

ORDINANCE NO. 2022-08-032

**ORDINANCE APPROVING THE 2022 AMENDMENT TO THE
TAX INCREMENT FINANCING (TIF) REDEVELOPMENT PLAN AND PROJECT
FOR THE CENTRAL REDEVELOPMENT PROJECT AREA**

WHEREAS, on October 17, 2016, the City Council of the City of Urbana adopted Ordinances 2016-09-084, 2016-09-085, and 2016-09-086, which adopted a Redevelopment Plan and Project (the "Plan"), designated a Redevelopment Project Area (the "Project Area"), and adopted tax increment financing ("TIF") pursuant to the Tax Increment Allocation Redevelopment Act, *65 ILCS 5/11-74.4-1 et. seq.*, ("TIF Act") for a portion of the City referred to as the Central Redevelopment Project Area; and

WHEREAS, the City now desires to amend the Plan and Project Area to add a property that will advance community revitalization initiatives within the Project Area; and

WHEREAS, the property to be added is a portion of the property identified by PIN 91-21-08-405-038 and it constitutes .31 acres out of 4.5 acres of said property; and

WHEREAS, the property to be added (.31 acres) will make up .16% of the overall land of the Project Area (192 acres), and it is considered de minimis and will not impact the qualifications of the overall Project Area; and

WHEREAS, the City of Urbana drafted the "2022 Amendment to the Central Redevelopment Project Area" (the "2022 Plan Amendment") to (i) amend the boundaries of the Project Area to include additional areas; (ii) make other modifications to the text of the Plan and Project as necessary; and

WHEREAS, due notice in respect to a Public Meeting was sent to taxing bodies, residential addresses, and property owners on May 4, 2022; and

WHEREAS, the City caused a Public Meeting to be held on May 19, 2022; and

WHEREAS, the 2022 Plan Amendment was made available for public inspection at the City Clerk's office on May 27, 2022; and

WHEREAS, the City Council did, on June 6, 2022, pass Ordinance 2022-06-022 setting August 1, 2022 as the date for the public hearing on the 2022 Plan Amendment, with the time and place of such hearing identified in said Resolution; and

WHEREAS, due notice with respect to the availability of the 2022 Plan Amendment was given by mail on June 7, 2022 pursuant to Section 11-74.4-5 of the TIF Act, said notice being given to all interested parties that have registered with the City concerning the Project Area; and

WHEREAS, due notice in respect to the availability of the 2022 Plan Amendment, was given by mail on June 7, 2022 pursuant to Section 11-74.4-5 of the TIF Act, said notice being given to all

residential addresses that, after a good faith effort, the City determined are located within 750 feet of the boundaries of the Project Area; and

WHEREAS, pursuant to Section 11-74.4-5 of the TIF Act, the City caused a public hearing to be held relative to the proposed 2022 Plan Amendment on August 1, 2022 at the Urbana City Building; and

WHEREAS, due notice in respect to such hearing was given pursuant to Section 11-74.4-5 and 6 of the TIF Act, said notice being given to taxing districts and to the State of Illinois by certified mail on June 7, 2022; by publication on July 12, 2022 and July 19, 2022; and by certified mail to property owners within the Project Area on July 19, 2022; and

WHEREAS, pursuant to Section 11-74.4-5 of the TIF Act, the City caused a TIF Joint Review Board Meeting to be held relative to the proposed 2022 Plan Amendment on July 21, 2022 at the Urbana City Building at which meeting there were no objections to the proposed TIF amendments; and

WHEREAS, the City Council has reviewed its proposed 2022 Plan Amendment and its Comprehensive Plan for the development of the City as a whole to determine whether the proposed 2022 Plan Amendment conforms to the Comprehensive Plan of the City.

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

Section 1. Findings. The City Council of the City of Urbana makes the following findings:

- A. The areas to be added to the Project Area are described in **Exhibit A**, attached hereto and made part of this Ordinance.
- B. The area to be added represents a de minimis portion of the overall Project Area.
- C. The areas to be added to the Project Area, on the whole, have not been subject to growth and development through investment by private enterprise and would not be reasonably anticipated to be developed without the adoption of the 2022 Plan Amendment.
- D. The 2022 Plan Amendment conforms to the Comprehensive Plan for the development of the municipality as a whole.
- E. The parcels of real property to be added to the Project Area are contiguous and only those contiguous parcels of real property that will be substantially benefited by the proposed redevelopment projects are included in the Project Area.
- F. The estimated date for the completion of the redevelopment projects or retirement of obligations issued shall not be later than December 31 of the year in which the payment to the City Treasurer as provided in subsection (b) of Section 11-74.4-8 of the TIF Act is to be made with respect to ad valorem

taxes levied in the twenty-third calendar year after the year in which the ordinance approving the 2022 Plan Amendment was adopted.

