the Tax Rebate Program as of October 28, 2004 is 567.

The housing start totals for 2003 were closer in comparison to housing starts of nearby Champaign. For instance, Champaign's 2002 total for one and two-family units was 200 permits for 202 units. In 2003, Champaign's total was 157 permits for 159 units, which is approximately equal to Urbana's total, even though Urbana's population is only half that of Champaign's. In 2004, the City of Champaign developed a property tax rebate program, for a newly developing area, to capture more of the moderate-income-single-family housing market.

**Chart B**



### **Fiscal Impacts**

Table 1 (below) illustrates the financial impact of the Tax Rebate program for the calendar years 2001 through 2003. The net impact of the program (revenues minus cost) is substantial for each taxing district (totaling over \$1 million annually) and the long-term returns are even greater (over \$49 million in 50 years). The initial cost of the rebates (five year period) leverages seven times the return on investment over all districts. Substantial benefits are shown even when the average housing starts for years prior to program initiation are subtracted out, on the assumption that this level of construction would have occurred without the program. Success of the Tax Rebate program has also been aided by low-interest rates and by a wide variety of housing choices and price points in Urbana’s subdivisions.

**Table 1**

SUMMARY OF RESULTS OF PROP. TAX REBATE PROGRAM, CY2001, 2002 & 2003								
	# homes	estimated ave. cost	total value	annual prop tax school	annual prop tax parks	annual prop tax township	annual prop tax city	annual prop tax total
total homes built	422	\$ 127,923	\$53,983,506	\$ 827,045	\$ 135,571	\$ 36,295	\$ 236,088	\$ 1,234,999
cost of rebates				\$ 113,653	\$ 12,434	\$ 29,331	\$ -	\$ 155,419
net gain, each year 1st 5 years				\$ 713,392	\$ 123,136	\$ 6,964	\$ 236,088	\$ 1,079,580
payback, 1st 5 years				7 to 1	6 to 1	n/a	n/a	7 to 1
pv net gain next 5 years				\$ 3,088,631	\$2,409,631	\$ 645,106	\$4,196,226	\$21,950,866
pv of prop tax 45 years after				\$11,517,756	\$3,025,313	\$ 679,925	\$5,376,665	\$27,348,767
total gain next 50 years				\$14,606,387	\$5,434,945	\$1,325,031	\$9,572,891	\$49,299,633
tax rate urbana				4.5961	0.7534	0.2017	1.3120	6.8632
tax rate champaign				3.9645	0.6843	0.0387	1.3120	5.9995
# above prev. average	305	\$ 127,923	\$39,016,515	\$ 597,746	\$ 97,983	\$ 26,232	\$ 170,632	\$ 892,594
cost of rebates				\$ 82,143	\$ 8,987	\$ 21,199	\$ -	\$ 112,329
net gain				\$ 515,603	\$ 88,997	\$ 5,033	\$ 170,632	\$ 780,265
note: payback is function of % difference in tax rates, higher difference, less return these costs do not include costs city incurred in promotion, marketing, meeting with realtors, contractors etc.								

## Recommendations

The Single Family Home Tax Rebate Program has had very beneficial fiscal impacts on the City of Urbana and associated taxing districts. Additional housing opportunities have been provided for new residents and project potential has been created for housing developers. As noted above, some clarification is now desired to ensure that the program is applied only to new permanent owner-occupied homes with a ground lease component so that the program continues to support existing and planned subdivisions and is not applied to investment projects which are aimed towards secondary rental goals.

Given the beneficial fiscal impacts and positive endorsements summarized above, staff recommends that Council extend the Tax Rebate Program for an additional two years, effective through December 1, 2004. The extended program would apply only to those permits for permanent, owner-occupied, single-family, duplex, zero lot line, and condominium housing with a ground lease component. A Draft Resolution is attached for Council consideration.

