



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Planning and 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, Planning Manager

DATE: July 19, 2001

SUBJECT: North Urbana Tax Increment Financing (TIF) District Status Report

Introduction

On September 11, 2000, the Urbana City Council passed Resolution No. 2000-08-021R, providing for the preparation of a Feasibility Study for the North Urbana Tax Increment Financing District (also known as TIF District No. 4) and declaring an intent to reimburse certain redevelopment project costs. The Resolution establishes a mechanism whereby the work completed by the TIF consultant can be reimbursed from early proceeds of the TIF. It also allows for the financial inducement of development within the area consistent with the anticipated redevelopment plan in order to encourage investment in the area that would not otherwise occur. This Resolution was forwarded to all local taxing bodies in the area as an early notification of the feasibility study.

Under the direction of the resolution, the consulting firm of Peckham Guyton Albers & Viets, Inc. ("PGAV") prepared an Eligibility and Financial Feasibility Study for a Potential Tax Increment Finance (TIF) District to be located in north Urbana along the North Lincoln Avenue and Cunningham Avenue corridors. This study was completed on January 23, 2001 and was distributed to Council, affected taxing bodies, and interested property owners.

Attached to this memorandum is a list of projects that could be completed under tax increment financing in this area. This project list illustrates the wide range of benefits that tax increment can bring to the area in terms of public infrastructure, community services, urban design improvements, and economic development opportunities.

Update

Since completion of the feasibility study, City staff have been working hard on gaining community and taxing district support for a redevelopment plan in north Urbana, annexing properties that can benefit from the plan, and obtaining a planning grant from the State to help pay for plan preparation. The City has been preliminarily awarded a \$50,000 grant from the Department of Commerce and Community Affairs under the Balanced Growth Capacity Building Program.

Receipt of the award is contingent upon the execution of a grant award contract by DCCA. Preparation of a Redevelopment Plan for North Urbana under the provisions of the Illinois Redevelopment Act is the primary focus of this grant application.

A revised project area boundary has been prepared to reflect properties that are both eligible for tax increment financing and which are currently within the corporate limits of the City and/or are to be annexed within the immediate future. A map of this revised boundary is attached. As shown, this map encompasses a much smaller area than that evaluated in the Feasibility Study. It shows that there are potentially two separate districts, one to be known as the Cunningham Avenue Corridor Redevelopment Plan Area (TIF #4a on the map) and the other to be known as the North Lincoln Avenue Redevelopment Plan Area (TIF #4b on the map). Additional territories to be added to the feasibility study are also shown as parcels 1 through 6 on the map. This area will encompass a number of Urbana Park District properties that can benefit from tax increment monies. An update to the Feasibility Study will be necessary to reflect the revised boundaries shown on the attached map and to add the most current Equalized Assessed Valuation data. Staff have requested that PGAV immediately proceed with this update.

Recommendation

Given the positive recommendations of the Financial Feasibility Study, the availability of grant funding assistance, and the great potential for project improvements in this area, staff recommends that Council authorize the completion of redevelopment plans for the two areas with the subsequent adoption of tax increment financing, pursuant to the provisions of the Illinois Redevelopment Act, as amended.

The adoption of tax increment financing for the Cunningham Avenue Corridor Plan Area prior to the end of the year is desirable for the capture of tax increment in this area that is occurring now due to the promise of TIF. In order to achieve this goal, a Draft Redevelopment Plan will need to be available by the end of September and a public hearing on the plan will need to be held on December 3, 2001. Attached is a proposed schedule of redevelopment planning activities and deadlines that will be necessary to achieve this goal. This schedule also provides a chronology of planning activities completed to date.

Staff have requested that PGAV submit a cost estimate and proposal for preparation of Redevelopment Plans for the two areas, with the Cunningham Avenue Corridor Plan to be prepared within the time frame on the attached schedule. Attorney Ken Beth has provided staff with legal counsel on North Urbana TIF issues on an as-needed basis and will continue to do so as the projects proceed. The Redevelopment Plans will be prepared with the participation of City planning staff for fieldwork, mapping, and land use planning tasks. Once the proposal from PGAV is received, staff will present it to Council for appropriate action.