Section 2. Proposed Amendment of Redevelopment Project Area. The 2022 Amendment to the Central Redevelopment Project Area, dated April 11, 2022, which was the subject matter of the hearing held on August 1, 2022, is hereby adopted and approved. A copy of the aforementioned 2022 Plan Amendment, marked as **Exhibit B**, is attached to and made a part of this Ordinance.

Section 3. Property Description. The property described in the attached Exhibit A as property to be added the Project Area is hereby designated as part of Project Area pursuant to Section 11-74.4.4 of the TIF Act.

Section 4. Proposed Boundary Amendment Legal Description. Tax increment financing is hereby adopted with respect to the properties added as part of the 2022 Plan Amendment, as approved and adopted by this Ordinance, which said properties are designated by this Ordinance as part of Project Area, the boundaries thereof being legally described in **Exhibit A** of this Ordinance.

Section 5. Division of ad valorem taxes. After the total equalized assessed valuation of taxable real property added to Redevelopment Project Area by the 2022 Plan Amendment exceeds the total initial equalized assessed value of all taxable real property added to Project Area, the ad valorem taxes, if any, arising from the levies upon said taxable real property by taxing districts and the rates determined in the manner provided in paragraph (c) of Section 11-74.4-9 of the TIF Act each year after the effective date of this Ordinance until the redevelopment project costs and all municipal obligations issued in respect thereto have been paid shall be divided as follows:

- A. That portion of taxes levied upon each taxable lot, block, tract, or parcel of real property which is attributable to the lower of the current equalized assessed value or the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property added to Project Area by the 2022 Amendment shall be allocated to and when collected shall be paid by the County Collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing.
- B. That portion, if any, of such taxes which is attributable to the increase in the current equalized assessed valuation of each lot, block, tract, or parcel of real property added to Project Area by the 2022 Plan Amendment over and above the initial equalized assessed value of each property in the area added to Project Area by the 2022 Plan Amendment shall be allocated to and when collected shall be paid to the municipal treasurer who shall deposit said taxes into the Special Tax Allocation Fund for the Project Area of the City for the purpose of paying redevelopment project costs and obligations incurred in the payment thereof, pursuant to such appropriations which may be subsequently made.

Section 6. Reporting of Proposed Plan Amendment. The City Clerk is hereby directed to notify the County Clerk of the 2022 Plan Amendment and request that the initial equalized assessed valuation be certified for those parcels of property added to the Project Area.

Section 7. Conflicting Ordinances Repealed. All Ordinances and parts of Ordinances in conflict herewith are hereby repealed.

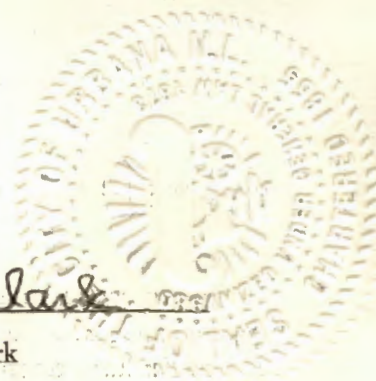
Section 8. Effective Date. This Ordinance shall become effective upon its passage and approval as required by law.

This Ordinance is hereby passed by the affirmative vote of a majority of the members of the Corporate Authorities of the City of Urbana, Illinois, at a regular meeting of the Corporate Authorities on the 22nd day of August, 2022, upon a roll call vote as follows:

AYES: Wu, Kolisetty, Bishop, Wilken, Quisenberry

NAYS: None

ABSTENTIONS: None



Phyllis D. Clark

Phyllis D. Clark, City Clerk

APPROVED BY THE MAYOR this 24th day of August, 2022

Diane Wolfe Marlin

Diane Wolfe Marlin, Mayor

Attachments:

Exhibit A Boundary descriptions of areas added to Central Redevelopment Project Area

Exhibit B 2022 Amendment to the Central Redevelopment Project Area, dated April 1, 2022

Exhibit A

Boundary descriptions of areas added to Central Redevelopment Project Area

The following described area shall be added to the boundaries of and included within the Central TIF:

Beginning at the SE corner of Lot Outlot B of Shelby's Replat of Lots 1, 2, 3, 4, 5, and 6 of Belle Barr Survey Urbana and Part of Lot 6 Belle Barr Survey Replat of Lot 2 thence north along the east line of said lot and continuing north along the east line of Lot 28 Crystal Lake Park Addition and continuing north across the right-of-way, being Crystal Lake Drive, to the SW corner of Lot 1 Crystal Lake Park Addition thence East along the south line of said lot to the SE corner of said Lot thence south across the right-of-way, being Crystal Lake Drive, to the NW corner of Lot 15 of Shephards Hiram Addition thence south along the west line of said lot continuing south along the west line of Lots 18, 19, and 20 of Shephards Hiram Addition continuing south along the west line of Lot 21 of Shephards Hiram Addition continuing south along the west line of Lot 23 of Shephards Hiram Addition to a point directly east of the SE corner of Lot Outlot B of Shelby's Replat of Lots 1, 2, 3, 4, 5, and 6 of Belle Barr Survey Urbana and Part of Lot 6 Belle Barr Survey Replat of Lot 2 thence west to the point of beginning.

Tax Increment Financing
Redevelopment Plan & Project

2022 Amendment to the Central
Redevelopment Project Area

Prepared for

City of Urbana, Illinois

Prepared by

PGAV  **PLANNERS**

April 11, 2022

CITY OF URBANA, ILLINOIS

MAYOR

Diane Wolfe Marlin

CITY COUNCIL

Maryalice Wu, Ward 1

Christopher Evans, Ward 2

Shirese Hursey, Ward 3

Jaya Kolisetty, Ward 4

Chaundra Bishop, Ward 5

Grace Wilken, Ward 6

James Quisenberry, Ward 7

CITY MANAGER

Carol Mitten

CITY CLERK

Phyllis D. Clark

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SECTION I

INTRODUCTION

On October 17, 2016, the City Council of the City of Urbana, Illinois (the “City”) adopted Ordinance No. 2016-09-084, 2016-09-085, 2016-09-086 establishing the Central Area TIF Redevelopment Project Area. This was accomplished pursuant to the provisions of the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the “Act”).

Since the establishment of the Central Area TIF, progress has been made with respect to economic growth and community improvements in this area of the City which includes the City’s Downtown area. As outlined in the Central Area Redevelopment Plan, an extensive list of projects are the focus of that Redevelopment Plan. In order to ensure that the extensive list of projects have the greatest ability to be accomplished, the City is amending the Central Area Redevelopment Project Area to include a strip of improved land of approximately 0.31 acres (about 13,364.76 square feet) that is presently located in Central Area TIF. This will allow the Central Area Redevelopment Project Area to achieve contiguity with Cunningham TIF District No. 4 (“TIF No. 4”). This will allow the Central Area TIF to benefit from the cash transfer or loan of incremental revenues from TIF No. 4 in accord with the provisions of the TIF Act.

This document constitutes the amendment to the Original Plan. This amendment provides for:

- The addition of approximately 0.31 acres of real estate to the redevelopment Project Area boundary, and
- An update to the estimated redevelopment project costs.

These changes collectively constitute the 2022 Central Area Redevelopment Plan Amendment (“Plan Amendment”).

The boundaries of the areas to be added to the Project Area are illustrated on **Exhibit A – Proposed Addition to the Redevelopment Project Area**. A boundary description of this added area is included in the **Appendix as Attachment A – Boundary Description for Area Added to Redevelopment Project Area**. The parcel identification number (**PIN**) for the **added property** is as follows:

- 91-21-08-405-038

As noted on Exhibit A, this addition will involve a PIN split of this parcel that will place a portion of the parcel in the Central Area TIF and remove it from TIF No. 2 (which expires in December of 2022). This adds approximately 0.31 acres (about 13,364.76 square feet) of the approximately 4.5 acres (about 196,478.76 square feet) of the parcel associated with PIN 91-21-08-405-038 to the Central Area TIF Redevelopment Area.

The following sections of this report present the amended Redevelopment Plan and Project.

