URBANA CITY COUNCIL MEETING

URBANA CITY COUNCIL CHAMBERS
Monday, February 19, 2000
7:30 P.M.
A G E N D A

A. MINUTES OF PREVIOUS MEETINGS

1. December 18,2000 Regular Council Meeting
2. January 29, 2001 Special City Council Meeting

B. ADDITIONS TO THE AGENDA

C. PETITIONS AND COMMUNICATIONS

D. OLD BUSINESS

E. REPORTS OF STANDING COMMITTEES

1. Committee Of The Whole

   a. Ordinance No. 2001-02-009: An Ordinance Revising the Annual Budget Ordinance (Airport Road/Cunningham Avenue Study)

   b. Resolution No. 2001-02-003R: A Resolution Providing for the Modernization of Traffic Signals at University Avenue (U.S. Route 45) and Race Street

   c. Resolution No. 2001-02-004R: A Resolution Approving and Authorizing the Execution of an Agreement With the Illinois Department of Transportation (University Avenue and Race Street)

   d. Resolution No. 2001-02-005R: Resolution for Improvement by Municipality Under the Illinois Highway Code (University Avenue and Race Street)

   e. Resolution No. 2001-02-006R: A Resolution Authorizing the Mayor to Enter an Agreement to Amend the Cable Franchise (Emergency Alert Signal Overrides)

   f. Ordinance No. 2001-02-011: An Ordinance Relating to Civil Service (Police Corp Cadet)

F. REPORTS OF SPECIAL COMMITTEES

G. REPORTS OF OFFICERS

1. Presentation of 2001 Financial Plan

H. NEW BUSINESS

1. Ordinance No. 2001-022-012: An Ordinance Approving an Annexation Agreement with Jack O. Snyder (2210 North Willow Road)

2. Ordinance No. 2001-02-013: An Ordinance Approving a Major Variance (Reduction of the Required Frontyard Setback in the City's R-5, Medium High Density Multiple Family Residential Zoning District, From 23.5 Feet to 15 Feet / 201 S. Grove Street - Case No. ZBA-01-MAJ-1)

3. Tax Increment Financing Feasibility Study: North Urbana (TIF No. 4) Study Area

4. Mayoral Appointments

I. ADJOURNMENT

CITY OF URBANA, ILLINOIS
DEPARTMENT OF PUBLIC WORKS

ADMINISTRATION

MEMORANDUM

TO: Bruce K. Walden, Chief Administrative Officer

FROM: William R. Gray, P.E., Public Works Director

DATE: February 8, 2001

RE: **Budget Amendment Ordinance**
Airport Road and Cunningham Avenue Intersection Design Study

INTRODUCTION

With the recent approvals of the O'Brien, Farm and Fleet, and Frasca Agreements on January 29, 2001, it is anticipated that improvements to Airport Road between Cunningham Avenue and Willow Road could occur in calendar year 2003 and no later than calendar year 2004. A major component to this improvement would be the intersection work at Airport Road and Cunningham Avenue.

The Illinois Department of Transportation [IDOT] will participate in all costs associated with work within the Cunningham Avenue right-of-way. In order for IDOT to properly budget for these expenditures in 2003, IDOT must have an approved Intersection Design Study [IDS] and an estimate of construction costs before the end of this calendar year. For this to occur, a consultant must be authorized to perform an IDS, similar to what occurred at Anthony Drive and Cunningham Avenue. It is estimated that an IDS will cost approximately $20,000.

FISCAL IMPACT

In order to prepare for the IDS, it is recommended that $20,000 be provided for engineering services from the General Reserve Fund.

RECOMMENDATION

It is recommended that the attached budget amendment ordinance in the amount of $20,000 be approved.

WRG:klf
Attachment

ORDINANCE NO. 2001-02-009

AN ORDINANCE
REVISING THE ANNUAL BUDGET ORDINANCE
(Airport Rd./Cunningham Ave. Study)

WHEREAS, the Annual Budget Ordinance of and for the City of Urbana, Champaign County, Illinois, for the fiscal year beginning July 1, 2000, and ending June 30, 2001, (the "Annual Budget Ordinance") has been duly adopted according to sections 8-2-9.1 et seq. of the Illinois Municipal Code (the "Municipal Code") and Division 2, entitled "Budget", of Article VI, entitled "Finances and Purchases", of Chapter 2, entitled "Administration", of the Code of Ordinances, City of Urbana, Illinois (the "City Code"); and

WHEREAS, the City Council of the said City of Urbana finds it necessary to revise said Annual Budget Ordinance by deleting, adding to, changing or creating sub-classes within object classes and object classes themselves; and

WHEREAS, funds are available to effectuate the purpose of such revision; and

WHEREAS, such revision is not one that may be made by the Budget Director under the authority so delegated to the Budget Director pursuant to section 8-2-9.6 of the Municipal Code and section 2-133 of the City Code.

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

Section 1. That the Annual Budget Ordinance be and the same is hereby revised to provide as follows:

FUND: Capital Improvements
AMOUNT: $20,000
ADD EXPENSE: Airport Rd./Cunningham Ave. Study
REDUCE: Fund Balance

Section 2. This Ordinance shall be effective immediately upon passage and approval and shall not be published.

Section 3. This Ordinance is hereby passed by the affirmative vote of two-thirds of the members of the corporate authorities then holding office, the "ayes" and "nays" being called at a regular meeting of said Council.

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

AYES:

NAYS:

ABSTAINED:

____
Phyllis D. Clark, City Clerk

APPROVED by the Mayor this ______ day of __________, ______.

____
Tod Satterthwaite, Mayor

CITY OF URBANA, ILLINOIS
DEPARTMENT OF PUBLIC WORKS

ENGINEERING

MEMORANDUM

TO: **Bruce Walden, Chief Administrative Officer**

FROM: **Joseph L. Smith, Senior Civil Engineer**
William R. Gray, Public Works Director

DATE: **February 7, 2001**

RE: **University Avenue and Race Street Traffic Signal Modernization**

INTRODUCTION

The Illinois Department of Transportation has identified the intersection of University Avenue and Race Street as needing traffic signal modernization. The work shall primarily consist of installing new signal posts, signal heads, mast arms detector loops, controller, Emergency Vehicle Preemption system and other miscellaneous improvements. Approximately ninety percent of the funding for the project is being funded by the State of Illinois. The remaining 10% is being funded by the City of Urbana. Attached is the necessary documentation to complete the project.

ISSUES AND DISCUSSION

This attached City-State Agreement requires three resolutions be passed by the City Council. They are as follows:

1. A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH THE ILLINOIS DEPARTMENT OF TRANSPORTATION.

   This Resolution authorizes the Mayor and City Clerk to execute and deliver the agreement on behalf of the City of Urbana.

2. A RESOLUTION PROVIDING FOR THE MODERNIZATION OF TRAFFIC SIGNALS AT UNIVERSITY AVENUE AND RACE STREET.

   This Resolution sets the amount and how the funds are to be paid for the City's share of the project.

3. A RESOLUTION FOR IMPROVEMENT BY MUNICIPALITY UNDER THE ILLINOIS HIGHWAY CODE

   This Resolution appropriates the use of MFT funds to pay for the City's share of the project.

FISCAL IMPACTS

This project is being totally designed and the contract administered by IDOT personnel. Therefore, there will be minimal staff impacts for administrative review and work progress inspections. After completion of the project, the City will remain responsible for the electrical costs and maintenance of the signals, as per the existing Master Signal Maintenance Agreement. The City will be reimbursed by IDOT for maintenance costs per the percentages outlined in the agreement.

As outlined in the agreement, the City's share of the estimated $92,000 project cost is $11,787 or 12.8%. As previously mentioned, this project is being funded by the Illinois Department of Transportation program which funds approximately 87.2%. Without this program, the City would have had to pay 50% of the costs at University Avenue with Race Street. The cost savings to the City is $34,000 with this program. We have reviewed the cost breakdowns and splits and find them satisfactory. Please be reminded that these costs are estimates and may increase or decrease depending on actual bid prices and construction change orders. All City funds are to be Motor Fuel Tax Funds (E09). Sufficient funds ($15,000) are being appropriated to allow for a 25% contingency.

RECOMMENDATION

It is recommended that the City Council approve the resolutions as outlined herein at its regularly scheduled meeting of February 19, 2001.

Prepared by:

Joseph L. Smith, P.E.	William R. Gray, P.E.
Senior Civil Engineer	Public Works Director

RESOLUTION NO. 2001-02-003R

A RESOLUTION PROVIDING FOR THE MODERNIZATION OF TRAFFIC SIGNALS AT UNIVERSITY AVENUE (U.S. ROUTE 45) AND RACE STREET

(University Avenue and Race Street)

WHEREAS, the City of Urbana has entered into an Agreement with the State of Illinois for the modernization of the traffic signal at the intersection of University Avenue (U.S. Route 45/FAP 808) with Race Street; known as State Section (28WZ)TS-1; and

WHEREAS, in compliance with the aforementioned Agreement, it is necessary for the City to appropriate sufficient funds to pay its share of the cost of said improvement.

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

Section 1. That there is hereby appropriated the sum of fifteen thousand dollars ($15,000), or so much thereof as may be necessary, from any money now or hereinafter allotted to the City to pay for its share of the cost of this improvement as described in the Agreement.

Section 2. That upon award of the contract for this improvement, the City will pay to the Department of Transportation of the State of Illinois in a lump sum from any funds allotted to the City, an amount equal to 95% of its obligation incurred under this Agreement, and will pay to the said Department the remainder of the obligation (including any non-participation costs of FAP Projects) in a lump sum, upon completion of the project based upon final costs.

Section 3. That the City agrees to pass a supplemental resolution to provide necessary funds for its share of the cost of this improvement if the amount appropriated herein proves to be insufficient to cover said cost.