Attachments: Resolution  
Resolution No's. 2001-02-007R, 2001-07-022R, 2002-10-028R  
Letters of Support  
Park District Board Letter of Support  
School District Board Resolution  
City of Urbana Housing Permits 1988-2003

Prepared by:

John G. Regetz, Economic Development Manager

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RESOLUTION NO. 2004-11-023R

**A RESOLUTION EXTENDING THE BUILD URBANA TAX REBATE PROGRAM FOR  
TWO ADDITIONAL YEARS**

**(TO DECEMBER 1, 2006 - Build Urbana)**

WHEREAS, on March 5, 2001, the City Council of the City of Urbana adopted Resolution No. 2001-02-007R authorizing a single-family home construction incentive program as a means of promoting new single family home construction in the City; and

WHEREAS, on July 16, 2001, the City Council of the City of Urbana adopted Resolution No. 2001-07-022R extending the single-family home construction incentive program to owner occupied zero lot-line townhomes, condominiums, cooperatives, and duplexes; and

WHEREAS, on November 18, 2002, the City Council of the City of Urbana adopted Resolution No. 2002-10-028R extending the provisions the single-family home construction incentive program to permits issued for a period from December 1, 2002 to December 1, 2004; and

WHEREAS, the single-family home construction incentive program involves the payment of the difference between the property taxes incurred by new homes in the City of Urbana and the taxes those homes would incur in the City of Champaign for five years, on behalf of property owners who build new homes within the City; and

WHEREAS, the program has been successful in promoting new home starts in Urbana and has contributed to an increase in new housing starts from a previous average of 29 new single-family homes per year for the period from 1988 to 2001 to 176 new homes in 2002, 159 new homes in 2003 and over 140 new homes in 2004; and

WHEREAS, analysis of the costs of the program compared with the benefits of increased tax assessments is positive with an overall rate of return on investment of over seven times; and

WHEREAS, in order to promote home ownership rather than investment development with secondary rental objectives, it is desirable that the program extend its provisions only to those zero lot-line townhomes, condominiums, duplexes and cooperative housing units that are owner occupied and exclusively ground-lease domiciles; and

WHEREAS, extension of the Build Urbana home construction incentive program to continue for an additional two years so that it is applicable to building permits issued between December 1, 2004 and December 1, 2006 will assist in the build-out of currently active subdivisions in Urbana; and

WHEREAS, support for the extension of the program has been communicated from various local developers, the Urbana School District, and the Urbana Park District; and

WHEREAS, the Urbana City Council, having duly considered all matters pertaining thereto, finds and determines that the proposed time extension of the single-family home construction incentive program is in the best interest of the City of Urbana.

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

Section 1. The City Council finds and determines that the facts contained in the above recitations are true.

Section 2. The Urbana City Council hereby resolves that the City of Urbana does hereby amend Resolution No. 2001-02-007R, as amended by Resolution No. 2001-07-022R and Resolution No. 2002-10-028R, to extend the provisions of the Build Urbana tax rebate program only to those zero lot-line townhomes, condominiums, duplexes and cooperative housing units that are



owner occupied, exclusively ground-lease domiciles and to exclude rental or temporary residences.

Section 3. The Urbana City Council further resolves that the City of Urbana does hereby amend Resolution No. 2001-02-007R, as amended by Resolution No. 2001-07-022R and Resolution No. 2002-10-028R, to extend the provisions of that resolution to building permits issued between December 1, 2004 and December 1, 2006.

Section 4. All other provisions of Resolution No. 2001-02-007R, Resolution No. 2001-07-022R, and Resolution No. 2002-10-028R, shall apply and shall otherwise remain in force.

PASSED by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2004.

AYES:

NAYS:

ABSTAINS:

\_\_\_\_\_  
Phyllis D. Clark, City Clerk

APPROVED by the Mayor this \_\_\_\_\_ day of \_\_\_\_\_ October \_\_\_\_\_,  
2004.