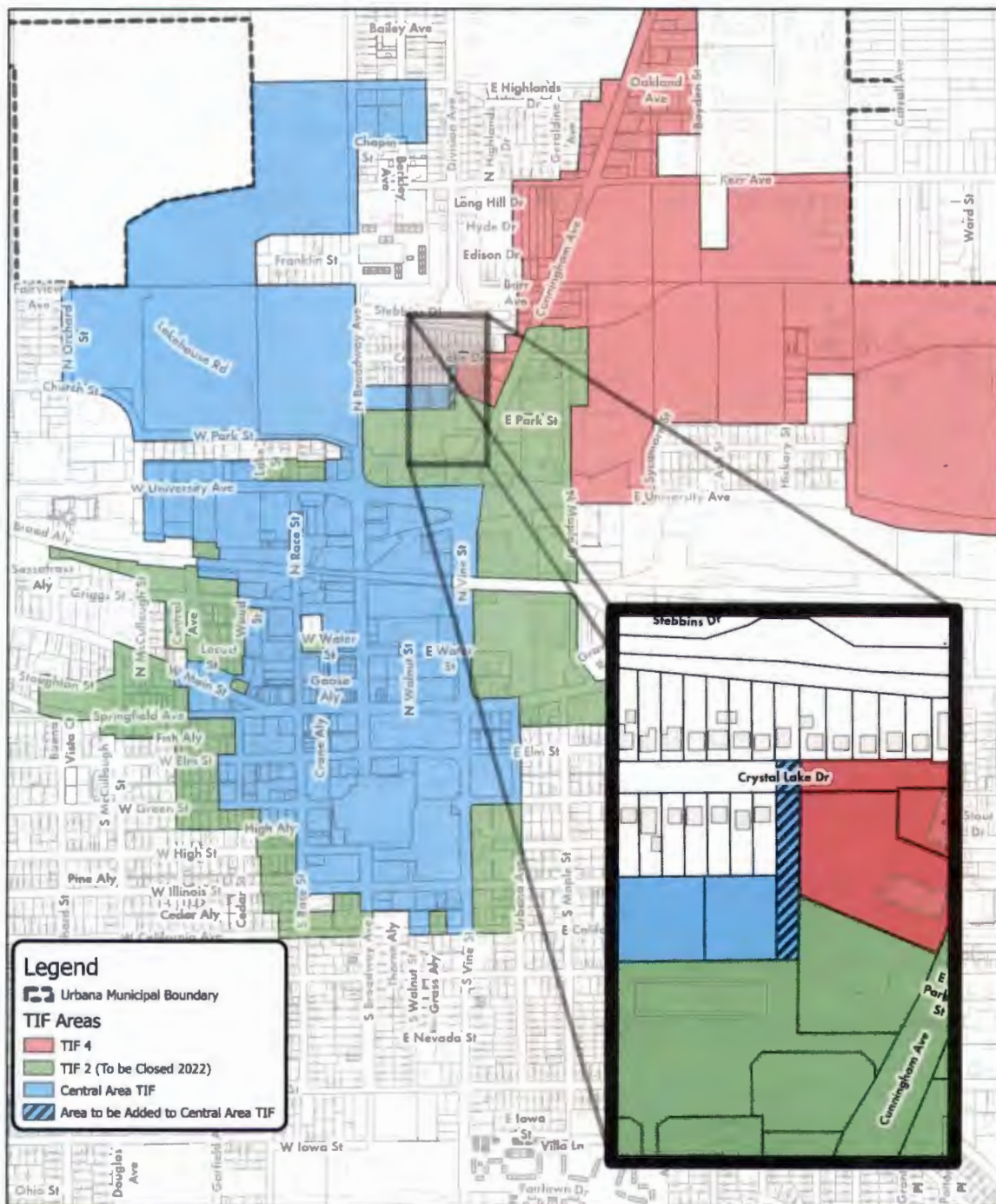


Exhibit A Proposed Addition to the Redevelopment Project Area

Urbana, IL

SECTION II

BASIS FOR ELIGIBILITY OF THE ADDED AREA AND FINDINGS

A. Introduction

A Redevelopment Project Area, according to the Act, is that area designated by a municipality in which the finding is made that there exist conditions that cause the area to be classified as a blighted area, conservation area, combination of blighted and conservation areas, or an industrial park conservation area. The criteria and the individual factors defining each of these categories of eligibility are defined in the Act. This 2022 Central Redevelopment Plan and Project Amendment recites the relevant statutory requirements and sets forth the eligibility criteria for the added area.

B. Analysis of Conditions in the Area Proposed to be Added to the Project Area

As noted in Section I of this report and depicted on Exhibit A, there is a portion of one parcel of land, totaling approximately 0.31 acres, proposed to be added to the Project Area. This parcel, which comprises 100% of the area to be added to the Central Area TIF will be utilized to provide contiguity with Cunningham TIF No. 4. This property is considered “improved” land, as defined by the Act. The parcel consists of a paved, privately-owned roadway that provides access to the remainder of the larger parcel which is a strip commercial center with an array of retail and service tenants. This roadway connects the shopping center on the south with Crystal Lake Drive on the north.

