



**DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES**

*Economic Development Division*

**m e m o r a n d u m**

**TO:** Laurel Lunt Prussing, Mayor, City of Urbana  
Members, Urbana City Council

**FROM:** Elizabeth H. Tyler, FAICP, Director

**DATE:** March 17, 2010

**RE:** A Resolution of Support for Community Room Improvements to King School as a Tax Increment Finance District Three Project Allocation

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**Introduction**

Attached to this memorandum is a resolution (“Exhibit A”) of support for \$400,000 to be used from Tax Increment Finance District #3 (“TIF #3”) funds to assist with improvements to King School in the form of a community room to be available for use by neighborhood residents. The school property is located within the boundaries of TIF #3 (“Exhibit B”) and is thus eligible to receive funds that will benefit the neighborhood and the areas within the TIF District. This funding allocation would be in addition to the \$400,000 that has previously been set aside from TIF 3 funds for air conditioning improvements at the school.

**Background**

The TIF #3 Plan (entitled North Campus and King Park Neighborhood Redevelopment Plan and Projects, approved December 1990) echoes the goals of the earlier King Park Neighborhood Plan in recognizing the goal of retaining King School as an attendance center and stating that “the positive influence of the school is important to the potential success of the City’s efforts to improve the neighborhood.” In addition to private redevelopment and housing rehabilitation, the TIF # 3 Plan identifies the following public facilities improvements (page 45):

1. Expansion of King School facilities;
2. Expansion of King Park facilities;
3. Other public investment in existing facilities.

It has long been the City’s and neighborhood residents’ desire to have a community center located in the King Park neighborhood and the construction of a community room to serve residents in the area would help to serve that purpose.

Approving a Resolution for this anticipated funding will assist Unit 116 in its current efforts to plan ahead for improvements at King School as a result of the recent sales tax referendum to support school district facilities improvements. School District staff are working closely with City staff on facility planning improvements at a number of school sites. Alderman Robert Lewis has been assisting on a committee that is focusing on improvements to King School.

## **Discussion**

As TIF #3 heads into its expiration year of 2013, it is prudent for the City to plan ahead to schedule final completion of TIF improvements to the area. With this in mind, Economic Development staff have been working with Joint Review Board members, including the School District and Park District, the Alderman for the District, and with the Grants Management Division and Public Works Departments to ensure that adequate progress can be made on achieving the goals of the TIF Plan prior to its expiration.

In addition to allocating funds for the King School Community Room project, the future budget would call for other improvements to public infrastructure as well as to Park District facilities. Approximately \$300,000 would be allocated for construction of paths in King Park and adjacent sidewalks that would enhance connections to King School through the neighborhood as well as access to King Park itself. Improvements to King Park are also supported by the TIF #3 Plan as well as by the Comprehensive Plan and King Park Plan. A possible alignment for planned pathway improvements are shown in Exhibit "C". In addition to the pathway improvements, the Park District has requested funds for property acquisition on Lincoln Avenue adjacent to King Park in order to expand the park boundaries. As with other former residential properties along Lincoln Avenue, south of Washer Drive, the City can acquire this lot using the TIF funds and enter into a long-term lease with the Park District to allow for park use.

Beyond the suggested school and park improvements, the success of TIF #3 would also allow for the allocation of significant funds to improve streets and lighting within the TIF #3 boundaries. The King Park Plan and the TIF #3 Plan both recognize the need for substantial capital improvements to the area. While a number of public infrastructure projects have been completed in the area, there are still a number of streets that need to be resurfaced or reconstructed and upgraded lighting to be installed. Projects proposed to be completed include the following:

1. Goodwin Avenue, reconstruction between Dublin and Eads (\$490,000)
2. Park Street, reconstruction between Wright and Goodwin (\$740,000)
3. Goodwin Avenue, resurfacing between Park and University (\$30,000)
4. Church Street, construction between Mathews and Goodwin (\$250,000)
5. Mathews Avenue, construction between Church and Dublin (\$550,000)
6. Streetlighting retrofit in the TIF III district (\$500,000, tall poles only)

In addition to these street projects, some funding can be set aside for streetscape improvements to University Avenue in response to the University Avenue Corridor Plan that is currently under

preparation. It is anticipated that additional funding sources will be necessary to implement this plan.

