



## 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:** December 6, 2001

**SUBJECT:** Adopting Ordinances for Cunningham Avenue Corridor Redevelopment Plan

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### **Introduction**

City Council is requested to consider adopting three ordinances necessary to establish a tax increment financing (TIF) district in an area of North Urbana generally along Cunningham Avenue (see attached revised boundary map). The draft ordinances include the following:

1. An Ordinance Adopting and Approving the Redevelopment Plan and the Related Redevelopment Projects for the Proposed Cunningham Avenue Corridor Redevelopment Project Area of the City of Urbana, Champaign County, Illinois
2. An Ordinance Designating the Cunningham Avenue Corridor Redevelopment Project Area of the City of Urbana, Champaign County, Illinois
3. An Ordinance Adopting Tax Increment Financing for the Cunningham Avenue Corridor Redevelopment Project Area of the City of Urbana, Champaign County, Illinois

### **Background**

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 established 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. The study concluded that the area would qualify under the eligibility criteria of the Illinois Redevelopment Act. The finding of eligibility was positive for the three subareas studied (i.e., two areas along Cunningham Avenue and one along Lincoln Avenue), both individually and collectively.

In the Summer of 2001, PGAV updated the Eligibility Study to reflect a smaller area within the previous study area that was already within the corporate limits or that was expected to be annexed into the City by this Fall. The update also included a number of properties to the east of Cunningham Avenue that are in existing or future park and recreation use. This updated area actually encompasses two separate potential TIF areas, one along Cunningham Avenue and one along Lincoln Avenue. The Eligibility Study update was finalized on September 28, 2001 and incorporated as an appendix to a Draft Redevelopment Plan for the North Cunningham Avenue Corridor Redevelopment Project Area prepared by planning and economic development staff.

A copy of the Draft Redevelopment Plan was made available to the public on September 28, 2001. As required by the Illinois Redevelopment Act, a copy of the Draft Redevelopment Plan was sent to all affected taxing districts by certified mail on October 10, 2001. Also on October 10<sup>th</sup>, a notice of availability of the Draft Redevelopment Plan and Eligibility Study was sent by mail to both residents and property owners at all residential addresses in the Redevelopment Project Area and within 750 feet of the proposed Redevelopment Project Area boundary.

A Special City Council meeting was held on October 8, 2001, at which time Council adopted Ordinance No. 2001-10-128 establishing 7:15 p.m. on December 3, 2001 as the time and date for a public hearing on the redevelopment plan and adoption of TIF. In accordance with the Illinois Redevelopment Act, a notice of the public hearing was provided on October 10, 2001 by certified mail to each affected taxing district and to the Illinois Department of Commerce and Community Affairs. This certified mailing included a notice of the first Joint Review Board of eligible districts that was held on October 25, 2001. Also in accordance with the Illinois Redevelopment Act, a notice of the December 3, 2001 public hearing was sent by certified mail 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 on November 8 and November 9, 2001. Finally, a notice of the public hearing was published twice in a newspaper of general circulation (the News Gazette), once on November 11, 2001 and again on November 18, 2001.

City staff presented the Draft Redevelopment Plan to City Council at a Committee meeting on October 8, 2001. Staff also presented the Draft Redevelopment Plan to the Urbana Plan Commission as part of a staff report on November 15, 2001. In addition, staff presentations were made at an October 23, 2001 meeting of the Urbana Park District Advisory Committee meeting and to the Urbana School Board on November 6, 2001.

## **Update**

### **Project Area Boundaries**

The Redevelopment Project Area boundaries presented in the Draft Redevelopment Plan of September 28, 2001 included some properties that were not then within the corporate limits of the City of Urbana. As of Council action on December 3, 2001 and effective December 10, 2001, all of these parcels have now been annexed into the City of Urbana and are eligible for inclusion in the TIF District with two exceptions: a portion of the Dessen property on the east side of Cunningham Avenue across from Farm and Fleet and a portion of the Judge Webber Park site that is owned by the Webber Estate and located along the south side of East Perkins Road. These exclusions are relatively minor and will not affect the eligibility of the Redevelopment Project Area. A map showing the final boundaries of the proposed Redevelopment Project Area is attached.