The single “improved” parcel in the area to be added constitutes all of what is a negligible addition to the area proposed to be added to the Project Area and is a de minimis amount of the total Project Area. The inclusion of this property and its inconsequential size relative to the Original Project Area means that it does not affect qualifications of the Project Area, as a whole, established under the Act and the “vacant” and “improved” factors that allowed the area to qualify and set forth in the Original Plan.

The property proposed to be added to the Project Area constitute less than 1% (0.16%) of the original 192 acres within the original Project Area and, therefore, is inconsequential to the eligibility findings of the Original Plan. In order to assist in the implementation of the Original Plan, it is vital that this property be added to the Project Area in order to create contiguity with TIF No. 4. In addition, removal of this property from Central Area TIF has no impact on the ability of Central Area TIF to fund the redevelopment projects that were envisioned for it.

TIF No. 2 will close in December of 2022 based on 2021 revenues payable in 2022. Any accrued incremental revenues that are deemed surplus when TIF No.2 closes will be distributed to the taxing districts according to the provisions of the TIF Act.

SECTION III

REVISED REDEVELOPMENT PLAN AND PROJECT

A. Introduction

The Act defines a **Redevelopment Plan** as the "comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualified the redevelopment project area as a "blighted area" or "conservation area" or combination thereof or "industrial park conservation area," and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area." The term **Redevelopment Project** means "any public and private development project in furtherance of the objectives of a redevelopment plan."

B. General Land Uses to Apply

The general land uses to apply on the property to be added to the Central Area TIF, as amended, will be Regional Business. The property to be added is a private roadway which will remain. Therefore, this Plan Amendment does not impact the General Land Use Plan or compliance with the City's Comprehensive Plan as substantiated in the original Central Area Redevelopment Plan

There are no housing units within the property to be added as part of this 2022 Plan Amendment and it is not the intent of this Amendment to use TIF to assist with displacing occupied housing units. Instead, TIF assistance will only be used to assist redevelopment projects involving residential property whereby: a) the owner of an owner-occupied dwelling(s) is a willing seller(s), b) rental dwelling units are not occupied, and c) the redevelopment project meets current development policies and codes.

C. Objectives

The objectives of this 2022 Plan Amendment are the same as those outlined in Section IV of the Original Plan beginning at the bottom of Page 25. In addition, this Amended Plan is intended to provide contiguity with Cunningham TIF No. 4.

D. Program to be Undertaken to Accomplish Objectives

The City of Urbana has determined that it is appropriate to continue its program to provide limited financial incentives for private investment within the Project Area. It has been determined, through private and public project implementation experience, that tax increment financing constitutes one of the most effective means available for enabling

redevelopment and conservation within the Project Area. The Project Area, as modified by this 2019 Plan Amendment, and the City as a whole, along with all other local taxing bodies, will benefit from the implementation of this Redevelopment Plan. The City will incorporate appropriate provisions within any redevelopment agreement, entered into between the City and private parties, to assure that redevelopment projects make progress toward achieving the objectives stated herein.

E. Redevelopment Project

To achieve the objectives proposed in the Plan, multiple Redevelopment Projects will be undertaken. Redevelopment Projects will involve a combination of private investment and public investment to help overcome the extraordinary costs associated with redevelopment and building renovations. Activities necessary to implement the Plan may include the following:

1. Private Redevelopment Activities:

Continuation of renovation and repairs to existing buildings, particularly with respect to vacant or underutilized upper floors. Also, continuation of redevelopment of properties with new buildings and site improvements in furtherance of the Plan objectives stated herein.

2. Public Redevelopment Activities:

Public improvements and support activities will be used to induce and complement private investment. These may include but are not limited to: street and sidewalk improvements, land assembly and site preparation, public utilities (e.g., water, sanitary and storm sewer facilities), and provision of public parking, as well as other programs of financial assistance, as may be provided by the City. Public projects may also include assistance for renovating and retrofitting existing buildings.

3. Land Assembly, Displacement Certificate & Relocation Assistance:

To achieve the objectives of the Plan, land assembly by the City and eventual conveyance to private entities may be necessary to attract private development interest in the Central Area TIF. Therefore, any property located within Central Area TIF may be acquired by the City, as necessary, to assemble various parcels of land to achieve marketable tracts, or if such property is necessary for the implementation of a specific public or private redevelopment project. The portion of the existing parcel to be added to the Central Area TIF as part of this Amended Plan is not specifically intended to be acquired by the City at this time This may

include the displacement of inhabited housing units located in the Project Area (see below). The property to be amended has no building improvements.

