

M E M O R A N D U M

TO: Chief Administrative Officer

FROM: City Comptroller

Re: Ordinance Terminating Property Tax Part of TIF One

DATE: March 18, 2003

Brief Description of Item. The attached ordinance will formally terminate the real estate property tax portion of TIF One, such that the last property tax to be deposited into the TIF will be the taxes paid in calendar year 2003 (23 years of tax collections). Thus the other government agencies will begin receiving TIF One taxes starting with the taxes paid out June 2004. The ordinance also allocates the \$920,000 that will be left in the fund toward payment of the bonds that are left outstanding.

Recommendation. Approval of the attached budget amendment.

ORDINANCE NO. 2003-03-031

**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, TERMINATING REAL PROPERTY
TIF IN CONNECTION THEREWITH AND
RELATED MATTERS**

WHEREAS, pursuant to a series of ordinances (Ordinance Nos. 8081-61, 8081-62 and 8081-63), adopted December 22, 1980, including as supplemented by an ordinance (Ordinance No. 8687-31) adopted October 6, 1986 (collectively, the **"TIF Ordinances"**) in connection with the Urbana Downtown Tax Increment Redevelopment Project Area (the **"Redevelopment Project Area"**), the City Council of the City of Urbana, Champaign County, Illinois (the **"Municipality"**) adopted the Urbana Downtown Tax Increment Area Redevelopment Plan and related Redevelopment Project (the **"Redevelopment Plan"** and **"Redevelopment Project"**), designated the Redevelopment Project Area, and authorized tax increment finance (**"TIF"**) under the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 *et seq.*), as supplemented and amended (the **"TIF Act"**), and provided for the life of the Redevelopment Plan, Redevelopment Project and Redevelopment Project Area utilizing TIF for a term of not more than 23 years;

WHEREAS, pursuant to an ordinance (Ordinance No. 9394-100), adopted May 16, 1994 (the **"1st Amending Ordinance"**), the City Council of the Municipality amended the TIF Ordinances in accordance with Sections 11-74.4-3(i) and (n), 11-74.4-7 and 11-74.4-8a of the TIF Act to extend the 23-year term for the life of the Redevelopment Plan, Redevelopment Project and Redevelopment Project Area to the date on which the Redevelopment Project Area is terminated, or bonds with respect to certain redevelopment project costs for the Redevelopment Project Area are retired, or December 31, 2013, whichever date occurred first, but such extension was expressly not made applicable to real property TIF under Section 11-74.4-8 of the TIF Act; and

WHEREAS, pursuant to an ordinance (Ordinance No. 9394-99) adopted May 16, 1994 (the **"Bond Ordinance"**), the Municipality, on June 1, 1994, issued \$1,990,000 original principal amount General Obligation Tax Increment Refunding Bond, Series 1994A (the **"Series 1994A Bonds"**) to refund certain outstanding prior bonds issued to finance redevelopment project costs within the Redevelopment Project Area and pledged the "Incremental Property Taxes" and the "Incremental Sales Taxes" (as each such quoted term is defined in the Bond Ordinance) derived from the Redevelopment Project Area and

deposited in the special tax allocation fund to the payment thereof; and

WHEREAS, \$920,000 total amount of the Series 1994A Bonds remain outstanding, which such outstanding bonds bear interest at the rates and mature and become due and payable on March 1 of the years (subject to prior redemption) in the principal amount in each year as follows:

<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>
2004	55,000	5.25
2005	60,000	5.25
2006	70,000	5.25
2007	75,000	5.25
2008	85,000	5.25
2009	95,000	5.25
2010	105,000	5.25
2011	115,000	5.25
2012	125,000	5.25
2013	135,000	5.25

; and

WHEREAS, pursuant to an ordinance (Ordinance No. 2002-06-063), adopted June 17, 2002 (the "**2nd Amending Ordinance**"), the City Council of the Municipality amended the Redevelopment Plan and the Redevelopment Project to extend the estimated date of completion of the Redevelopment Plan and Redevelopment Plan for the purposes of real property TIF under Section 11-74.4-8 of the TIF Act only to be not later than December 31, 2004; and

WHEREAS, the Municipality now desires to terminate real property TIF for the Redevelopment Project Area under Section 11-74.4-8 of the TIF Act as of December 31, 2003, the year in which payment to the Comptroller of the Municipality is to be made in respect to ad valorem taxes levied in the twenty-third (23rd) calendar year after the TIF Ordinances were adopted, but to continue the special tax allocation fund for the Redevelopment Project Area and extend the estimated dates of the completion of the Redevelopment Project and retirement of the Series 1994A Bonds to December 31, 2013; and

WHEREAS, Section 11-74.4-3(n) of the TIF Act in relevant part now further provides that, for the purposes of extending the estimated dates of completion of the Redevelopment Project and retirement of the Series 1994A Bonds to December 31, 2013 (but not with respect to extending any real property TIF under Section 11-74.4-8 of the TIF Act) the Redevelopment Plan may be amended by ordinance to extend such date under such Section 11-74.4-3(n) without further hearing or notice and without complying with the procedures provided in the TIF Act pertaining to an amendment to or the initial approval of the Redevelopment Plan, Redevelopment Project or Redevelopment Project Area.