### **Joint Review Board Recommendation**

Under the provisions of the Redevelopment Act, a Joint Review Board was convened consisting of a representative selected by each community college district, local elementary school district and high school district or each local community unit school district, park district, library district, township, fire protection district and county that has authority to directly levy taxes on property within the proposed Redevelopment Project Area; a representative selected by the Municipality; and a public member who, together with the Joint Review Board's chairperson, shall be elected by a majority of other Joint Review Board members.

The purpose of the Joint Review Board is to review the public record, planning documents and proposed ordinances approving the Redevelopment Plan and redevelopment projects; to review the designation of the Redevelopment Project Area and the adoption of Tax Increment Financing therefore; and to make a nonbonding recommendation thereon.

A Joint Review Board on the subject TIF was convened on October 25, 2001. Urbana Mayor Tod Satterthwaite was elected as chairperson and Tom Costello was elected as the public member. Other Joint Review Board members included one representative each from the Urbana School Board District Unit #116, Champaign County, Parkland Community College, Urbana Park District, and Cunningham Township.

At the October 25, 2001 meeting of the Joint Review Board, City staff presented the proposed Draft Redevelopment Plan and redevelopment projects and responded to questions. The Joint Review Board reconvened on November 8, 2001. At this meeting, the Joint Review Board reviewed the proposed ordinances, a correction to assessed value projections, and minor revisions to the Redevelopment Project Area boundaries. The Joint Review Board moved to unanimously recommend approval of the Redevelopment Plan and designation of the Redevelopment Project Area (including indicated map adjustments) on the basis that the Redevelopment Project Area and Redevelopment Plan satisfy the eligibility and other requirements of the Redevelopment Act. A written report of the Joint Review Board setting forth its recommendation and minutes of these meetings are forthcoming.

## **Taxing District Concerns**

Staffs and Board members of the Urbana School District and Urbana Park District have expressed concern about the potential effect of the proposed TIF District upon their fiscal health. The Urbana City Council has also indicated that support by these entities will be essential for the success of the proposed Redevelopment Project Area. City staff have worked closely with these entities and other interested parties to develop aspects of the Redevelopment Plan that will be beneficial and help to minimize fiscal impacts upon these districts.

In response to Park District concerns, the Redevelopment Project Area was extended to include several park properties, including Chief Shemauger Park, AMBUCS Park, and the Judge Webber Park site (which includes the proposed "Dog Park"). The list of Redevelopment Projects includes extensive potential improvements to these park sites. Cost estimates for these improvements encompass over \$4 million dollars. Addition of significant park sites and projects within the Redevelopment Plan has resulted in positive statements of support for the TIF District by the Urbana Park District. Staff will be presenting an update on the Redevelopment Plan to the Park District Board on December 11, 2001.

City staff have also worked closely with Urbana School District staff to minimize impacts on the School District through inclusion of projects that will be beneficial to the School District in the proposed TIF District as well as existing TIF Districts and to assist significantly in job training funds that will benefit businesses in the TIF District. Incorporation of School District comments have resulted in some proposed revisions to the Draft Redevelopment Plan that are identified below. At the School Board meeting of December 4, 2001, the Board informally indicated its support of the proposed Redevelopment Plan and Redevelopment Project Area.

## **Public Hearing & Public Comments**

Pursuant to Ordinance No. 2001-10-128, City Council held a public hearing on the Redevelopment Plan and adoption of TIF on December 3, 2001. No public comment was received at that time. While staff did receive a number of telephone inquiries about the proposed TIF District, no formal comment letters on the proposed district have been received. A number of business and property owners in the area have informally indicated their support for the TIF District. One property owner to the south of the proposed TIF District along University Avenue has requested inclusion in the TIF District. This request was received after the consultant's revised eligibility analysis boundaries were established. Any revisions to the boundary of the proposed Redevelopment Project Area would require a formal amendment process.