Displacement Certificate:

Under Sections 11-74.4-3 (n) (5) and 11-74.4-4.1 (b) of the Act, the City hereby certifies that this 2022 Plan Amendment will not result in the displacement of more than nine (9) inhabited residential units. If, at some time in the future, a redevelopment project is proposed that will result in the displacement of ten (10) or more inhabited residential units, the City will prepare, or cause to be prepared, the requisite housing impact study pursuant to the Act.

Relocation Assistance:

If households of low-income or very low-income persons inhabit any residential housing units where relocation of the occupants is required, relocation assistance will be provided to such persons. Affordable housing and relocation assistance shall not be less than that which would be provided under the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the regulations under that Act, including the eligibility criteria. Affordable housing may be either in existing or newly constructed buildings. For purposes of this requirement in the Act, “low-income households”, “very low-income households” and “affordable housing” have the meanings set forth in the Illinois Affordable Housing Act.

F. Revised Estimated Redevelopment Project Costs

The estimated costs associated with the eligible redevelopment activities are presented in **Exhibit B** entitled **Revised Estimated Redevelopment Project Costs** below. The costs shown are those as provided for in the Original Plan and those provided for in this Amended Plan. They reflect the estimated project costs from the Original Plan adjusted for inflation using the Consumer Price Index (CPI) data from the U.S. Department of Labor, Bureau of Labor Statistics for 2016 through 2021. These estimates do not include costs incurred to date but does include estimated costs to be incurred to implement this 2022 Plan Amendment. These estimated costs are expressed in 2022 dollars and are

Exhibit B

REVISED ESTIMATED REDEVELOPMENT PROJECT COSTS

2022 Amendment to the Central Area TIF

City of Urbana, Illinois

Description	Original Plan	Amended Plan
	Estimated Cost	Inflation Adjusted Estimated Cost
A. Public Works or Improvements <i>(Improvement of streets, curb and gutters, utilities and other public improvements)</i>	\$10,000,000	\$11,290,087
B. Property Assembly <i>(Acquisition of land, building demolition and site preparation)</i>	\$15,000,000	\$16,935,131
C. Building Rehabilitation	\$5,000,000	\$5,645,044
D. Relocation	\$500,000	\$564,504
E. Taxing District Capital Costs	\$500,000	\$564,504
F. Job Training	\$500,000	\$564,504
G. Interest Costs Incurred by Developers	\$5,000,000	\$5,645,044
H. Planning, Legal and Professional Services	\$2,500,000	\$2,822,522
I. General Administration	\$0	\$0
J. Financing Costs	See Note 3	\$0
K. Contingency	\$0	\$0
Total Estimated Costs	\$39,000,000	\$44,031,341

Notes:

1. All costs shown are in 2022 dollars.
2. Adjustments may be made among line items within the budget to reflect program implementation experience.
3. Municipal financing costs such as interest expense, capitalized interest and cost of issuance of obligations are not quantified herein. These costs are subject to prevailing market conditions and will be considered part of the total redevelopment project cost if and when such financing costs are incurred.
4. Private redevelopment costs and investment are in addition to the above.
5. The total estimated redevelopment project costs shall not be increased by more than 5% after adjustment for inflation from the date of the Plan adoption, per subsection 11-74.4.5 (c) of the Act. Column entitled "Amended Plan Inflation Adjusted" represents percentage rise in the Consumer Price Index between 2016 and 2021 of 12.9% based on U.S. Bureau of Labor Statistics data from January 12, 2021.

subject to refinement as specific plans are finalized and experience is gained in implementing this Redevelopment Plan. Note that, unless otherwise funded from other sources, payment of any project cost will be limited to that which can be funded by the incremental revenues generated within the Project Area, as amended.

G. Description of Redevelopment Project Costs

Costs that may be reimbursed as TIF eligible costs in implementing the 2022 Plan Amendment include project costs and expenses as itemized Exhibit D. Itemized below is an abbreviated listing of "redevelopment project costs", as defined in the Act, which are most applicable to this 2022 Plan Amendment [**bold typeface added for ease of reference**]. See the Act for the full text of the definition of redevelopment project costs.