The proposed funding plan does not assume that additional major private redevelopment projects will occur in the TIF #3 area over the next three years. For the most part, the redevelopment projects that were planned in this area have already occurred (e.g., Hampton Inn, Provena Medical Office Building, Durst Cycle, One South Apartments, and Eads at Lincoln). The Trammel-Crow project has been put on hold and is unlikely at this point to be developed in time to benefit from TIF. If, however, a redevelopment project is proposed in the TIF district, the City can re-evaluate its spending plan at that time. Such projects would benefit the TIF by creating additional increment and could allow for additional public improvements to be funded.

As discussed at the annual TIF Joint Review Board meeting in December, it is the general consensus among the taxing districts that the school, park, and road projects listed above should be completed prior to the expiration of TIF #3. The attached map shows the location of the projected road projects (“Exhibit D”) and the cash flow sheet (“Exhibit E”) shows the general funds proposed to be allocated for each project.

## **Financial Impacts**

The improvements to the King School property would be paid from a \$400,000 2011/12 TIF#3 grant from the “King School Community Room” line item in the TIF 3 budget. A \$300,000 grant would be paid from TIF 3 funds to cover costs of King Park and School Sidewalks. No budget amendments are required at this time for these grants as they would occur in future years. Remainder funds would be distributed among various road and lighting projects as depicted on the Exhibit D. If all of these projects are to be completed, it is anticipated that there would be little, if any, cash flow remaining at the end of the life of TIF #3.

It should be noted that this analysis does not address any of the funds that could be paid back to the TIF fund as a result of the pending Supreme Court lawsuit between Champaign County and Provena Hospital.

## **Recommendations**

Given the established commitment of the City of Urbana thus far to work with the Urbana School and Park Districts and the positive contribution of this project to King School, King Park, and the neighborhood as a whole, staff requests that Council approve the resolution, as described herein.

Prepared by:

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Ryan L. Brault, Redevelopment Specialist

**Exhibits:**

- A. Proposed Resolution
- B. TIF 3 Boundary Map
- C. King Park Pathways Map
- D. Capital Improvements Map
- E. Projected Cash Flow

Cc: Vicki Mayes

Carol Baker

RESOLUTION NO. 2010-03-006R

A Resolution of Support for Community Room Improvements to King School  
as a Tax Increment Finance District Three Project Allocation

WHEREAS, the City of Urbana desires to assist the Urbana School District #116 in constructing a community room at Martin Luther King, Jr. School ("King School"), such property to be used by neighborhood residents for education, events, and other activities that will support the community; and

WHEREAS, the school property lies within the boundaries of the Tax Increment Allocation Redevelopment Area boundary as described in the North Campus and King Park Neighborhood Redevelopment Plan ("TIF #3 Plan"); and

WHEREAS, the Illinois General Assembly has adopted the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, *et seq.*, (the "Act"), which Act allows the financing of public improvements that will provide a positive impact to the Tax Increment Redevelopment boundary area; and

WHEREAS, in accordance with the provisions of the Act, the Urbana City Council has approved the Urbana Tax Increment Area ("TIF") #3 in Ordinances No. 8990-59, as amended and restated by Ordinance 9091-65, and as further amended by Ordinance No. 2002-06--065; and

WHEREAS, the Mayor and the City Council find that the best interests of the community will be served by use of TIF funds for the improvement of this property.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and the City Council of the City of Urbana, Champaign County, Illinois, as follows:

The contribution of four hundred thousand dollars (\$400,000) in Tax Increment Financing funds from Urbana Tax Increment Area #3 for the improvements to King School is hereby approved.

Motion was made by Alderman \_\_\_\_\_, seconded by Alderman \_\_\_\_\_ that the Resolution be adopted.