PASSED by the City Council this _________ day of _________________, 2001.

____
Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _________ day of ____________________, 2001.

____
Tod Satterthwaite, Mayor

RESOLUTION NO. 2001-02-004R

A RESOLUTION
APPROVING AND AUTHORIZING THE EXECUTION OF AN AGREEMENT
WITH THE ILLINOIS DEPARTMENT OF TRANSPORTATION

(University Avenue and Race Street)

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That an agreement by and between the City of Urbana, Illinois, and the Illinois Department of Transportation, in the form of the copy of said Agreement attached hereto and hereby incorporated, be and the same is hereby authorized and approved.

Section 2. That the Mayor of the City of Urbana, Illinois be and the same is hereby authorized to execute and deliver and the City Clerk of the City of Urbana, Illinois be and the same is hereby authorized to attest to said execution of said Agreement as so authorized and approved for and on behalf of the City of Urbana, Illinois.

PASSED by the City Council this ________ day of ________________, 2001.

____
Phyllis D. Clark, City Clerk

APPROVED by the Mayor this ________ day of ___________________, 2001.

____
Tod Satterthwaite, Mayor

Section (28WZ)TS-1
Champaign County
Contract No. 90648
C-95-036-94
Agreement No. JN-594022

AGREEMENT

This agreement, entered into this___________day of_____________, A.D. 20_____, by and between the STATE OF ILLINOIS, acting by and through its DEPARTMENT OF TRANSPORTATION, hereinafter called the STATE, and the City of Urbana in Champaign County, of the State of Illinois, hereinafter called the CITY;

WITNESSETH

WHEREAS, the STATE and the CITY, in order to facilitate the free flow of traffic and insure safety to the motoring public are desirous of improving the intersection of FAP Route 808 /U.S. Route 45 (University Avenue) with Race Street, State Section (28WZ)TS-1, by modernizing the existing traffic signals which shall include detector loops, controller, controller cabinet, signal posts, signal heads, and mast arms; installing Emergency Vehicle Preemption System requested by the CITY; and by performing all other work necessary to complete the improvement in accordance with approved plans and specifications; and

WHEREAS, the STATE and the CITY are desirous of said improvement in that same will be of immediate benefit to the STATE and the CITY

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. The STATE agrees to make the survey's, obtain all necessary rights-of-way, prepare plans and specifications, receive bids and award the contract, furnish engineering inspection during construction and cause the improvement to be built in accordance with the plans, specifications and contract.

2. The STATE agrees to pay all rights-of-way, construction and engineering costs, subject to reimbursement by the CITY as hereinafter stipulated.

3. It is mutually agreed by and between the parties hereto that the estimated cost and cost proration for this improvement is as follows:

	STATE RESPONSIBILITY				CITY RESPONSIBILITY		
	Federal Reimbursable		State Matching		Local Participation		
Type of Work	Cost	%	Cost	%	Cost	%	Total
Traffic signal installation at University Avenue with Race Street	$62,000	80	$ 7,750	10	$ 7,750	10	$77,500
Emergency vehicles preemptor system requested by the City	N/A		N/A		$ 2,500	100	$ 2,500
Sub-Total	$62,000		$ 7,750		$ 10,250		$80,000
15% Preliminary Engineering & Construction Cost	N/A		$10,463		$ 1,537		$12,000
Total	$62,000		$18,213		$ 11,787		$92,000

Participation and reimbursement shall be predicated on the percentages shown above for the specified work. Cost shall be determined by multiplying the final quantities times contract unit prices plus 15% for construction and preliminary engineering.

The CITY's participation toward the traffic signals, excluding the Emergency Vehicle System shall not exceed $11,140 which represents 125% of their estimated construction and engineering cost. The CITY's participation towards the Emergency Vehicle System, including 15% for construction and engineering cost, is estimated at $2,875. The total CITY's obligation is approximately $14,015.00.

4. The CITY shall exercise its franchise right to cause private utilities to be relocated, if required, at no expense to the STATE.

5. The CITY agrees to cause its utilities installed on right-of-way after said right-of-way was acquired by the STATE or installed within the limits of a roadway after the said roadway's jurisdiction was assumed by the STATE, to be relocated and/or adjusted at no expense to the STATE.

6. The CITY has passed a resolution appropriating sufficient funds to pay its share of the cost for this improvement, a copy of which is attached hereto as "Exhibit A" and made a part hereof.

7. The CITY further agrees that upon award of the contract for this improvement, the CITY will pay to the DEPARTMENT of TRANSPORTATION of the STATE OF ILLINOIS in a lump sum from any funds allotted to the CITY, an amount equal to 95% of its obligation incurred under this AGREEMENT, and will pay to the said DEPARTMENT the remainder of the obligation (including any non-participating costs of FA Projects) in a lump sum, upon completion of the project based upon final costs.

   The CITY further agrees to pass a supplemental resolution to provide necessary funds for its share of the cost of this improvement if the amount appropriated in "Exhibit A" proves to be insufficient, to cover said cost.

8. Upon acceptance by the STATE of the new traffic signal installation(s), the financial responsibility for maintenance and electrical energy for the operation of the traffic signals shall be proportioned as follows:

Intersection	Level of Maint.	Maintenance	Elect. Energy
U.S. Route 45/ Univeristy Ave. with Race Street	I		
STATE Share		50%	N/A
CITY Share		50%	100%

   It is mutually agreed that the actual traffic signal maintenance will be performed by the CITY either with its own forces or through an ongoing contractual agreement.

   It is further agreed that the traffic signals shall be maintained to at least the Level of Maintenance shown above and specified in the attached "Exhibit B" made a part hereof.

   It is understood that the Level of Maintenance I meets the minimum requirements of the Illinois Manual on Uniform Traffic Control Devices for Streets and Highways.

It is also understood that if, in the judgement of the STATE, the CITY has not provided adequate maintenance for those traffic signals which it has been assigned to maintain, the STATE will, upon giving the 30 days written notice, arrange for the appropriate maintenance efforts and bill the CITY for its share of the costs.

The CITY agrees to bill the STATE for its proportionate share of the traffic signal maintenance costs on a three-month basis. The amount billed shall be the actual costs incurred less any third party damage claims received during the filling period for repair of traffic signals that are the responsibility of the billed party. Any proposed expenditures in excess of $5,000 for repair of damage to any signal traffic signal installation must be approved by the billed party before the expenditure is made. The STATE reserves the right to examine the records of the CITY to determine that costs billed are fully documented.

The STATE agrees to make arrangements with the local power company to furnish the electrical energy for the operation of the traffic signals. The CITY agrees to pay their proportionate share of this cost as billed by the local power company.

The STATE retains the right to control the sequence and timing of the traffic signals. Payment by the STATE of any or all of its share of maintenance and energy costs is contingent upon the STATE receiving adequate funds in its annual appropriation.

The parties hereto agree that the traffic signal maintenance and energy provisions of this Agreement shall remain in effect for a period of twenty (20) years from the date of its execution or so long as the traffic signals covered by the terms of this Agreement or any amendment hereto remain in place either in their current or some modified configuration, whichever, is the shorter period of time. Such an effective term shall apply unless otherwise agreed in writing by the parties hereto.

9. The STATE agrees to make arrangement with the local power company to furnish the electrical energy for the operation of the traffic signals. The CITY agrees to pay their proportionate share of this cost as billed by the local power company.

10. The CITY agrees to provide written approval of that portion of the plans and specifications relative to the CITY, financial and maintenance obligations described herein, prior to the STATE's advertising for the aforedescribed proposed improvement.

This AGREEMENT and the covenants contained herein shall be null and void in the event the contract covering the construction work contemplated herein is not awarded within the three years subsequent to execution of the agreement.

This agreement shall be binding upon and to the benefit of the parties hereto, their successors and assigns.

CITY OF URBANA

Attest

By________________________________

Mayor

____

Clerk

________________________, 20___

STATE OF ILLINOIS
DEPARTMENT OF TRANSPORTATION
DISTRICT FIVE

By________________________________

District Engineer

________________________, 20___

sjt20.doc

Construction

Illinois Department of Transportation

Resolution for Improvement by Municipality Under the Illinois Highway Code

University Avenue and Race Street

BE IT RESOLVED, by the Council (Council or President and Board of Trustees) of the City (City, Town or Village) of Urbana Illinois

that the following described street(s) be improved under the Illinois Highway Code:

Name of Thoroughfare	Route	From	To
U.S. Route 45 (University Ave)	FAP 808	Race Street	

BE IT FURTHER RESOLVED,

1. That the proposed improvement shall consist of Modernization of traffic signals

and shall be constructed ______ wide

and be designated as Section (28WZ) TS-1; City Section 01-00365-00-TL

2. That there is hereby appropriated the (additional) sum of Fifteen thousand dollars Dollars ($15,000.00) for the improvement of said section from the municipality's allotment of Motor Fuel Tax funds.

3. That work shall be done by Contract (Specify Contract or Day Labor) ; and,

BE IT FURTHER RESOLVED, that the Clerk is hereby directed to transmit two certified copies of this resolution to the district office of the Department of Transportation.