1. **Costs of studies, surveys, development of plans, and specifications, implementation and administration** of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning or other services, provided however that no charges for professional services may be based on a percentage of the tax increment collected; except that on and after November 1, 1999 (the effective date of Public Act 91-478), no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of 3 years.

In addition, "redevelopment project costs" shall not include lobbying expenses. After consultation with the municipality, each tax increment consultant or advisor to a municipality that plans to designate or has designated a redevelopment project area shall inform the municipality in writing of any contracts that the consultant or advisor has entered into with entities or individuals that have received, or are receiving, payments financed by tax increment revenues produced by the redevelopment project area with respect to which the consultant or advisor has performed, or will be performing, service for the municipality. This requirement shall be satisfied by the consultant or advisor before the commencement of services for the municipality and thereafter whenever any other contracts with those individuals or entities are executed by the consultant or advisor;

- 1.5. After July 1, 1999, **annual administrative costs shall not include general overhead or administrative costs of the municipality** that would still

have been incurred by the municipality if the municipality had not designated a redevelopment project area or approved a redevelopment plan;

- 1.6. The **cost of marketing sites** within the redevelopment project area to prospective businesses, developers, and investors;
2. **Property assembly costs**, including but not limited to **acquisition of land** and other property, **real or personal**, or rights or interests therein, **demolition of buildings, site preparation**, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and **the clearing and grading of land**;
3. **Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings**, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment; including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification;
4. **Costs of the construction of public works or improvements**, including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification, except that on and after November 1, 1999, redevelopment project costs **shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building** as provided under paragraph (3) of subsection (q) of Section 11-74.4-3 **unless** either
 - (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to November 1, 1999 or

- (ii) the **municipality makes a reasonable determination in the redevelopment plan**, supported by information that provides the basis for that determination, **that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan**;
5. **Costs of job training and retraining projects**, including the cost of "welfare to work" programs implemented by businesses located within the redevelopment project area;
6. **Financing costs**, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;
7. To the extent the municipality by written agreement accepts and approves the same, all or a portion of a **taxing district's capital costs** resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project.
8. **Relocation costs** to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or State law or in order to satisfy subparagraph (7) of subsection (n);
9. **Payment in lieu of taxes** [see Sec. 11-74.4-3 (m) of the Act];
10. **Costs of job training**, retraining, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, **incurred by one or more taxing districts**, provided that such costs
 - (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs

for persons employed or to be employed by employers located in a redevelopment project area; and

- (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code;

11. **Interest cost incurred by a redeveloper** related to the construction, renovation or rehabilitation of a redevelopment project provided that:

- (A) such costs are to be paid directly from the special tax allocation fund established pursuant to this Act;
- (B) such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
- (C) if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (11) then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
- (D) the total of such interest payments paid pursuant to this Act may not exceed 30% of the total
 - (i) cost paid or incurred by the redeveloper for the redevelopment project plus

- (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to this Act.
- 12. Unless explicitly stated herein the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.
- 13. After November 1, 1999 (the effective date of Public Act 91-478), **none of the redevelopment project costs enumerated in this subsection shall be eligible redevelopment project costs if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment project area while terminating operations at another Illinois location** within 10 miles of the redevelopment project area but outside the boundaries of the redevelopment project area municipality.

For purposes of this paragraph, termination means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area, but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, had become economically obsolete, or was no longer a viable location for the retailer or serviceman.

SECTION IV

OTHER FINDINGS AND REQUIREMENTS

A. Conformance with the Comprehensive Plan

Redevelopment projects completed to date and proposed to be undertaken pursuant this 2022 Plan Amendment are consistent with the Comprehensive Plan for the City as cited in the Original Plan. In addition, all development in the Redevelopment Project Area will comply with applicable codes and ordinances.

B. Area to be Added, on the Whole, not Subject to Growth and Development

The privately-owned property to be added (part of a single larger parcel) has been used for vehicular access with no prima facie evidence that would indicate any significant investment other than periodic maintenance (e.g., routine roadway maintenance). Therefore, it is concluded that the area to be added to the Project Area, on the whole, has not been subject to growth and development through investment of private enterprise. The addition of this property to the Central Area TIF and the connection to TIF 4 will aid in the implementation of the Original Plan by encouraging growth and development.