\_\_\_\_\_  
Tod Satterthwaite, Mayor

**CITY OF URBANA HOUSING PERMITS**

<b>YEAR</b>	<b># OF BUILDINGS ADDED</b>	<b># OF UNITS ADDED</b>	<b>USE</b>	<b># OF UNITS DEMOLISHED</b>
1988	24	24	SFR	15
	15	217	MFR	43
	8	16	DUP	12
1989	14	14	SFR	24
	6	96	MFR	20
	2	4	DUP	22
1990	15	15	SFR	20
	1	17	MFR	23
	1	2	DUP	12
1991	22	22	SFR	14
	3	23	MFR	4
	0	0	DUP	4
1992	32	32	SFR	12
	1	10	MFR	7
	0	0	DUP	0
1993	26	26	SFR	21
	8	180	MFR	4
	1	2	DUP	0
1994	29	29	SFR	27
	15	234	MFR	26
	1	2	DUP	4
1995	17	17	SFR	20
	4	80	MFR	24
	2	4	DUP	0
1996	18	18	SFR	26
	6	61	MFR	19
	4	8	DUP	0
1997	25	25	SFR	20
	44	689	MFR	7
	1	2	DUP	4
1998	35	35	SFR	11
	2	36	MFR	12
	1	2	DUP	0
1999	39	39	SFR	21
	4	79	MFR	27
	0	0	DUP	2
2000	47	47	SFR	9
	6	194	MFR	2
	1	2	DUP	0
2001	83	83	SFR	19
	2	57	MFR	9
	1	2	DUP	0
2002	176	176	SFR	20
	4	62	MFR	9
	1	2	DUP	0
2003	159	159	SFR	8
	5	164	MFR	9
	3	6	DUP	25

**SFR = Single-Family Residence    MFR = Multi-Family Residence    DUP = Duplex Residence**  
 (Updated 6/23/04 Housing Units.doc)

**A RESOLUTION EXTENDING THE SINGLE-FAMILY HOME CONSTRUCTION  
INCENTIVE PROGRAM TO OWNER OCCUPIED ZERO LOT-LINE TOWNHOMES,  
CONDOMINIUMS, COOPERATIVES, AND DUPLEXES**

WHEREAS, on March 5, 2001, the City Council of the City of Urbana adopted Resolution No. 2001-02-007R authorizing a single-family home construction incentive program as a means of promoting new single family home construction in the City; and

WHEREAS, the single-family home construction incentive program involves the payment of the difference between the property taxes incurred by new homes in the City of Urbana and the taxes those homes would incur in the City of Champaign for a period of time, on behalf of property owners who build new homes within the City; and

WHEREAS, extension of the single-family home construction incentive program to owner-occupied zero lot-line townhomes, condominiums, cooperatives, and duplexes would help to encourage more compact, contiguous growth patterns and urban infill/mixed use projects and would make the program more equitable in terms of housing types and household characteristics; and

WHEREAS, extension of the single-family home construction incentive program to owner-occupied zero lot-line townhomes, condominiums, cooperatives, and duplexes would be responsive to goals, objectives and policies of the Comprehensive Plan of the City of Urbana; and

WHEREAS, the Urbana Plan Commission, after considering matters pertaining to said extension at their meeting of July 5, 2001, has recommended by a vote of 4 to 1 that the Urbana City Council adopt a resolution extending the single-family home construction incentive program to owner-occupied zero lot-line townhomes, condominiums, cooperatives, and duplexes; and

WHEREAS, the Urbana City Council, having duly considered all matters pertaining thereto, finds and determines that the proposed extension of the single-family home construction incentive program is in the best interest of the City of Urbana.

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

Section 1. The City Council finds and determines that the facts contained in the above recitations are true.

Section 2. The Urbana City Council hereby resolves that the City of Urbana does hereby amend Resolution No. 2001-02-007R to extend the provisions of that resolution to owner-occupied zero lot-line townhomes, condominiums, cooperatives, and duplexes; however, in the case of mixed-use and income-generating uses, the tax rebate shall apply only to that portion of the property that is in use for residential purposes and is owner-occupied.

Section 3. All other provisions of Resolution No. 2001-02-007R, including dates of eligibility, shall apply to the housing types added with this extension and shall otherwise remain in force.

PASSED by the City Council this 16<sup>th</sup> day of July,  
2001.

AYES: Chynoweth, Hayes, Huth, Otto, Patt, Whelan, Wyman


NAYS:

ABSTAINS:

  
Phyllis D. Clark City Clerk

**COPY**

APPROVED by the Mayor this 30<sup>th</sup> day of July,  
2001.