APPROVED

______
Date

Department of Transportation

______
District Engineer

I, Phyllis D. Clark Clerk in and for the City (City, Town or Village) of Urbana County of Champaign , hereby certify the foregoing to be a true, perfect and complete copy of a resolution adopted by the City Council (Council or President and Board of Trustees) at a meeting on February 19, 2001 (Date)

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal this ______ day of ______ A.D. ______

(SEAL)

City (City, Town or Village) Clerk

LEGAL DIVISION
(217) 384-2464
FAX: (217) 384-2460

JACK WAALER
City Attorney

STEPHEN HOLZ
Assistant City Attorney

Memorandum

DATE: February 8, 2001

TO: Mayor Satterthwaite and the Urbana City Council

FROM: Steve Holz

RE: Proposed Amendment to Cable Franchise Agreement Allowing Limited Exemption from EAS Override

This memorandum addresses the attached Resolution, much of the history of which is set forth in the preamble of that Resolution. The Resolution allows for the Mayor to enter into an agreement with the Cable Company, Insight Communications, to amend the franchise agreement to allow for limited exemption from the automatic emergency override messages. The proposed Resolution also authorizes limited exemption from the automatic emergency override requirements for two stations, WCIA and WICD, subject to certain conditions that are set forth in the Resolution. The proposed Resolution largely mimics a similar Resolution passed by the Champaign-Urbana Joint Cable and Telecommunications Commission, by which the Commission recommended to the City Council of Urbana and Champaign that the City's respective franchise agreements be amended and that the limited exemptions be authorized. A copy of the Commission's recommendation is attached.

The proposed Resolution differs slightly from the Commission's recommendation. The differences are the conditions set forth in Section 2(e) of the proposed Resolution. Those differences are designed to clarify what was discussed by the Commission as the inevitable result of the fact that a single cable system serves the two cities under separate franchise agreements: either City, independently of the other, can revoke the exemption, with the result that the exemption would be revoked for the entire system.

I anticipate that at least one official from the Urbana Fire Department will be on hand at the meeting of the Committee of the Whole on February 11, 2001 to answer any questions.

RESOLUTION NO. 2001-01

A RESOLUTION

RECOMMENDING AN AMENDMENT TO THE

CHAMPAIGN-URBANA CABLE TELEVISION FRANCHISE

AGREEMENTS EXEMPTING CERTAIN BROADCAST STATIONS
FROM THE EMERGENCY ALERT SYSTEM OVERRIDE REQUIREMENTS

WHEREAS, the cable television franchise agreements between the City of Champaign and Insight Communications of Indiana, and the City of Urbana and Insight Communications of Indiana contain the following requirement:

> **"Within six (6) months of the effective date of this Franchise** Agreement, Grantee shall provide the system capability to transmit an emergency alert signal to all participating sub-scribers, in the form of an audio override capability to permit Grantor to interrupt and cablecast an audio message on all channels simultaneously in the event of disaster or public emergency."

WHEREAS, the 1996 Cable Act allows for certain channels to seek an exemption from this requirement; and

WHEREAS, by mutual agreement the franchisee and franchisers may allow for such exemptions; and

WHEREAS, the METCAD Manual Override System remains in place; and

WHEREAS two stations, WCIA and WICD have requested exemption from the override requirement; and

WHEREAS representatives of those stations have met with representatives of the Cities's public safety departments and the Joint Cable and Telecommunications Commission to develop procedures for announcement of emergencies by the two stations; and

WHEREAS, the 2 stations, WCIA and WICD, will pay for all equipment and maintenance required to exempt the stations from the Automatic E.A.S. Override; and

WHEREAS, the exempt status will be reviewed every 6 months to ensure proper information is broadcast to local residents.

NOW THEREFORE BE IT RESOLVED THAT THE CHAMPAIGN-URBANA JOINT CABLE AND TELECOMMUNICATIONS COMMISSION recommends the following:

<u>Section 1.</u> That the Cities of Champaign and Urbana and the franchisee, nsight Communications of Indiana, mutually agree to amend the franchise agreements at sections 3.3 to allow requesting broadcast stations, specifically WCIA and WICD, to become exempt from the system-wide E.A.S. override, as follows with underlined text indicating new language:

> "Within six (6) months of the effective date of this Franchise Agreement, Grantee shall provide the system capability to transmit an emergency alert signal to all participating subscribers, in the form of an audio override capability to permit Grantor to interrupt and cablecast an audio message on all channels simultaneously in the event of disaster or public emergency. <u>The Grantor may provide exemption to this requirement upon such terms and conditions as it deems appropriate and reasonable to protect public safety.</u>"

<u>Section 3</u> That limited exemption from the Automatic E.A.S. Override be granted by the City Councils for only two stations, WCIA and WICD, as follows:

(a) The two stations, WCIA and WICD, shall be exempt only from weather-related Automatic E.A.S. overrides; and

(b) Each station will broadcast every weather-related warning no more than two minutes after the station's first notification of the warning by the authorized agency (National Weather Service, ESDA, etc.); and

(c) Each station must continue the automatic E.A.S. interruption for federal, state and local test and emergency messages; and

(d) The two stations, WCIA and WICD, will pay for all equipment and maintenance required to implement and maintain the limited exemption from the Automatic E.A.S. Override and, if required, to reinstate the full E.A.S. overrides; and

(e) The success and effectiveness of the limited exemption shall be reviewed by local public safety officials (the Fire Chiefs of the cities of Champaign and Urbana, and the Coordinator of the Champaign County Emergency Services and Disaster Agency) as often as deemed appropriate by those officials, and at least once every six months. Such review may be by public comment or personal observation of the officials. Upon a determination by the public safety officials that the limited exemption or its implementation by the stations does not adequately protect the public safety, the Fire Chief (or designee) of either City may revoke the limited exemption by notifying the stations in writing and requiring the stations to immediately reinstate the full E.A.S. overrides. The stations may appeal any such decision of the public safety officials to the mayor of that respective City, and then to the City Council of that City. The pendency of an appeal shall not excuse a station from immediate compliance with a notice to reinstate the full E.A.S. override.

Section 3 That Chairman Peterson forward this Resolution to the Cities of Champaign and Urbana for consideration at the next possible meeting date.

RESOLUTION NO. _______________

PASSED:

APPROVED: ________________________
Chairman

ATTEST: ___________________________
Vice Chairman

APPROVED AS TO FORM:

____
City Attorney

____
City Attorney

RESOLUTION NO. 2001-02-006R

A RESOLUTION AUTHORIZING THE MAYOR TO ENTER AN AGREEMENT TO AMEND THE CABLE FRANCHISE
(Emergency Alert Signal Overrides)

WHEREAS, the cable television franchise agreements between the City of Urbana and Insight Communications of Indiana, and the City of Champaign and Insight Communications of Indiana, each contain the following requirement:

> **“Within six (6) months of the effective date of this Franchise** Agreement, Grantee shall provide the system capability to transmit an emergency alert signal to all participating subscribers, in the form of an audio override capability to permit Grantor to interrupt and cablecast an audio message on all channels simultaneously in the event of disaster or public emergency.”

and

WHEREAS, by mutual agreement the City of Urbana and Insight may allow for exemption from this requirement within the City of Urbana; and

WHEREAS, the METCAD Manual Override System remains in place; and

WHEREAS two stations, WCIA and WICD, have requested exemption from the override requirement; and

WHEREAS representatives of those stations have met with the Cities’s public safety officials and the Coordinator of the Champaign County Emergency Services and Disaster Agency, and representatives of the Joint Cable and Telecommunications Commission, to develop procedures for announcement of emergencies by the two stations; and

WHEREAS, the 2 stations, WCIA and WICD, will pay for all equipment and maintenance required to exempt the stations from the Automatic E.A.S. Override and to reinstate the Automatic Override; and

WHEREAS, the exempt status will be reviewed at least every 6 months to ensure proper information is broadcast to local residents; and

WHEREAS, the Joint Cable and Telecommunications Commission, by resolution passed at its meeting of January 24, 2001, has recommended approval of the proposed amendment; and

WHEREAS, the Joint Cable and Telecommunications Commission, by the resolution passed at its meeting of January 24, 2001, has recommended approval of a limited exemption from the E.A.S Override for two stations, WCIA and WICD, subject to certain conditions;

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

Section 1. That the City hereby authorizes the Mayor to execute an agreement with Insight Communications to amend the franchise agreement as follows, with underlined text indicating new language:

> "Within six (6) months of the effective date of this Franchise Agreement, Grantee shall provide the system capability to transmit an emergency alert signal to all participating subscribers, in the form of an audio override capability to permit Grantor to interrupt and cablecast an audio message on all channels simultaneously in the event of disaster or public emergency. <u>The Grantor may provide exemption to this requirement upon such terms and conditions as it deems appropriate and reasonable to protect public safety.</u>"

Section 2. Upon complete execution of an amendment to the Franchise Agreement, the City hereby further authorizes a limited exemption from the Automatic E.A.S. Override for two stations, WCIA and WICD, as follows:

(f) The two stations, WCIA and WICD, shall be exempt only from weather-related Automatic E.A.S. overrides; and

(g) Each station will broadcast every weather-related warning no more than two minutes after the station's first notification of the warning by the authorized agency (National Weather Service, ESDA, etc.); and

(h) Each station must continue the automatic E.A.S. interruption for federal, state and local test and emergency messages; and

(i) The two stations, WCIA and WICD, will pay for all equipment and maintenance required to implement and maintain the limited exemption from the Automatic E.A.S. Override and, if required, to reinstate the full E.A.S. overrides; and

(j) The success and effectiveness of the limited exemption shall be reviewed by local public safety officials (the Fire Chief of the City of Urbana, who may consult with the Fire Chief of the City of Champaign and with the Coordinator of the Champaign County Emergency Services and Disaster Agency) as often as deemed appropriate by those officials, and at least once every six months. Such review may be by public comment or personal observation of the officials. Upon a determination by the Fire Chief that the limited exemption or its implementation by the stations does not adequately protect the public safety or does not otherwise comply with the terms of this authorization, the Fire Chief (or designee) may revoke the limited exemption by notifying the stations in writing and requiring the stations to immediately reinstate the full E.A.S. overrides. The stations may appeal any such decision of the Fire Chief to the Mayor of the City of Urbana, and then to the City Council. The pendency of an appeal shall not excuse a station from immediate compliance with a notice to reinstate the full E.A.S. override.

