

M E M O R A N D U M

TO: Chief Administrative Officer

FROM: City Comptroller

RE: Property Tax Levy Abatement Ordinance

DATE: January 16, 2007

I recommend approval of the attached ordinance which instructs the County Clerk not to levy an amount for the 2005 bonds. Because the City has T.I.F. incremental taxes available to satisfy this debt service, this levy on property tax is not needed. This action lowers property taxes that would otherwise be collected.

ORDINANCE NO. 2007-01-016

**AN ORDINANCE ABATING TAX LEVY FOR \$965,000
GENERAL OBLIGATION BONDS, SERIES 2005**

WHEREAS, the Urbana City Council did, on March 22, 2005, approve Ordinance Number 2005-03-034, entitled:

AN ORDINANCE OF THE CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS, APROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2005, PROVIDING THE DETAILS OF SUCH BONDS AND FOR A LEVY OF TAXES TO PAY THE PRINCIPAL OF AND INTEREST ON SUCH BONDS, AND RELATED MATTERS,

which ordinance was duly approved by the Mayor of the City of Urbana on March 24, 2005, (the "Ordinance"); and

WHEREAS, Section 8 of the Ordinance authorizes and directs the County Clerk, for each of the years 2005 through 2011, with both of such years to be included, to levy an amount of money sufficient each year to pay the principal and interest due on the bonds therein so authorized; and

WHEREAS, the Urbana City Council finds and determines that the City has sufficient monies from other sources, including without limitation, the ad valorem taxes arising from the taxes levied upon taxable real property in the redevelopment project area for the Central Business District in accordance with the provisions of the Real Property Tax Increment Allocation Redevelopment Act which are available for payment of the principal and interest on such Bonds therein so authorized by the Ordinance for the ensuing fiscal year, and that thus there is no need to levy funds for such purpose for the ensuing fiscal year.

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

That the tax levy heretofore authorized under Ordinance No. 2005-03-034, in the amount of \$130,695.00 be and the same is abated for the fiscal year beginning July 1, 2006, and that the County Clerk of the County of Champaign be and the same is directed to extend no taxes for collection on the tax books for the purpose of raising revenues to pay the principal and interest due on the bonds issued pursuant to the Ordinance for the fiscal year beginning July 1, 2006.

This ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of a majority of the members of the Council of the City of Urbana, Illinois, at a regular meeting of said council.

PASSED by the City Council this ____ day of _____, 2007.

AYES:

NAYS:

ABSTAINED:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this ____ day of _____, 2007.

Laurel L. Prussing, Mayor