  
Tod Satterthwaite, Mayor

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RESOLUTION NO. 2001-02-007R

**A RESOLUTION AUTHORIZING A SINGLE-FAMILY HOME  
CONSTRUCTION INCENTIVE PROGRAM**

WHEREAS, the City of Urbana is interested in promoting new single family home construction in the City; and

WHEREAS, the City Council has determined that an appropriate means by which to encourage the construction of new homes is for the City to pay the difference between property taxes incurred by new homes in the City of Urbana and the taxes those homes would incur in the City of Champaign for a period of time, on behalf of property owners who build new homes within the City; and

WHEREAS, the City has reduced its property tax rate consistently over the past six years; and

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

Section 1. That the City of Urbana will provide a tax rebate for newly constructed single family detached homes, built on site, for which a building permit is issued between March 1, 2001 and December 1, 2002 in an amount equal to the real estate taxes paid each year on behalf of such property to the extent such taxes are greater than what they would be if the subject property had been located in the City of Champaign for a period of five (5) years. The program applies to non federally subsidized, newly constructed owner occupied single family detached, constructed on-site housing anywhere within the Urbana city limits, except homes in Beringer Commons Subdivision which are governed by a previously agreed to binding legal settlement.

Section 2. That said tax rebate will commence upon the issuance of the first tax bill for the new home, regardless of whether said tax bill is a partial or full assessment.

Section 3. That said property owners will be required to sign an agreement outlining the program parameters in order to qualify for said rebate.

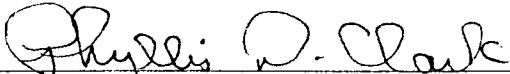
Section 4. That the Director of Community Development Services and the Comptroller are responsible for managing this program and issuing eligible payments hereunder.

PASSED by the City Council this 5<sup>th</sup> day of March,  
2001.

AYES: Hayes, Kearns, Patt, Taylor, Whelan, Wyman

NAYS:

ABSTAINS:

  
\_\_\_\_\_  
Phyllis D. Clark, City Clerk

APPROVED by the Mayor this 7<sup>th</sup> day of March,  
2001.

  
\_\_\_\_\_  
Tod Satterthwaite, Mayor

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**A RESOLUTION SUPPORTING EXTENSION OF THE CITY OF URBANA'S "BUILD  
URBANA"**

**TAX REBATE PROGRAM FOR TWO ADDITIONAL YEARS**

**(TO DECEMBER 1, 2006 - Build Urbana)**

WHEREAS, on March 5, 2001, the City Council of the City of Urbana authorized a single-family home construction incentive program as a means of promoting new single family home construction in the City; and

WHEREAS, on July 16, 2001, the City Council of the City of Urbana extended the single-family home construction incentive program to apply to owner-occupied zero lot-line townhomes, condominiums, cooperatives, and duplexes; and

WHEREAS, on November 18, 2002, the City Council of the City of Urbana extended the period of the program to December 1, 2004; and

WHEREAS, the tax rebate program involves the payment of the difference between the property taxes incurred by new homes in the City of Urbana and the taxes those homes would incur in the City of Champaign for five years, on behalf of property owners who build new homes within the City; and

WHEREAS, the program has been successful in promoting new home starts in Urbana and has contributed to an increase in new housing starts from an average of 29 new single-family homes per year for the period from 1988 to 2001 to 176 new single-family homes in 2002 (178, including duplexes), 159 new homes in 2003 (165, including duplexes) and over 140 new homes in 2004; and

WHEREAS, analysis of the program costs compared with the benefits of the resulting increased tax assessments indicates that the School district receives an overall rate of return on investment of seven times; and

WHEREAS, extension of the single-family home construction incentive program for an additional two years, so that it is applicable to owner



occupied single-family, zero lot line townhomes, condominiums and cooperatives with ground lease, and duplex building permits issued until December 1, 2006, will assist in the build-out of currently active subdivisions in Urbana; and

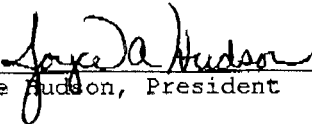
WHEREAS, the Urbana School District #116 Board of Education, having duly considered all matters pertaining thereto, finds and determines that the proposed time extension of the "Build Urbana" home construction incentive program is in the best interest of the Urbana School District #116.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE URBANA SCHOOL DISTRICT #116 as follows:

Section 1. That the Urbana School District #116 Board of Education does hereby support extension of the City of Urbana's "Build Urbana" Tax Rebate Program until December 1, 2006.