C. Would Not be Developed "but for" TIF

The success to date with private investment within Central Area TIF is a direct result of TIF investment in public infrastructure improvements and TIF incentive agreements with private parties. To continue this momentum and to address the unmet needs for the Project Area, contiguity with Cunningham TIF No. 4 is needed to ensure that redevelopment project costs have access to funds from this adjacent redevelopment area, if needed, the property addition as proposed is needed. It is the intent of this 2022 Plan Amendment to provide TIF financing to address remaining deficiencies and redevelopment projects in the Central Area TIF.

D. Assessment of Financial Impact

Private investment in redevelopment projects and building improvement projects has contributed to property value increases in Central Area TIF and thus, incremental tax revenue that flows to the TIF fund and not to the taxing districts. However, it is unlikely that the Central Area TIF redevelopment projects and other private investment would have occurred "BUT FOR" the use of TIF financing to make significant upgrades to public infrastructure and induce private investment in redevelopment and building renovation projects. Prior to the establishment of the Central Area TIF, property values were declining, as was documented in Section V of the Original Plan.

E. Estimated Date for Completion of Redevelopment Projects

The estimated date for the completion of the Redevelopment Projects or retirement of obligations issued to finance redevelopment project costs (including refunding bonds under Section 11-74.4-7 of the Act) may not be later than December 31 of the year in which the payment to the City Treasurer as provided in subsection (b) of Section 11-74.4-8 of the Act is to be made with respect to ad valorem taxes levied in the 23rd calendar year after the year in which Ordinance No.'s 2016-09-084, 2016-09-085, 2016-09-086 were passed approving the original Central Area Redevelopment Project Area.

F. Sources of Funds

The primary source of funds to pay for redevelopment project costs associated with implementing this Plan shall be funds collected pursuant to tax increment financing to be adopted by the City. Under such financing, tax increment revenue resulting from an increase in the EAV of property in the Area shall be allocated to a special fund each year (the "Special Tax Allocation Fund"). The assets of the Special Tax Allocation Fund shall be used to pay redevelopment project costs and retire any obligations incurred to finance redevelopment project costs.

In order to expedite the implementation of this Redevelopment Plan and construction of the public improvements, the City, pursuant to the authority granted to it under the Act, may issue bonds or other obligations to pay for the eligible redevelopment project costs. These obligations may be secured by future revenues to be collected and allocated to the Special Tax Allocation Fund.

If available, revenues from other economic development funding sources, public or private, may be utilized. These may include State and Federal programs, local retail sales tax, applicable revenues from any adjoining tax increment financing areas, and proceeds from the sale of land in the Project Area, as well as other revenues.

G. Nature and Term of Obligations

Without excluding other methods of City or private financing, the principal source of funding will be those deposits made into the Special Tax Allocation Fund of monies received from the taxes on the increased EAV (above the initial EAV) of real property in the Area. These monies may be used to reimburse private or public entities for the redevelopment project costs incurred or to amortize obligations issued pursuant to the Act for a term not to exceed 20 years bearing an annual interest rate as permitted by law. Revenues received in excess of 100% of funds necessary for the payment of principal and interest on the bonds and not needed for any other redevelopment project costs or early bond retirements shall be declared as surplus and become available for distribution to the taxing districts to the extent that this distribution of surplus does not impair the financial viability of the any projects. One or more bond issues may be sold at any time in order to implement this Redevelopment Plan.

H. Most Recent EAV and Redevelopment Valuation

The most recent total equalized assessed valuation (EAV) for the added area was approximately \$54,165.70 (2021 tax year EAV for the partial area of the property associated with the PIN identified in Section I of this Plan Amendment). After adoption of this 2022 Plan Amendment, establishing the revised boundaries of the Redevelopment Project Area and adopting tax increment financing for added area, the City will make a request to the County Clerk of Champaign County to certify the base EAV for parcels of real estate added to the Project Area. This added parcel will have a different "base" year value than the original parcels located in Central Area TIF.

Contingent on the adoption of this 2022 Plan Amendment and commitment by the City to the Redevelopment Program, it is anticipated that the equalized assessed valuation of the added property to have a negligible impact on the Amended Plan. The added property

is a private roadway which is not likely to increase in value beyond that which will accrue based on typical land value increases.

I. Fair Employment Practices and Affirmative Action

The City complies with fair employment practices and affirmative action. Furthermore, the City will require that all recipients of tax increment financing assistance comply with state and federal laws dealing with fair employment practices and affirmative action.

J. Reviewing and Amending the TIF Plan

This Redevelopment Plan may be amended in accordance with the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et. seq. Also, the City shall adhere to all reporting requirements and other statutory provisions.

APPENDIX

Boundary Description of Area to be Added to Redevelopment Project Area No. 2