PASSED BY THE CITY COUNCIL this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

AYES:

NAYS:

ABSENT:

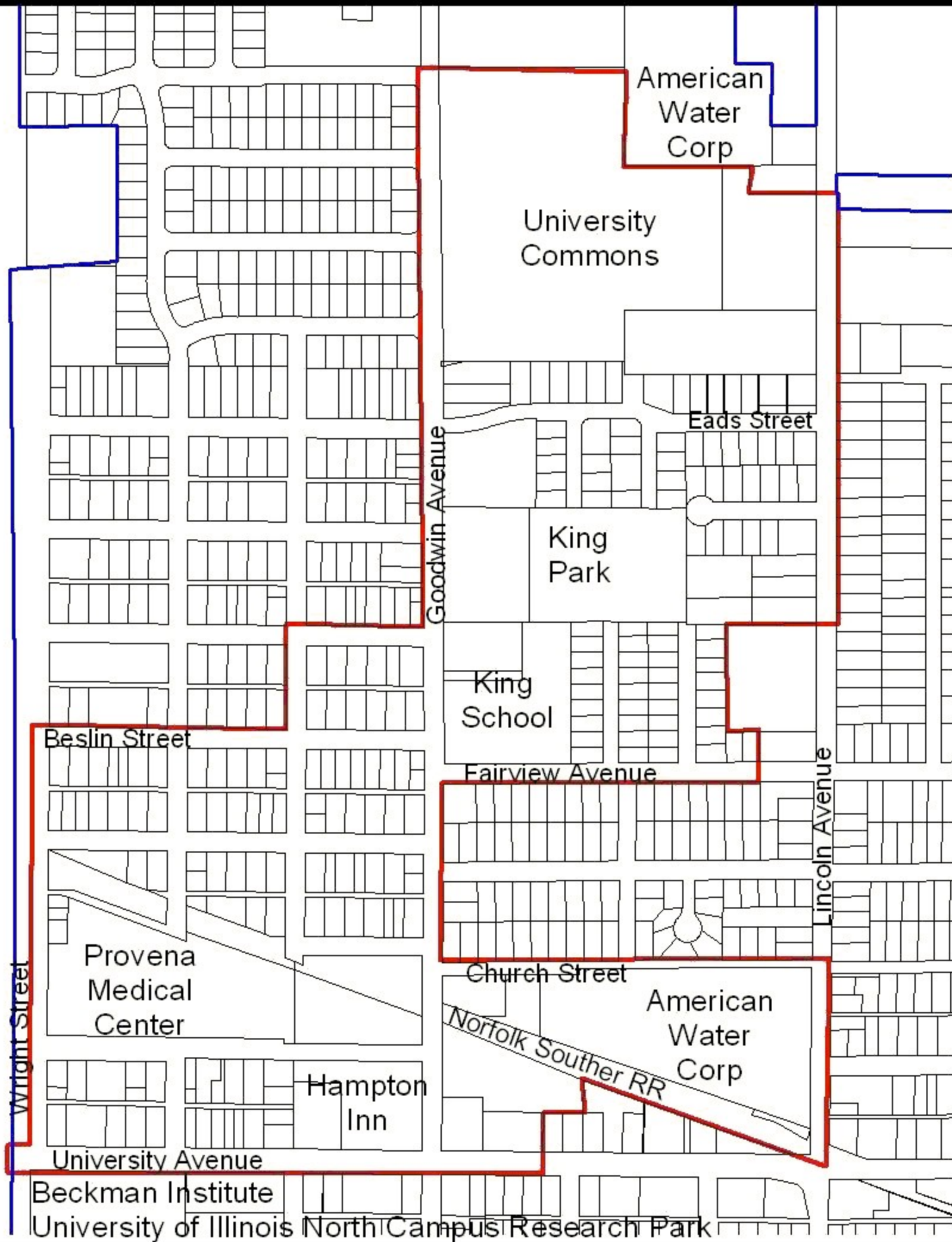
ABSTAINED:

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

APPROVED BY THE MAYOR this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Laurel Lunt Prussing, Mayor

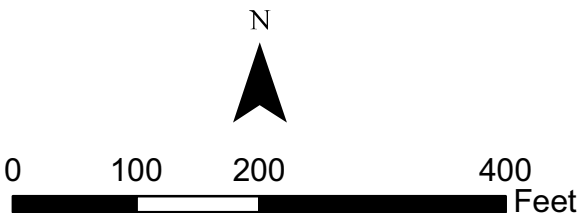
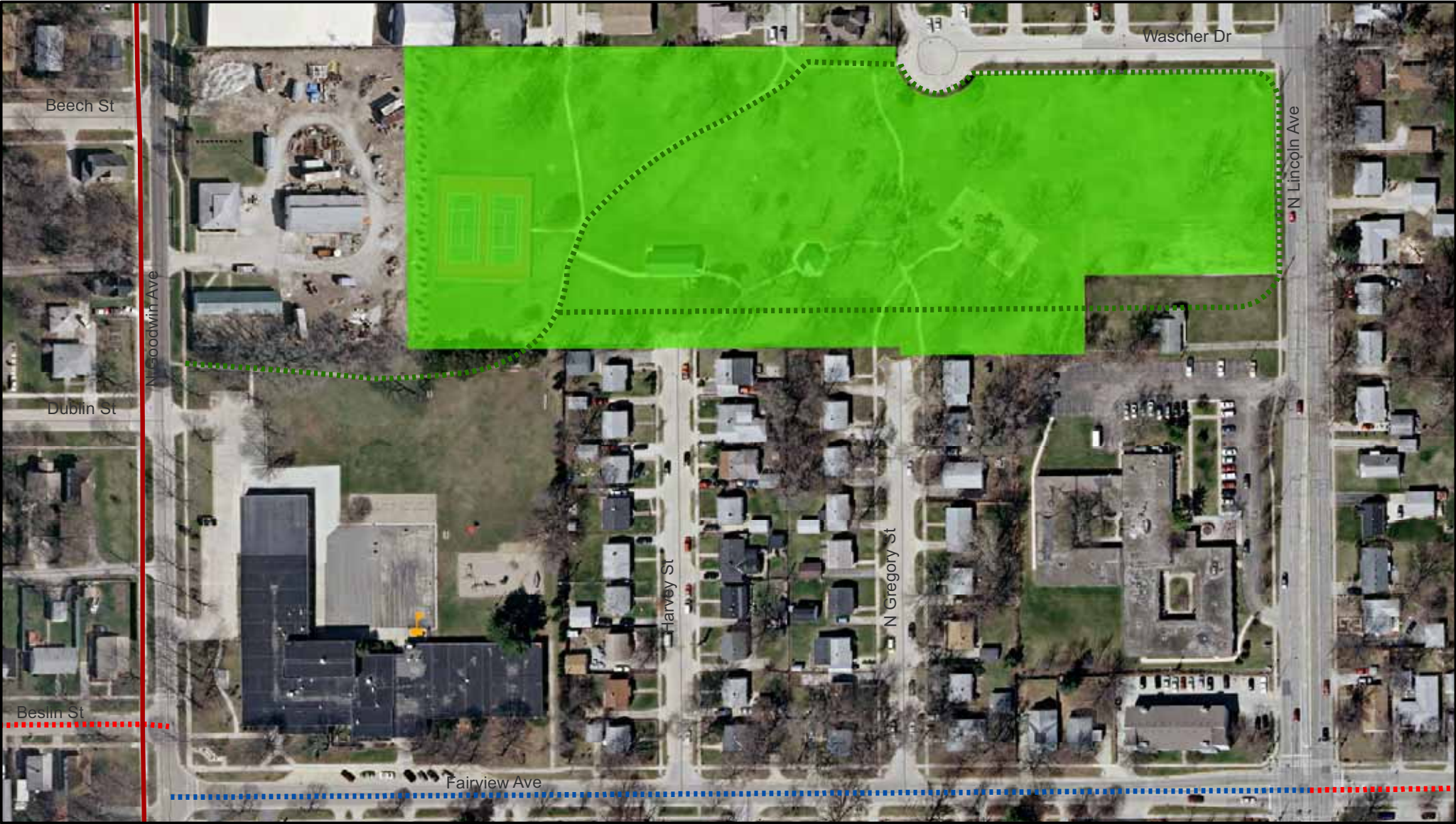
City of Champaign