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

Section 1. Amendment. The Redevelopment Plan and the related Redevelopment Project are hereby amended such that the estimated date of completion of the Redevelopment Project and the retirement of obligations issued to finance redevelopment project costs shall be extended to December 31, 2013, provided, however, that such extension shall not apply to real property TIF under Section 11-74.4-8 of the TIF Act, which shall terminate on December 31, 2003 in respect to ad valorem taxes levied in the twenty-third (23rd) calendar year after the TIF ordinances were adopted.

Section 2. Real Property TIF Termination and Notice. Upon the termination of the real property TIF on December 31, 2003 as provided in Section 1 of this Ordinance above, the rates of the various affected taxing districts for ad valorem taxes shall be extended and taxes levied, collected and distributed in the manner applicable in the absence of real property TIF for the Redevelopment Project Area. The City Clerk shall notify all such affected taxing districts by November 1, 2003 that real property TIF for the Redevelopment Project Area will be terminated as of December 31, 2003.

Section 3. Special Tax Allocation Fund. The special tax allocation fund for the Redevelopment Project Area as heretofore established is hereby continued for the life of the Redevelopment Plan and related Redevelopment Project as extended by Section 1 of this Ordinance until December 31, 2013, and such special tax allocation fund shall be used to pay all redevelopment project costs, including without limitation the interest on the Series 1994A Bonds promptly when and as the same falls due, and to pay and discharge the principal thereof at maturity or earlier redemption; and for that purpose any and all amounts of "Incremental Property Taxes" and "Incremental Sales Taxes" (as each such term is defined in the Bond Ordinance) pledged to the payment of the Series 1994A Bonds as provided in the Bond Ordinance and heretofore or hereafter deposited in the special tax allocation fund are hereby further identified, designated and earmarked to make payments for such purposes in the amounts as follows:

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
March 1, 2004	\$55,000.00	\$24,150.00	\$79,150.00
September 1, 2004		22,706.25	22,706.25
March 1, 2005	60,000.00	22,706.25	82,706.25
September 1, 2005		21,131.25	21,131.25
March 1, 2006	70,000.00	21,131.25	91,131.25
September 1, 2006		19,293.75	19,293.75
March 1, 2007	75,000.00	19,293.75	94,293.75
September 1, 2007		17,325.00	17,325.00
March 1, 2008	85,000.00	17,325.00	102,325.00
September 1, 2008		15,093.75	15,093.75
March 1, 2009	95,000.00	15,093.75	110,093.75
September 1, 2009		12,600.00	12,600.00
March 1, 2010	105,000.00	12,600.00	117,600.00
September 1, 2010		9,843.75	9,843.75
March 1, 2011	115,000.00	9,843.75	124,843.74
September 1, 2011		6,825.00	6,825.00
March 1, 2012	125,000.00	6,825.00	131,825.00
September 1, 2012		3,543.75	3,543.75
March 1, 2013	135,000.00	3,543.75	138,543.75

Section 4. Evidence of Amendment. This Ordinance shall be deemed to be a part of the Redevelopment Plan and shall be appended to such Redevelopment Plan to evidence the amendments made by this Ordinance, provided that any failure to so append this Ordinance shall not abrogate, diminish or impair the amendments made by this Ordinance.

Section 5. Conflict. All ordinances (including the TIF Ordinances, including as heretofore supplemented and amended by the 1st Amending Ordinance and the 2nd Amending Ordinance), the Redevelopment Plan and the Redevelopment Project, resolutions, notices or orders in conflict with this Ordinance shall be and are hereby declared to be amended or supplemented to be consistent with this Ordinance or, alternatively, are hereby superseded to the extent of such conflict.

Section 6. Effective/Filing. This Ordinance shall be effective upon its passage and approval. The City Clerk shall file a certified copy of the Ordinance with the County Clerk of Champaign County on or before December 31, 2003 in connection with TIF for the Redevelopment Project Area.

Upon motion by City Council Member _____, seconded by City Council Member _____, adopted this _____ day of _____, 2003 by roll call vote, as follows:

Voting "Aye" (names): _____

Voting "Nay" (names) : _____

Absent (names) : _____

Attest: _____ Approved: _____, 2003

City Clerk

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 _____, 2003, insofar as same relates to the adoption of Ordinance No. _____, entitled:

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, TERMINATING REAL PROPERTY TIF IN CONNECTION THEREWITH AND RELATED MATTERS,

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 an 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, Illinois, this _____ day of _____, 2003.

(SEAL)

City Clerk