Section 3. That the Mayor and City Attorney are hereby authorized to take all actions necessary to effectuate the preceding.

PASSED by the vote of the City Council this _______ day of ____________, ________.

____
Phyllis Clark, City Clerk

APPROVED by the Mayor this _________ day of _______________, _____________.

____
Tod Satterthwaite, Mayor

ORDINANCE NO. 2001-02-011

AN ORDINANCE
RELATING TO CIVIL SERVICE
(POLICE CORP CADET)

WHEREAS, it is desirable and in the best interest of the City of Urbana, Illinois to revise and update its Civil Service System; and

WHEREAS, the current Section 2-99 of Article V, Chapter 2 of City Code is not wholly consistent with the City's desire to expand and open its employment process to a greater number of qualified candidates; and

WHEREAS, the proposed changes in the Civil Service Code will provide additional flexibility in the hiring of Police Officers; and

WHEREAS, the additional flexibility will allow the City to continue to pursue and expand its firm commitment to staffing the Urbana Police Department with the best Officers the City can recruit; and

WHEREAS, a program known as the Police Corps Cadet program was established by the federal government, beginning in 1997, to encourage more individuals to go into police work and to enable local governments to hire more police officers; and

WHEREAS, the first graduates of the Police Corps Cadet Program will graduate in June of 2001 from Western Illinois University; and

WHEREAS, a successful candidate in the Police Corps Cadet Program will be at least 21 years of age, a U.S. citizen, a college graduate with a 4-year college B.A. degree in Criminal Justice, will have successfully graduated from the Illinois State Police Training Academy, and will be state-certified as a police officer with no experience; and

WHEREAS, the federal government will pay a $10,000 annual salary supplement to the agency that hires these cadets for four years; and

WHEREAS, a job candidate’s successful completion of the Police Corps Cadet Program is an excellent indicator of dedication, ability, skill, and reliability in the performance of duties in the City’s Police Department; and

WHEREAS, the City elects to further clarify its exceptions, pursuant to its Home Rule authority, to the provisions of Division 1, Article 10, of the Illinois Municipal Code, 65 ILCS 5/10-1-1 et seq.;

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

Section 1. Section 2-99, paragraph 2.d. of the Urbana City Code is hereby amended to read as follows, with underlined text indicating new language, strikethrough text indicating language to be deleted, and plain text indicating unchanged language:

2.(d) Any individual who is certified by the State of Illinois Law Enforcement Training and Standards Board or its designated equivalent and who has completed two years of consecutive, full-time service as a Police Officer, and is currently employed as a Police Officer, with any law enforcement agency and who is not on probationary status, shall be certified by the Civil Service Commission for immediate eligibility for appointment as an Urbana Police Officer.

Any individual applicant who is a successful graduate of the federal Police Corps Cadet Program shall be certified by the Civil Service Commission for immediate eligibility for appointment as an Urbana Police Officer.

All individuals appointed pursuant to this paragraph shall be subject to the probation requirements of 2-99(4) and all other probationary requirements that otherwise apply to newly-hired police officers, and must successfully pass the pre-placement background review, medical, psychological, and physical fitness exams required for all entry level Police Officers.

Section 3. The Civil Service Commission shall, by rule,

- provide for the concurrent certification of individuals from the eligibility register and from the pool of experienced Police Department applicants and Police Corps Cadet Program applicants; and
- provide for the certification of individuals solely from the pool of experienced Police Department applicants and Police Corps Cadet Program applicants in the event that no valid eligible register exists.

No experienced applicant or Police Corps Cadet Program applicant under this section shall remain eligible for appointment longer than one (1) year after the date of application, unless the applicant reapplies.

Section 4. This Ordinance shall become effective immediately upon its passage as required by law.

This Ordinance is hereby passed by the affirmative vote, the “ayes” and “nays” being called, of a majority of the members of the Urbana City Council at a regular meeting of the Council.

PASSED by the City Council this ___ day of ___________, ____.

AYE:
NAY:
PRESENT:

____
Phyllis Clark, City Clerk

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

____
Tod Satterthwaite, Mayor

Multi Year Plan Table of Contents

PURPOSE

The purpose of this plan is to establish a multi-year financial framework for this Administration. The policies and assumptions herein are to be utilized in budget and service delivery decision-making. This document provides a plan and policies which will maintain a predictable level of services, hold property tax rates at current levels and undertake significant building and capital improvement projects necessary to fulfill the mission of the City of Urbana. The plan contains detailed financial projections and descriptions of the purposes and uses of the City's general operating funds and special funds. It is anticipated that this plan will be updated annually and distributed in advance of the publication of the City's annual budget.

Mayor Tod Satterthwaite
February, 2001

STAFF GOALS

Urbana's municipal services are important to people in the community because they:

- ❍ Fulfill essential public needs that citizens are generally unable to provide for themselves; and
- ❍ Protect the public health, safety and welfare for present and future generations in areas not addressed by special service districts; and
- ❍ Enhance the quality of life we all enjoy in ways that are affordable and cost-effective.

In providing services, our staff reflects and promotes the following:

Enthusiasm

Everything we do is aimed at providing service to the public, either directly or indirectly. Each person has an important job to do and helps build an effective team. We can be justifiably proud of what we do for the community and how we do it.

Progress

Urbana is a leader. Innovation and creativity are encouraged, and we are not afraid to be first. We are also sensible and careful, and well prepared to back up new ideas with facts. Being a leader involves more responsibility for actions, not less.

Respect

Everyone and everything has a value and on that basis deserves to be treated with respect. Corrective actions are steps necessary to achieve positive results. There is a strength in legitimate diversity, and we accept and appreciate such factors that distinguish between different segments of our population. Equal opportunity is more than a law, it is an attitude.

Effectiveness-Efficiency

We need to be effective in achieving results and prioritizing our efforts and efficient at the same time to stretch our resources. In doing things, we take pride in a personalized approach in which we are ever mindful of the human aspects of service delivery.

Quality

It is better to do fewer things and do them all well than to try to do too much and do everything poorly. Our concern for quality is reflected in every aspect of our work, which in turn affects our community and our environment.

Safety

We strive to provide a safe community for citizens and a safe work place for ourselves and co-workers. All the benefits of other efforts are lost to someone who suffers an injury as a result of violence or accident. Safety is a concern in all we do.

Everyone has a role in our success. Thanks for your contribution!

PLAN MODIFICATIONS & HIGHLIGHTS

- General Operating Funds Revenues and Expenditure Projections have been updated given the excellent growth in revenues experienced the last 2 years and a lower than projected expenditure level in the current year. For last year, revenues exceeded expenditures by $2.1 million, as contrasted with projected $1 million in last year's plan. Last year's plan projected that by 2003, revenues and expenditures would equal each other. Current projections now have delayed that point 2 more years to 2005. (see 5 Year Financial Operating Funds Projections Section and the General Operating Funds Section of this report).

- Real Estate Tax: Because of employee cost savings coupled with revenue growth in other sources such as sales and income taxes, the city has been able to gradually reduce the real estate tax rate from $1.58 to current $1.37 over the last six years. This is desirable due to the fact that the overall tax rate (including school district, park district and other overlapping governments) paid by Urbana citizens is approximately 12.5% higher than Champaign. A homeowner of a home that costs $150,000 will pay $480 less annually in property tax if the home is in Champaign than Urbana. We are recommending a 4.4% reduction in the city's property tax rate to $1.31 from the current $1.37. This $1.31 rate will match the rate levied by the City of Champaign. This recommendation is being made with the belief that it is possible to maintain a $1.31 rate over at least the next 4-5 years and still maintain the long-term financial viability of the City because of a number of reasons: (1) other city revenues have grown and are projected to generate monies sufficient to allow this reduction, (2) the City's assessed value has averaged a 5.7% annual growth over the last 10 years and 6.7% over the last 3 years, (3) this reduction will further increase growth in housing starts and assessed value, (4) due to cost savings and efficiencies the city will be able continue current services at reasonable cost increases, and (5) beginning in 2004-05, the property tax portion of the City's TIF District One will terminate and the city's share of these property taxes will revert back to the City (an additional $102,000). We believe reducing the property tax would be the most effective step in stimulating home construction.

- Capital Improvement Plan Transfers: Because, the City's operating funds revenues have exceeded expenditures in the past, the City has been able to contribute monies, in addition to the normal annual amount, to the capital improvement funds to meet expanding obligations in infrastructure needs (streets, sewers, lighting system). For planning purposes, these transfers should be considered of a one-time or non-recurring in nature. Over the last five years, the general operating funds have transferred a total of $2,070,000 in additional monies, in order to speed up various capital improvement projects. It is anticipated that an additional $1 million will be recommended in the 2001-02 budget and $1.5 million in the 2002-03 budget to meet the city's commitments relating to Route 45 and other capital improvement projects.

- The Economic Development and General Reserve Funds: The balance at June 30, 2001 and at June 30, 2006 is estimated to be approximately the same, $2.8 million.

- Library Funding: Assumes total expenditure increases at approximately same rate as general City operations. These projections assume that additional operating costs from a bigger library building will be offset by economies of scale and from efficiency improvements that will be allowed by the design of the building. Last year, the City and Library Board came to agreement on a financing plan for a significant addition to the Library facility. This agreement calls for the City to contribute $4.25 million, the Library Foundation to raise $1.5 million, and state grants of $350,000 for a total basic project of $6.1 million. If the Foundation is able to raise an additional $500,000, the City has agreed to contribute an additional $250,000 for a target project of $6.85 million. We are very confident that the City's financial position will provide monies necessary to meet the city's commitments in regards to the Library facility funding plan (see Other Special Funds, Building Fund section of this report).