## **Revisions to Draft Redevelopment Plan**

Through review by the Joint Review Board and others, the following revisions are proposed to the

### Draft Redevelopment Plan:

1. Minor adjustments to project area boundaries as discussed above and shown on the attached map.
2. Inclusion of additional projects to benefit the Urbana School District on Table 3, Redevelopment Project Budget.
3. Adjustment of Table 4, Assessed Value Projection, to indicate net increase in assessed valuation and to recognize that airport/light industrial acreage will be developed at less than 100% intensity (due to runways, buffer areas and other undeveloped areas).
4. Addition of a new Table 5 showing Cash Flow projections of increment based upon moderate growth assumptions.

These revised exhibits are attached to this report. The Draft Redevelopment Plan will be republished as a Final Plan with these and any other related corrections that are identified prior to its adoption.

### **Draft Ordinances**

TIF Attorney Ken Beth has prepared three ordinances for Council review for the purposes of establishing the Redevelopment Project Area, adopting the Redevelopment Plan, and adopting TIF. The form of these ordinances is pursuant to the requirements of the Illinois Redevelopment Act, as amended.

### **Fiscal Impact**

Adoption of TIF in the proposed Redevelopment Project Area will result in the City General Fund forgoing its portion of any tax increment that occurs in the area for the life of the TIF District. The increment will instead accrue to a special TIF Fund that will be limited in its use and application to the projects and programs set forth in the Redevelopment Plan and as limited by the Redevelopment Act. However, because the TIF funds will be used for the purposes of commercial/industrial revitalization in the area and the removal of blighting conditions that are currently present, it should result in immediate benefit to the project area and to a positive long-term economic and fiscal benefit to the City as a whole.

### **Recommendation**

Staff recommends that City Council forward the three pertinent Ordinances to the regular Council meeting of December 17, 2001 for adoption at that time.

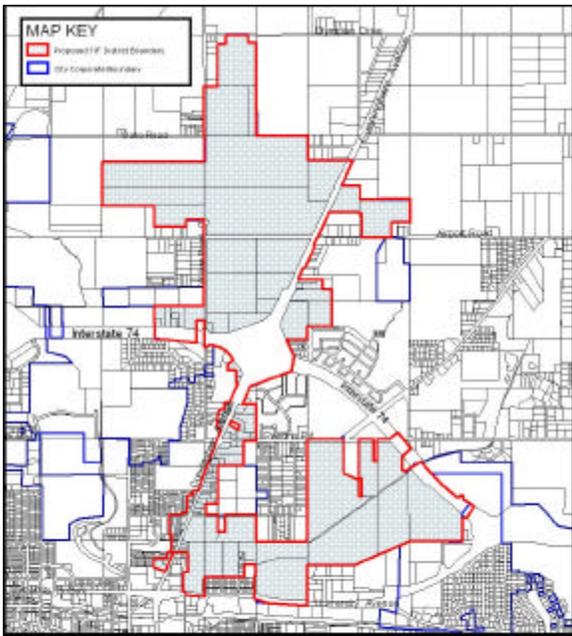
Attachments:

Revised Map of North Cunningham Avenue Corridor Redevelopment Project Area

Draft Ordinances (3)

Revisions to Draft Redevelopment Plan

C: Joint Review Board Members  
Ken Beth



Cunningham Avenue Corridor Redevelopment Plan  
Proposed Tax Increment Finance District



revised November 28, 2001 - RAB

(1)

**ORDINANCE NO. 2001-12-164**

**AN ORDINANCE ADOPTING AND APPROVING THE REDEVELOPMENT PLAN AND THE RELATED REDEVELOPMENT PROJECTS FOR THE PROPOSED CUNNINGHAM AVENUE CORRIDOR REDEVELOPMENT PROJECT AREA OF THE CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS**

**WHEREAS**, the City of Urbana, Champaign County, Illinois (the “**Municipality**”), acting through its City Council (the “**Corporate Authorities**”) and other officers and representatives, has provided for a feasibility study on, and has duly noticed, held and conducted all proceedings, including the required public hearing and joint review board action preliminary to the designation of the Cunningham Avenue Corridor Redevelopment Project Area (the “**Redevelopment Project Area**”), the approval of the Cunningham Avenue Corridor Redevelopment Plan (the “**Redevelopment Plan**”) including the related redevelopment projects described therein (the “**Redevelopment Projects**”) and the adoption of tax increment financing to finance the Redevelopment Plan and the Redevelopment Projects, all under and pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 *et seq.*), as supplemented and amended (the “**TIF Act**”); and