PASSED by the Board of Directors this 19th day of October, 2004.

AYES: 7  
NAYS: 0  
ABSTAINS: 0

  
\_\_\_\_\_  
Joyce Hudson, President

APPROVED this 19th day of October, 2004.



# Urbana Park District

Darius E. Phebus Administration Building  
303 W. University Ave.  
Urbana, IL 61801  
Phone (217) 367-1536 • FAX (217) 367-1391

COPY

September 21, 2004

Bruce K. Walden, Chief Administrative Officer  
City of Urbana  
400 S. Vine  
Urbana, IL 61801

Dear Mr. Walden:

Recently, Elizabeth Tyler and Rob Kowalski gave a presentation to the Board of Commissioners of the Urbana Park District with an overview of the impact of the "Build Urbana" Single-Family Tax Rebate Program. The Board of Commissioners reviewed the program at their August 10 meeting. At their September 14 Board meeting, the Commissioners unanimously approved of and supported extending the "Build Urbana" program for another two years. The Urbana Park District applauds the City's success with this program.

Respectfully,

Vicki J. Mayes  
Executive Director

cc: Elizabeth Tyler

# **==The Atkins Group**=====

Date: April 14, 2004

To: Mayor Tod Satterthwaite  
Bruce Walden, CFO City of Urbana

Cc: Council Members  
Danielle Chynoweth            James Hayes  
Laura Huth                        Milton Otto  
Esther Patt                        Joe Whelan  
Ruth Wyman

From: Mike Martin

Re: Build Urbana Program

The Atkins Group would like to request the City of Urbana extend the Build Urbana Program an additional two years. We believe the program has been instrumental in promoting Stone Creek and The Vistas at East Gate. The Atkins Group would like to see the City continue with the unprecedented growth the program has initiated.

In addition, Stone Creek Subdivision will be hosting the HBAECI Showcase of Homes in June of 2005. The showcase attracted approximately 14,000 visitors last year and we envision each of these visitors as a potential resident that would increase the tax base in Urbana. The Build Urbana Program is an integral component to our marketing program for the showcase.

Thank you for your consideration

**TATMAN FAMILY LLC**  
REAL ESTATE DEVELOPMENT/RENTALS

3103 Tatman Ct., Ste. 103  
Urbana IL 61802  
217/365-9198  
Fax 365-9367

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**June 24, 2004**

Mayor Todd Satterwaite  
City Council Members  
City of Urbana  
400 S. Vine  
Urbana, Illinois 61801

This letter is to encourage you to continue the "Build Urbana" tax rebate incentive program. I think you will all agree the program has been a real boom to the housing market growth in the city. Three years ago after this program was implemented I took on the task of developing a subdivision. This was my first venture into the housing market and I must admit I was apprehensive about doing it in Urbana. By building nice, affordable homes in a well planned neighborhood and promoting the Build Urbana program, I managed to develop a fifty lot subdivision, build over two dozen homes myself and sell the remaining lots in less the two years.

This being the third year, the last house is under construction at present. That is fifty new families in our city buying and living in their own homes, shopping and paying taxes to the City of Urbana. I am very proud of this subdivision, Fairway Estates.

With the success of this venture and the continuance of the Build Urbana program I am planning another venture into the Urbana market, a thirty acre planned unit development designed to reach all age groups from the newly married, those approaching retirement and retiree's. This development should add a total tax base of twenty million dollars or more to the City of Urbana and will be under construction in the next few weeks.

I strongly urge you to continue the Single Family Home Tax Rebate Program. With out it I would never have attempted any type of residential development in Urbana. The program works and we now have some momentum with us to continue this growth. I have been an Urbana native since I was five years old. As I was growing up I watched the city being torn down and businesses closing or moving across town, which has always concerned me. I have a deep passion for this city and hope to see the day that it is once again the booming city it was in my younger days.