- City staff will shortly be asking approval from The City Council for a program that will subsidize owners of new single-family homes that are constructed over the next 2 years. This subsidy will reduce the property tax on these homes to the same amount the homeowner would be paying if the home was built in Champaign. The cost of this program is being paid by the Urbana School District, Park District, and Cunningham Township. These three governments have a tax rate that is higher than their counterpart in Champaign. It will important to see if this program in conjunction with other new retail development programs designed to encourage home sales can have an impact on the relatively slow number of new homes being built in Urbana.

- Last year, the City Council approved a plan to phase in the loss of a grant that paid for a portion of a transitional housing program. Monies that were used to fund social service agencies were shifted to continue the transitional housing program. Council members agreed to maintain social service agency spending at a constant level until the city's contribution which would increase each year with inflation caught up to the higher level of spending. Because of some unused allocations, it is projected that spending can increase 2% annually during this time.

- The City is in the second year of expanded curbside recycling to multi-family units. This service is being provided through a contract with a private collection company and is financed through a fee paid by the owners of the housing units. This contract as well as the contract for single-family collection both expire April 1, 2002.

- Workers' Compensation Costs: Last year, the City continued to experience a very favorable claim experience in it's worker's compensation self-insurance program. In the seven years of the program, it is projected that the City will have saved $3.5 million from the amount the City would have paid in normal insurance premiums. When the program was started in 93-94, the City transferred to a special fund the amount that it would have been paying for conventional insurance and paid for all costs of the program out of this fund. In 98-99, the general fund's contribution to this fund was reduced 50% (approximately $300,000). This savings was reflected in a lower general fund expenditure level. We project that this fund will have $2.8 million at June 30, 2001. We are recommending an additional reduction of $150,000 in the amount of money transferred from general operations in the FY2001-02 budget.

- Even thought the long-term financial position of the City of Urbana has probably never been better than it currently is, there are always threats to our financial future. The City has been able to effectively mitigate some of these. Other potential threats remain. Some of these threats were and are:

  - In 1999, there was a contemplated request by Carle Clinic, which is the largest property tax payer in the City, to change it's property tax status to "non-profit", meaning that the City of Urbana and other overlapping governments would lose approximately 5% of property tax revenue. Eventually, Carle announced that it was not going to request a change in it's tax status at this time. It is quite possible that this concern may be raised again by Carle in the future. A successful change in tax status by Carle would probably have meant some combination of reductions in service level and increases in other revenues.

- In 2000, the City of Urbana was faced with the threat of "Big Grove". Big Grove was the name of a proposed new municipal government which would surround Urbana's city limits to the east and north. If this new government had been able to be formed, Urbana would have been virtually surrounded and any future expansion would have been impossible. The organizers of the Big Grove initiative were not successful and the proposal was not approved by Champaign County. As a result of the Big Grove threat, Urbana has rapidly annexed significant properties to our north and east. These properties should provide additional revenues that will allow Urbana to grow and prosper in the future.

- The City's only new car retail dealer and a major sales tax producer is University Auto Park (UAP). UAP has announced it's desire to relocate from it's current downtown Urbana location. The City believes it has reached an agreement with UAP in which they build a new dealership facility within the City limits. This agreement will be extremely important to the future financial health of the City.

- Of additional concern is the successful operation of Lincoln Square and Bergners, as another major sales tax producer. Planned expansion by the University of Illinois could also reduce the property tax base by several million dollars. Of importance in being able to effectively deal with these major potential revenue losses is the City's General Reserve Fund. This fund can provide time to replace lost revenues or to phase in service reductions if required.

- Changes in state law regulating tax incremental financing districts has reduced transfers from the TIF districts to reimburse the General Fund for labor and administrative charges incurred in managing and administering the TIFs. This reduction has reduced general fund revenues by approximately $35,000.

FINANCIAL CONDITION

The overall fiscal position of the City of Urbana remains sound. The underlying factors contributing to City's sound position, both long-term and short-term are as follows:

1. A stable state economy and a local economy insulated from the peaks and valleys of economic cycles due to a dominance by the University of Illinois and government payrolls, agriculture and a steadily growing regional health care industry.

2. Stability in revenue mix of real estate, utility and sales taxes, user fees and government transfers. City policy is to fund basic governmental services that provide a benefit to the entire community from general revenues. A service in which a specific benefit can be measured for a specific user shall be funded from user fees and charges, if reasonable and practical. The schedule of user fees shall be reviewed annually and adjusted if costs warrant, also considering what other governments or private industry may charge for comparable services.

3. Relative stability in continuance of federal and state revenue sharing such as community development block grant and state income tax payments.

4. Insignificant municipal debt other than revenue-backed TIF bonds. Currently, no debt service is being retired by property taxes. The City policy is to pay for capital improvement projects with available cash. The City may lend it's general obligation debt guarantee to revenue supported debt if interest costs can be reduced. Inter-fund borrowing will be considered where the borrowing may reduce costs and staff time, when the borrowing will not adversely impact other planned expenditures or needs, and when the level of reserve funds are not reduced to the point where the City's bond rating or ability to respond to unusual emergencies may be affected.

5. Continued strong emphasis by the Administration on utilization of new technologies and innovative ideas in order to control costs and adapt to changing municipal priorities and needs. An example was adoption of a 12 hour work shift in the Police Department. This allowed a more efficient manning schedule that permitted more officers to be at work during period when the public requirement was highest.

6. Satisfactory financial reserves (see section on general reserve funds in this plan for further explanation).

7. EAV Growth: Urbana's Equalized Assessed value (EAV) is important because as EAV grows, the total amount the City receives from property tax can be increased without increasing the amounts paid by individual homeowners. Growth in the EAV occurs because of two reasons:

   (1) Annexations, new construction and improvements to real estate. The City wants to be able to capture property tax on these properties for it represents new additional revenues, it may increase service costs in the form of additional public safety or public works maintenance over the long-term, and it will lead to lowering the taxes paid by current homeowners.

(2) Inflationary increases in the value of current real estate. EAV by law is supposed to increase proportionally (1/3) as the fair market value of the property increases.

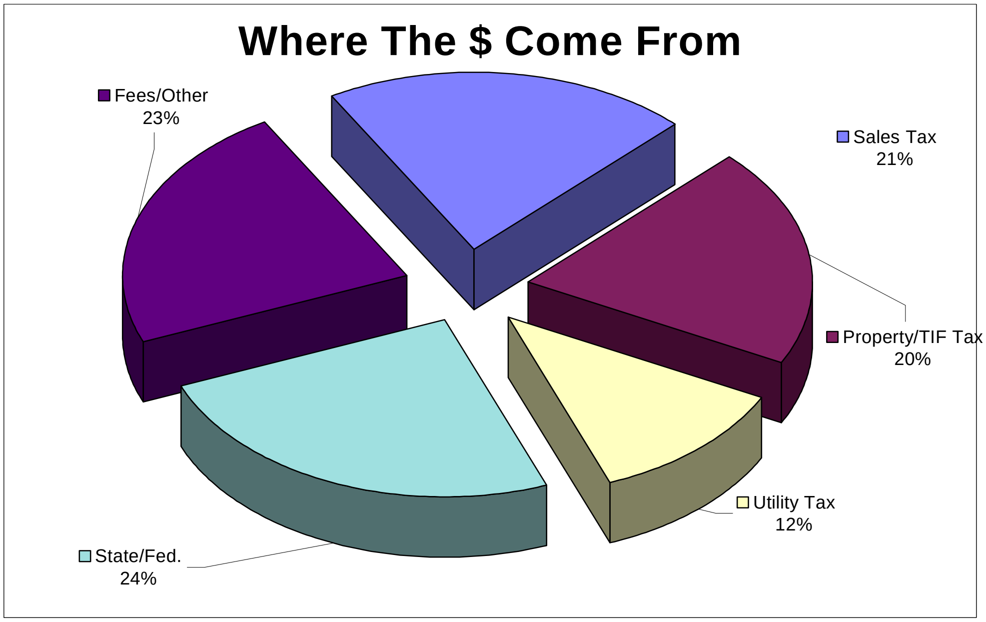
Mainly because the City has aggressively pursued annexations and economic development projects where the cost/benefit analysis warranted, the city's EAV has increased an average of 5.6% annually over the past 5 years. It is not unwarranted to expect EAV growth in next few years to continue at similar rates.

TRENDS AND INFORMATION AFFECTING FINANCIAL PLANNING

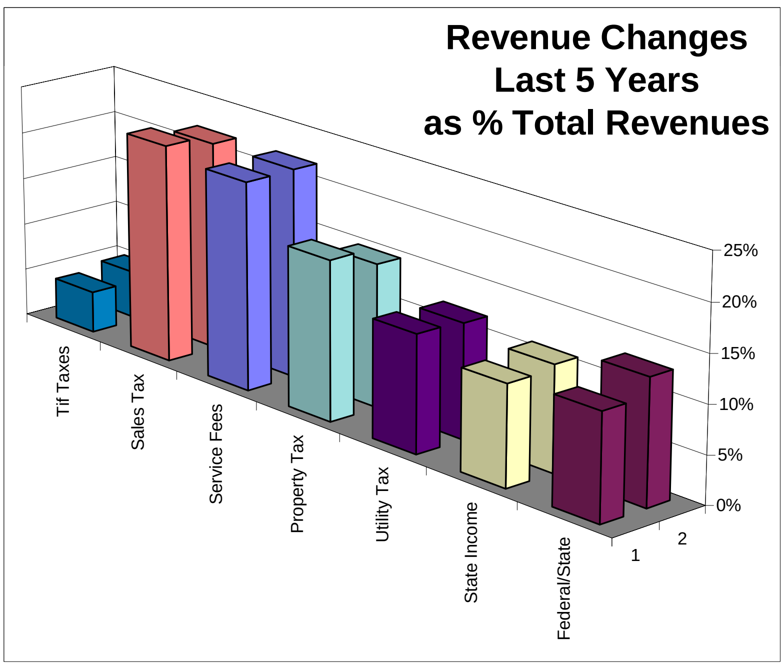
Trends in revenue growth, revenue diversification and operating costs are the factual basis on which multi-year financial planning assumptions are derived. The following information while largely historical, is a good indicator of future financial trends.