## Tax Increment Finance District 3



# Urbana Bicycle Master Plan - King Park Area Recommendations

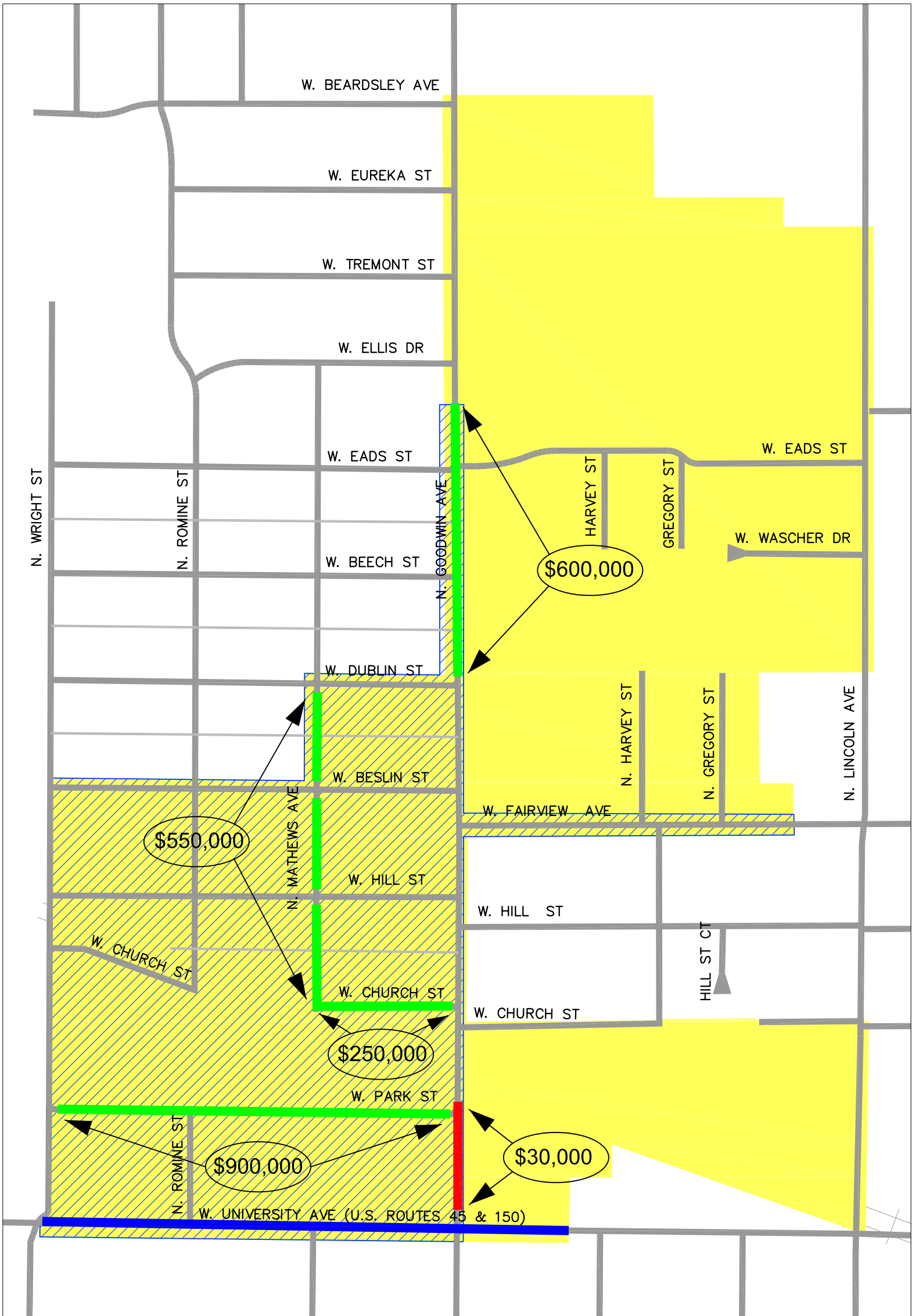


**Legend**

	Proposed Shared-Use Path		King Park
	Proposed Bike Lanes		King School
	Proposed Bike Route		Streets
	Existing Shared-Use Path (sidepath)		

1-21-2010

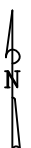




# PROJECTED TIF 3 IMPROVEMENTS

## LEGEND

- STREET MILL & OVERLAY
- STREET CONSTRUCTION/RECONSTRUCTION
- STREETScape IMPROVEMENTS (\$600,000)
- STREET LIGHTING IMPROVEMENT (\$500,000–\$1,000,000)
- TIF 3 DISTRICT BOUNDARY



PREFERRED SCENARIO  
TIF THREE FUND CASH FLOW

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Bal., Beg. Year	\$3,114,762	\$2,857,682	\$1,066,905	\$1,386,315	\$522,241	\$48,049
Revenues:						
Property Tax	\$1,000,741	\$1,035,000	\$1,081,575	\$1,130,246	\$1,181,107	\$617,128
Add'l Prop. Tax, Tram./Crowe	0	0	0	0	0	0
Project Reimbursements	0	0	0	0	0	0
Interest	90,574	65,000	32,007	41,589	15,667	1,441
Total Revenues	\$1,091,315	\$1,100,000	\$1,113,582	\$1,171,835	\$1,196,774	\$618,570
Expenses:						
TIF Redevelopment Specialist	53,289	58,630	62,734	67,125	71,824	38,426
Marketing, Dues, Eng/Apprais.	683	40,000	40,000	40,000	40,000	40,000