Again I ask you to commit to continue this program as we the developers and builders have committed to Build Urbana.

Thank You

  
Paul L. Tatman President  
Tatman Enterprises Inc.



**Hillshire**  
2005 South Philo Road  
Urbana, Illinois 61802  
Business: (217) 352-6400  
Fax: (217) 384-5351  
[www.hillshirerealty.com](http://www.hillshirerealty.com)

June 23, 2004

Honorable Mayor and City Council  
Urbana City Building  
Urbana, IL 61801

Dear Friends:

I am very pleased to see the results of the "Build Urbana" program and the activity and excitement that has come to our City as a result. We strongly support the program and hope to see it extended later this year. There are still hurdles to overcome but with your continued support we will have a greater future as we meet the challenges ahead. I am very proud of the code enforcement department and the attitude they have as we continue to meet the needs of the builders and residents of Urbana. In many cases, they have gone beyond the call of duty and I feel so good when I hear from other builders about how their extra effort has helped them.

There is no question that you through the "Build Urbana" program have made a huge difference in providing housing alternatives for Champaign County. This has been a win-win-win situation for the City, the builders and the buyers in our community. We as the home builders of east central Illinois ask for your continued support for the Tax Rebate Program.

Sincerely,

Carl E. Hill, Owner, Hillshire Construction  
Past President of The Home Builders Association of East Central Illinois

RESOLUTION NO. 2002-10-028R

**A RESOLUTION EXTENDING THE SINGLE-FAMILY HOME  
TAX REBATE PROGRAM FOR TWO ADDITIONAL YEARS**

(TO DECEMBER 1, 2004 - Build Urbana)

WHEREAS, on March 5, 2001, the City Council of the City of Urbana adopted Resolution No. 2001-02-007R authorizing a single-family home construction incentive program as a means of promoting new single family home construction in the City; and

WHEREAS, on July 16, 2001, the City Council of the City of Urbana adopted Resolution No. 2001-07-022R extending the single-family home construction incentive program to owner occupied zero lot-line townhomes, condominiums, cooperatives, and duplexes; and

WHEREAS, the single-family home construction incentive program involves the payment of the difference between the property taxes incurred by new homes in the City of Urbana and the taxes those homes would incur in the City of Champaign for a period of time, on behalf of property owners who build new homes within the City; and

WHEREAS, the program has been successful in promoting new home starts in Urbana and has contributed to an increase in new housing starts from a previous average since 1988 of 29 new single-family homes to 83 new homes in 2001 and over 167 new homes in 2002; and

WHEREAS, analysis of the costs of the program compared with the benefits of increased tax assessments is positive with an overall rate of return on investment of over three times; and

WHEREAS, extension of the single-family home construction incentive program to continue for an additional two years so that is applicable to building permits issued between March 1, 2001 and December 1, 2004 will assist in the build-out of currently active subdivisions in Urbana; and

WHEREAS, the Urbana City Council, having duly considered all matters pertaining thereto, finds and determines that the proposed time extension of the single-family home construction incentive program is in the best interest of the City of Urbana.

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

Section 1. The City Council finds and determines that the facts contained in the above recitations are true.

Section 2. The Urbana City Council hereby resolves that the City of Urbana does hereby amend Resolution No. 2001-02-007R, as amended by Resolution No. 2001-07-022R, to extend the provisions of that resolution to building permits issued between March 1, 2001 and December 1, 2004.

Section 3. All other provisions of Resolution No. 2001-02-007R and Resolution NO. 2001-07-022R, shall apply and shall otherwise remain in force.

PASSED by the City Council this 18th day of November, 2002.

AYES: Chynoweth, Hayes, Huth, Otto, Patt, Whelan, Wyman

NAYS:

ABSTAINS:

APPROVED by the Mayor this 21<sup>st</sup> day of November,

2002.

William A. Clock  
William A. Clock, City Clerk

By: [Signature]  
Deputy Clerk

Tod Satterthwaite  
Tod Satterthwaite, Mayor