Diversity of Revenues:

It is generally held that the diversification of municipal revenue sources is positive to the extent that it provides greater stability in annual service levels and in tax rates. The City of Urbana obtains revenue from multiple sources and is not dependent on any single source of revenue to fund operations. This diversity will help make projecting future revenues more reliable and will allow for steadier revenue growth. The two charts to the right illustrate the relative relationship between tax sources in Urbana.



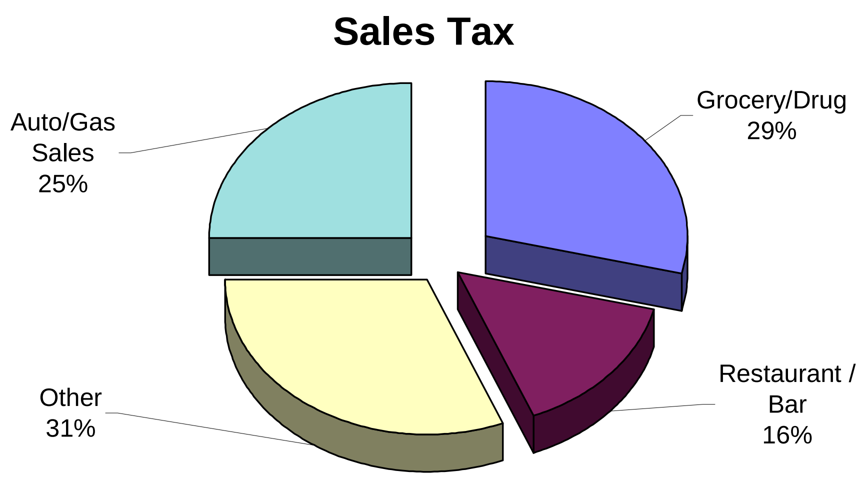
There has been very little change in the relative importance each of these types of revenues have to the total revenues for the City over the past 5 years. Revenues from Federal/State grants and entitlements have increased 2%, mainly due to a higher level of federal grants used to improve and enhance the quality of affordable housing and housing supporting activities for lower income persons. There is a smaller reliance on the property tax (decrease of 2%) as the City has endeavored to lower the property tax rate. Greater reliance will probably be placed upon service fees in the future, as the public generally seems more willing to finance increased service levels with a dedicated revenue source

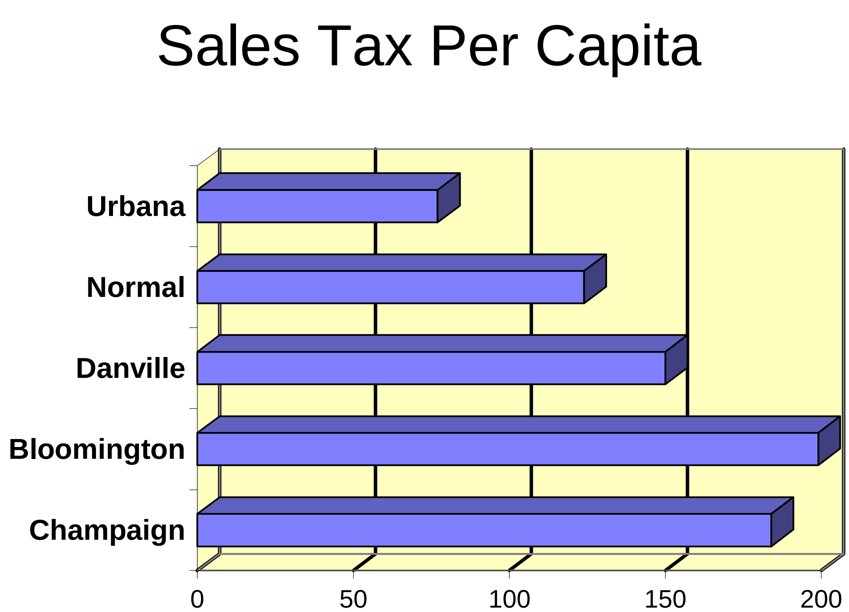


rather than an increase in another tax such as the property tax. The income tax is often indicated in taxpayer surveys as the most preferable form of taxation. However, in Illinois, the amount received by local governments from the income tax is determined by State law.

Sales taxes:

Sales tax revenue produces roughly 29% of general fund operating revenues and 22% of the total annual revenues of the City. Of note is the percentage of sales tax in Urbana that is generated from sales of groceries, medicines, restaurants and bars. This percentage is 45%, which is considerably higher than the state average of 33% and the average in Champaign County of 21%. The pie chart to the right illustrates the relationship between sources of retail tax generators for the City of Urbana, compared to state average. It is obvious from the chart that Urbana faces a challenge in producing sales tax from the 'other category'. This category includes receipts from general merchandise sales, which includes durable goods, clothing, construction materials and general retailing. Much of the disposable income from Urbana residents is spent in Champaign on such items. The chart to the left illustrates that Urbana is last in a comparison of taxable sales as a percent of population of selected cities in downstate Illinois. It is important for economic development planning to attempt to increase, where appropriate, the opportunities for Urbana citizens to do their retail shopping in Urbana. If Urbana was able to increase their sales tax to the state average of $179/person instead of the current $77. the annual sales tax would increase $3.6 million, which is approximately 84% of Urbana's total property tax revenues.

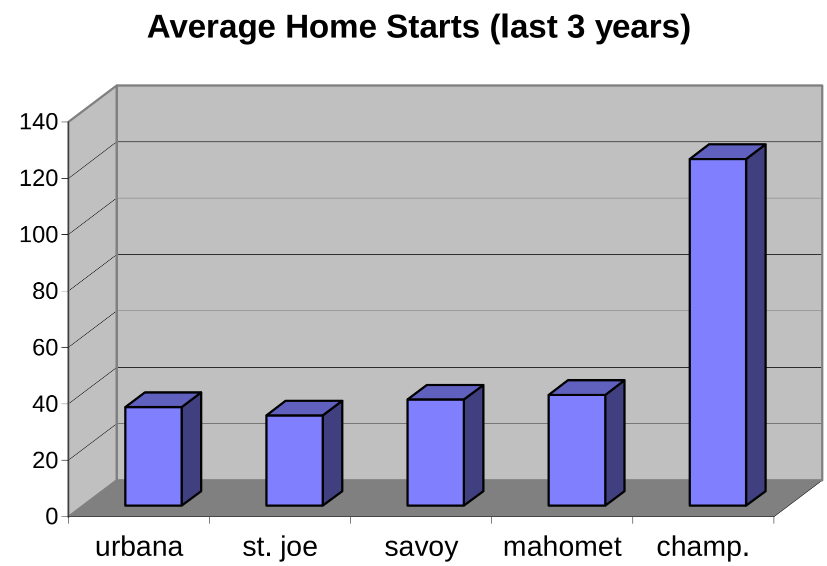


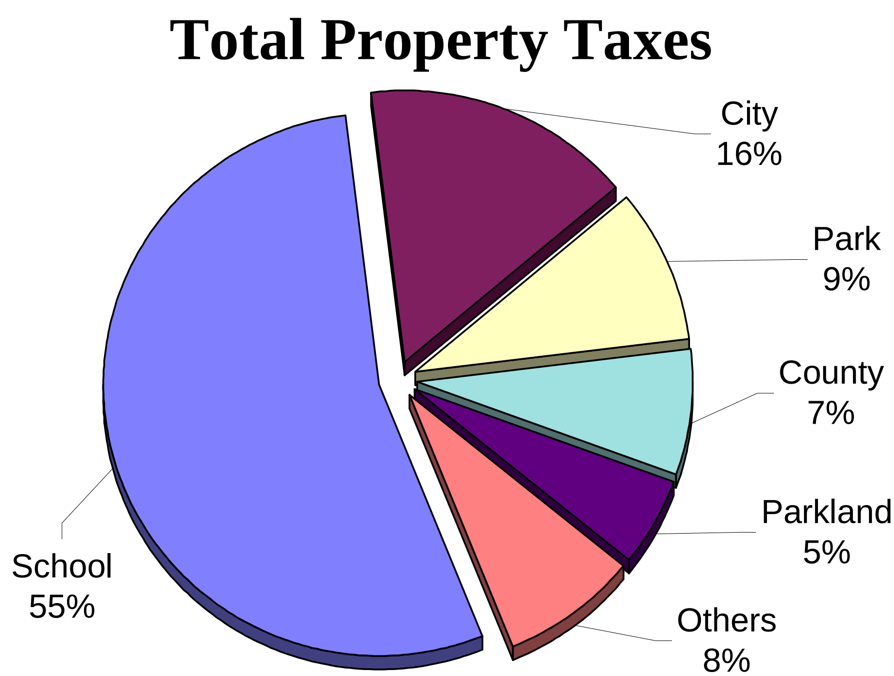


Property tax:

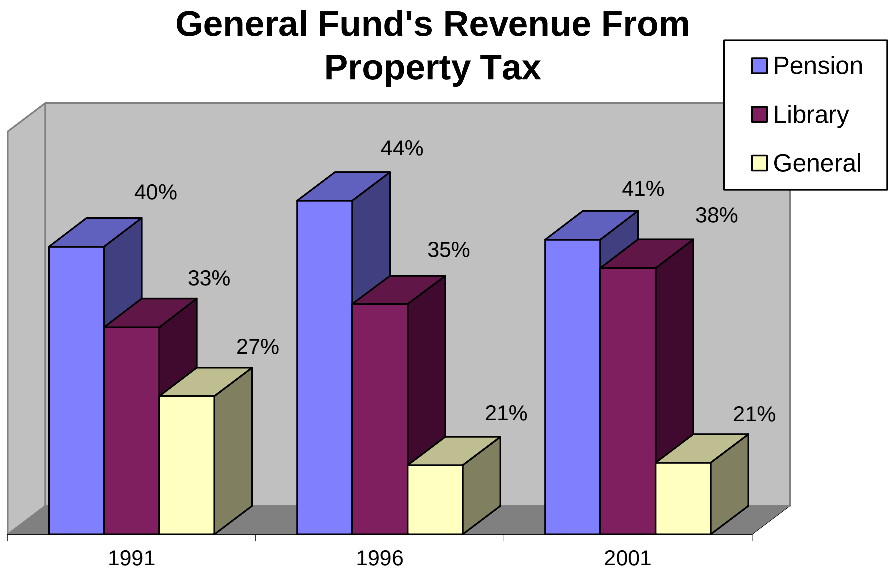
The property tax is one of the most visible and unpopular taxes imposed by the City. It is mentioned by home builders and home buyers as one of the primary reasons that Urbana averaged only 33 new home starts annually over the last 3 years. (see chart at right). A homeowner of a home in Champaign that costs $150,000 paid $480 less in property tax than an Urbana homeowner. We believe reducing the property tax would be the most effective possible step in stimulating home construction.

The City is responsible for the 16% of the total property tax bill. The government that utilizes the largest share of the property tax is the School District, accounting for 55% of the total, as presented in the chart to the right.



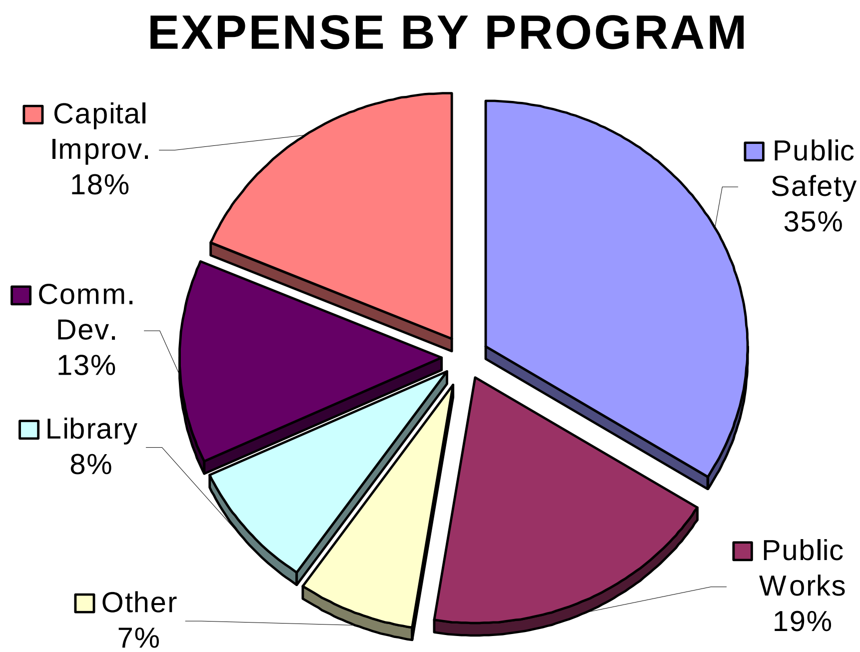


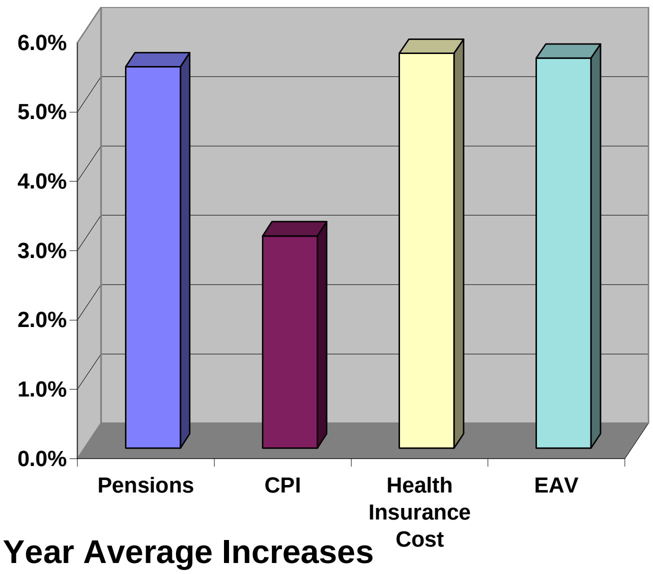
Because the costs of employee pensions and the Library has historically been funded by property taxes, the amount of property taxes funding general services has steadily declined to the point where the percentage of the property tax spent on general operations has shrunk to 21% (27% ten years ago).



Expenses:

Public safety (Police and Fire) is the largest expenditure (35% of total expenditures) followed by Public Works (19%). The pie chart to the right illustrates the current relationship of expenditures by program. In looking at these functional % 10 years ago, there has been 3 major changes: (1) Public Safety has increased it's % due mainly to the additional fire safety services provided to the University (2) Community Development has increased relating to increased target area housing improvements and social programs, and (3) the City has dramatically increased it's annual contribution for major capital improvements (streets, lights, sewers).



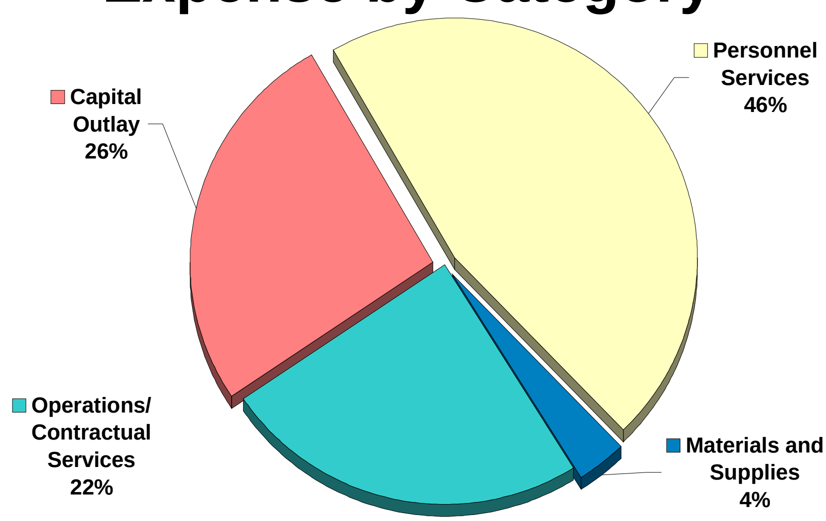


5 Year Average Increases

Over the last 10 years, the City has experienced favorable rates of increase in certain major costs and EAV, although it appears that these costs are beginning to rise above the rate of inflation again. Growth in EAV has been approximately 5.6%; the rate of growth in the C.P.I. has remained relatively low and, the City has been aggressive in negotiating increases in the cost of health insurance. However, the costs for health insurance and pensions has still risen 7%.

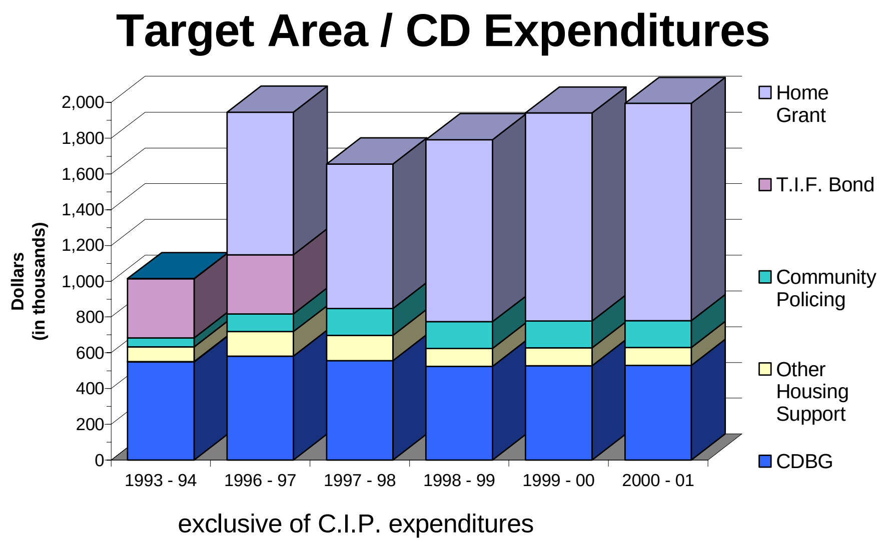
Pensions and employee insurance are especially critical to the City because 46% of the total city budget and 73% of the general operating fund budget is in the category of personnel costs.