**WHEREAS**, pursuant to Ordinance No. 2001-10-128, adopted October 8, 2001, the Corporate Authorities set 7:15 p.m. on Monday, December 3, 2001, at the Municipal Building, 400 S. Vine Street, Urbana, Illinois, as the time and place for a public hearing as required under Section 11-74.4-5 of the TIF Act, which such public hearing was held and conducted at such time and place and thereafter completed and closed on such date.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS**, as follows:

**Section 1.** Under the TIF Act, the Municipality hereby adopts and approves the Redevelopment Plan, including the related Redevelopment Projects, for the Redevelopment Project Area and hereby ratifies, confirms, adopts and approves as true, complete and correct all findings and certifications made therein.

**Section 2.** The Redevelopment Plan shall be in the form presented to the Corporate Authorities at the time this Ordinance is adopted. The Redevelopment Plan as so adopted and approved shall be on file with this Ordinance in the records of the City Clerk (but any failure to so file it shall not abrogate, diminish or impair its effect).

**Section 3.** The City Clerk shall file or cause to be filed a certified copy of this Ordinance and a copy of the Redevelopment Plan with the County Clerk of Champaign County, Illinois.

Upon motion by City Council Member \_\_\_\_\_, seconded by City Council Member \_\_\_\_\_, adopted this \_\_\_\_\_ day of December, 2001 by roll call vote, as follows:

Voting "Aye" (names): \_\_\_\_\_

\_\_\_\_\_

Voting "Nay" (names): \_\_\_\_\_

\_\_\_\_\_

Absent (names): \_\_\_\_\_

**PASSED** by the City Council this \_\_\_\_\_ day of December, 2001.

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

**APPROVED** by the Mayor this \_\_\_\_\_ day of December, 2001.

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

STATE OF ILLINOIS            )  
COUNTY OF CHAMPAIGN    )    SS.  
CITY OF URBANA             )

**CERTIFICATION OF ORDINANCE**

I, Phyllis D. Clark, do hereby certify that I am the duly selected, qualified and acting City Clerk of the City of Urbana, Champaign County, Illinois (the “**Municipality**”), and as such official I am the keeper of the records and files of the Municipality and of its City Council (the “**Corporate Authorities**”).

I do further certify that the attached ordinance constitutes a full, true and correct excerpt from the proceedings of the Municipality’s Corporate Authorities held on December \_\_\_\_, 2001, insofar as same relates to the adoption of Ordinance No. \_\_\_\_\_, entitled:

**AN ORDINANCE ADOPTING AND APPROVING THE REDEVELOPMENT PLAN AND THE RELATED REDEVELOPMENT PROJECTS FOR THE PROPOSED CUNNINGHAM AVENUE CORRIDOR REDEVELOPMENT PROJECT AREA OF THE CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS,**

a true, correct and complete copy of which ordinance as adopted at such meeting appears in the minutes of such meeting and is hereto attached. Such ordinance was adopted and approved on the date thereon set forth by not less than a affirmative vote of a majority of the Corporate Authorities and approved by the Mayor on the date indicated thereon.

I do further certify that the deliberations of the Corporate Authorities on the adoption of the above ordinance were taken openly, that the vote on the adoption of such ordinance was taken openly and was preceded by a public recital of the nature of the matter being considered and such other information as would inform the public of the business being conducted, that such meeting was held at a specified time and place convenient to the public, that notice of such meeting was duly given to all of the news media requesting such notice, that such meeting was called and held in strict compliance with the provisions of the Illinois Municipal Code, as amended, and that the Corporate Authorities have complied with all of the applicable provisions of such laws and such Code and their procedural rules in the adoption of such ordinance.

**IN WITNESS WHEREOF**, I hereunto affix my official signature and the seal of the City of Urbana, Champaign County, Illinois, this \_\_\_\_ day of December, 2001.

\_\_\_\_\_  
City Clerk

(SEAL)