Vocational Payment to School	126,570	209,630	218,015	226,736	235,805	245,237
Park District Projects	0	105,310	109,522	113,903	118,459	123,198
Provena MOB Incentives	272,977	220,000	229,900	240,246	251,057	131,177
Trammel/Crowe.Incentives	0	0	0	0	0	0
Big Broadband Grant Match	0	380,000	0	0	0	0
Univ. Ave. Lighting	39,044	0	0	0	0	0
Lincoln/Church Signal	844,601	148,439	0	0	0	0
Univ. Ave. Design Study	11,231	3,768	0	0	0	0
Site Preparation	0	15,000	0	0	0	0
Property Acquisition	0	50,000	0	0	0	0
King School HVAC Impr.	0	400,000	0	0	0	0
King School Community Room	0	0	0	400,000	0	0
King Park & School Sidewalks	0	0	0	300,000	0	0
Area Lighting Impr.	0	0	0	500,000	0	0
Goodwin Resurface Park/Univ.	0	30,000	0	0	0	0
Goodwin Recon. Dublin/Eads	0	490,000	0	0	0	0
Park (Wright/Goodwin)	0	740,000	0	0	0	0
University Ave. Streetscape	0	0	100,000	0	0	0
Mathews/Church St. Impr.	0	0	0	0	800,000	0
Park Dist. Projects	0	0	34,000	147,900	153,820	79,986
Total Expenses	\$1,348,395	\$2,890,777	\$794,172	\$2,035,910	\$1,670,965	\$658,025
Bal., End Year	\$2,857,682	\$1,066,905	\$1,386,315	\$522,241	\$48,049	\$8,595

Unexpended

\*Includes doing all projects identified in PW priorities, no salvaging of brick pavers on Goodwin & Park, and replacement of streetlights w/ tall poles