Attachments: Map of Proposed TIF District Boundaries

List of Projects
Proposed Schedule

C: Ken Beth

TIF DISTRICTS

July 19, 2001

<u>Date</u>	<u>Required Action</u>
January 2000	TIF #4 Feasibility study is initiated
May 1, 2000	Council gives go ahead to complete Feasibility Study without Olympian Drive project
September 5, 2000	Resolution Passed by Council Providing for a Feasibility Study and Declaring Redevelopment Intent
September 29, 2000	PGAV submits draft Feasibility Study
<i>October 12, 2000</i>	<i>Early Notification Sent to Taxing Districts regarding preparation of Feasibility Study</i>
<i>January 12, 2001</i>	<i>City staff submits grant pre-application to DCCA's Balanced Growth Capacity Building Program for funding of the North Urbana Redevelopment Plan</i>
<i>January 23, 2001</i>	<i>PGAV completes Feasibility Study. Final report made available for public inspection</i>
<i>February 12, 2001</i>	<i>Council Committee review of Feasibility Study</i>
<i>April 23, 2001</i>	<i>City is notified of award of DCCA grant award contingent upon completion of submittal requirements</i>
<i>May 10, 2001</i>	<i>City staff submits full grant application to DCCA.</i>
<i>January – June</i>	<i>City staff meets with taxing districts and property owners.</i>
<i>January – August</i>	<i>City completes annexation process on eligible/ interested properties</i>
<i>July 16, 2001</i>	<i>PGAV to begin work on update of Feasibility Study Table/Findings</i>
<i>August 9, 2001</i>	<i>Council to authorize preparation of Redevelopment Plan(s)</i>
<i>August 17, 2001</i>	<i>PGAV Completes revision to Feasibility Study Table/Findings</i>
<i>September 17, 2001</i>	<i>Draft Redevelopment Plan(s) available for staff review</i>

September 27, 2001 Make available for public inspection a draft of the Redevelopment Plan that provides in reasonable detail the basis for the redevelopment project area qualifying as a blighted area or conservation area

*October 1, 2001 Adopt Ordinance establishing **December 3, 2001** as the time and date for a public hearing on the redevelopment plan and adoption of TIF*

October 2, 2001 Send draft of Redevelopment Plan to affected taxing districts by certified mail, including name of person to contact for further information (within reasonable time of adoption of above Ordinance)

October 8, 2001 Council Committee/Plan Commission review/discussion of Redevelopment Plan

Provide notice of public hearing:

No later than October 23, 2001 (1) by certified mail to:

(a) each affected taxing district and DCCA not less than 45 days prior to the date of the public hearing

No later than November 22, 2001

(b) to the person(s) in whose name the general taxes for the last preceding year were paid on each parcel within the proposed redevelopment project area, not less than 10 days prior to date of public hearing; and

November 5, 2001 for publication on November 11, 2001 & November 12, 2001 for publication on November 18, 2001

(2) by publication at least twice in a newspaper of general circulation within the affected taxing district; the first such publication to be no more than 30 nor less than 10 days prior to the date of public hearing

First meeting week of Convene a joint review board consisting of

October 29, 2001 representatives of local taxing bodies. All members of joint review board to be appointed and the first board meeting to be held within 14 days following notice of public hearing by certified mail to affected taxing districts. Additional meetings to be held upon call of any member.

By November 27, 2001 Joint review board submits to the City a written report describing why the redevelopment plan and project area meets or fails to meet one or more of the eligibility criteria.

December 3, 2001 Conduct public hearing and adjourn or continue such public hearing to another date, if necessary.

December 17, 2001 Pass and approve ordinances approving a redevelopment plan or project, designating a redevelopment project area and adopting tax increment financing within 14 to 90 days from completion of public hearing.

**NORTH URBANA REDEVELOPMENT PLANS
PRELIMINARY REDEVELOPMENT PROJECT SUMMARY**

July 19, 2001

ROAD IMPROVEMENTS

Airport Road
Anthony Drive
Lincoln Avenue (I-74 north to terminus)
Oak Street (from south TIF boundary to north TIF boundary)
Oakland Avenue (from Cunningham to Boyden Street)
Oaks Road
Willow Road (Anthony to north of Airport Road)
 Willow Road (Oaks Road to north TIF boundary)
Proposed Frasca Loop Road

SIDEWALKS/BICYCLE PATHS

Cunningham Avenue (Perkins to north TIF boundary)
 Pathway to connect Chief Shemauger to proposed Dog Park
 (generally along Kerr Avenue, portion within TIF area)
Perkins Road Bicycle Route

DRAINAGE

Storm drains in areas where currently lacking
Storm drain improvements in areas with localized flooding problems
Regional stormwater detention (north of I-74)
Improvements along Saline Branch

SANITARY SEWERS

Cunningham Avenue (north of Airport Road)
Other locations shown in UCSD plan

WATER

Cunningham Avenue (north of Airport Road)
Improved hydrant locations and fireflows

COMMUNITY SERVICES

North Urbana Fire Department Substation w/ community center
Improvements to any Park District facilities in TIF area (e.g., access to proposed Dog Park; or expansion to connect to Dog Park)
Improvements to any School District facilities in TIF area

EDUCATION

Job training funds to USD High School and Adult Education to benefit North Urbana businesses and industries

ENVIRONMENTAL

Improvements/enhancement along Saline Branch
Site clean up
Contamination removal

URBAN DESIGN

Modified Streetscape (Cunningham Avenue, south of I-74)
Front yard landscaping/buffer (Cunningham, south of I-74)
Gateway signage/landscaping improvements (Cunningham, Lincoln Avenue)
Removal/improvement of visitor center

PRIVATE DEVELOPMENT

Lot consolidation assistance
Code upgrade assistance
Low interest loans for small businesses
Site Improvement/access assistance
Curb cut closure (Cunningham Avenue)