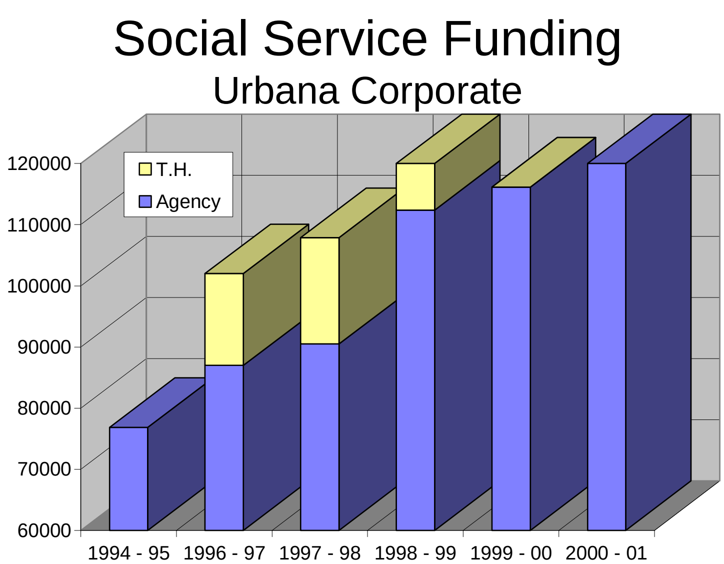
Expense by Category



Target Area and Social Service Spending:

General funds budgeted for target area activities has increased significantly from 7 years ago, although the amount has remained steady over the last 3 years. For the most part this is accounted for in the HOME and HOME Consortium grant proceeds. The chart to the right illustrates the financial commitment to target area activities.



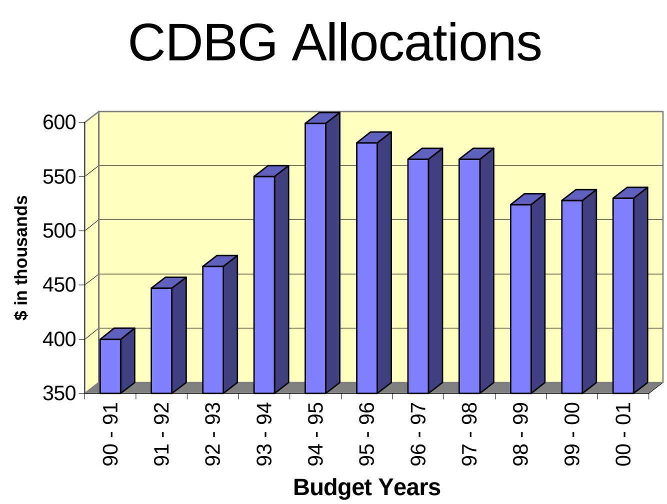


Social Service Spending:

While a relatively small amount of money, general fund social service spending (excluding transitional housing funding) has increased approximately equal to inflation over the last four years. Because the fund has a cash balance left from phasing out of the transitional housing grant, it is anticipated that social service agency funding will increase approximately 2% each year over the next 5 years. The contribution from the general fund will increase 4%. This will allow the city contribution and the spending level to be in balance in 2007.

Block Grant Allocations

Federal Community Development Block Grant monies increased considerably from 1989 until 1995. It then began decreasing for the next 4 years until 1999. Since then, the amount has been almost constant.



GENERAL OPERATING FUNDS

For financial planning purposes, the City includes all costs and revenues that it defines as recurring, except for those programs that have their own exclusive revenue sources (ex. Equipment Services, M.V.P.S.), as part of general operating funds. This would include those reported in the General Fund (normal departmental provided services such as police and fire safety and public works) but also includes normally recurring pension funds and library costs.

General Operating Funds Revenues

Future revenues reported in the General Fund can be projected with some reasonable level of confidence but are also somewhat subject to volatility since they are dependent on the local economy (sales taxes) and dependent on the State economy (State income tax). Revenues of a non-recurring nature will be reported in the City's special funds and then may be identified to fund a non-recurring expenditure, through the budget process. The following table illustrates average revenue growth in 3 significant revenue sources over the past 5 years and projected growth over the next 3 years:

	Ave. Annual % Growth Last 5 Yrs. before New Dev.	Ave. Annual % Growth Last 5 Yrs. after New Dev.	Ave. Annual % Growth Next 3 Yrs. Projected
Sales Tax (incl. Hotel)	3.5%	4.5%	3.3%
State Income Tax	6.6%	8.4%	2.8%
Utility Tax	4.3%	5.8%	2.1%

Sales tax revenue growth has remained fairly steady over the last 5 years with an average of 4.5% increase over the last five years. We project growth at 3.3% over the next 3 years. Sales tax growth has slowed down but still remains good. We are expecting some growth due to new development, but not to the extent in the past. Car sales are an important factor in this projection.

State income tax growth has been very strong over the last 5 years, averaging 8.4% over this time. This is due mainly to strong business income growth throughout the state and well as some changes in the state formula. (State income tax is distributed based on population.) State economists are projecting a continued strong economy although not at quite the same level (growth at 2.8%) for the next 3 years.

Utility tax has experienced a 5.8% growth over the past 5 years (4.3% before taking into account new development and annexations. This growth has been mainly due to incredible growth in cellar telephone sales. We are projecting only a 2.1% growth in the immediate future, in part due to factors from the electric deregulation changes and pricing changes in natural gas.

General Operating Funds Expenditures

General Operating Fund Expenditures are typically those services that the public expects to receive from the City. They are largely controllable and predictable but for perhaps some unanticipated costs due to public safety overtime and snow removal overtime and salt materials in Public Works due to unusual winter weather. A significant portion of these expenditures (86%) are used to provide current services (sewer, street and traffic maintenance, fire and police safety, and library). The remaining 14% is used to build and replace infrastructure such as streets, sewers, streetlights, etc. Breaking down these expenditures by category shows that 74% are in personnel costs. Also reported in the General Fund are recurring transfers to other funds such as transfers for capital improvements, equipment replacement, etc. These transfers are required annually to maintain current service levels.

Multi-Year Financial Planning for General Operating Funds.

Inherent in the City's budgetary and financial decision processes is the importance of examining the impact of these decisions in a multi-year horizon (defined as 5 years in the future). To do this, the City annually updates and publishes multi-year financial projections for the general operating funds. The following assumptions have been utilized in this multi-year financial plan.

1. Property Tax: For the next year and the following 4 years, the property tax rate is held at $1.31 per $100 EAV. We have assumed 2% growth in the EAV due to annexations/new construction and a very conservative 2% growth due to inflationary impact on current property for a total increase of 4% annually. An important note is that in FY2004-05, the property tax portion of the City's first tax increment financing district will expire. This means that approximately $102,100 in additional property tax dollars will be received by the city's general operating funds.

2. Pensions: Based on actuarial needs, pension costs (Police, Fire and IMRF) increased an average of 5.5% over the past 5 years. Pension costs increase along with salary adjustments. In addition, costs have increased due to increased life expectancy and benefit enhancements. Both benefit and funding levels are controlled by the State Legislature. Since benefit levels for both the Fire and Police Pension have recently been enhanced by the Legislature, we do not anticipate any major cost increases in these two funds. There are requests from some state employee bargaining units to increase benefits for IMRF; however, governments are actively working against any significant cost/benefit increases. Pension costs are projected to increase 10% annually in the near future. This amount should be sufficient given the fact that both the Fire Pension Fund and the IMRF are both for practical purposes100% funded.

3. Cost Increases to General Fund and Library: Budget increases to provide current services in both the Library and General Fund shall be held to inflationary growth. New programs and service enhancements shall receive independent evaluation.

4. Personnel: The City has mainly limited personnel growth over the past 5 years to the Police Department (5 positions added over the past 5 years), where federal grant monies have been utilized to fund the additional personnel costs for the first 3 years; and to the Fire Department (16 additional positions added in 98-99), where the University of Illinois is reimbursing the City of Urbana for these additional costs. The City has experienced additional service demands in the areas of community development planning, computerization, legal services, and public works. Over the past 3 years, 5 additional personnel positions have been added in these areas. It may be necessary to add some additional personnel in the near future, but the total additions will be minimal and should be able to be funded within the expenditure projections.

5. Economic Development Projects: Future net new revenues (after tax rebates and estimated transfers of current sales) from economic development projects such as Farm & Fleet, Park Inn, University Auto, Stone Creek, and other new Urbana developments are conservatively factored into the projected revenue figures.

6. Wages and Health Care Costs: The labor contract for the Firefighter's Bargaining Unit expires June 30, 2001. This contract was the result of an arbitration settlement process. Agreements with the police officer's employee unit and the agreement with the city's other employee bargaining unit (AFSCME) both expire June 30, 2003. Increases under all three of these agreements averaged less than ½ of 1% higher than the annual cost of living. Non-union and bargaining unit salaries beyond contract dates are not estimated to increase materially beyond the annual increase in the cost of living.

7. Health care costs account for approximately 5% of the total personnel costs (salary, benefits, and retirement) for the city. Because the local health care environment has been fairly competitive, the City had been able to negotiate average annual increases lower than increases experienced nationally. Still, health insurance cost has increased 8% per year over the last 3 years For 2000, the cost increased 12% and the anticipated increase for 2001 is similar. Cost projections for the health care industry are significantly above inflation for the near future. We estimate that health insurance costs will increase 8% annually, for a total 4.5% annual increase in wage and health care costs for the immediately known planning horizon.

8. Public Safety Services: Increasing technological innovations are improving the service levels the public is demanding in the area of public safety (Police and Fire). The METCAD (centralized dispatching and record keeping) portion of these future expenses for equipment costs may be funded through the 911 surcharge. Assisted by a $1 million federal grant, the local law enforcement agencies that participate in Metcad were able to purchase state of the art mobile digital computers this year. This purchase should minimize additional equipment costs for at least the next few years. Operating costs for Metcad for 2001-02 are anticipated to increase at a rate similar to inflation. However, the City can expect pressure from the public for increased public safety services and costs in the future.

9. Fees and Fines Revenue: Fees and fines will be adjusted periodically to match inflationary costs, including the sewer benefit tax. It was necessary to increase sewer benefit taxes slightly above inflation over the past 3 years in order to catch up sewer repairs and maintenance. It is anticipated that normal inflationary increases in these fees and charges will be sufficient in the near future.

10. Cable Fees: Revenues from the 5% cable franchise fee are incorporated herein and assumed to be stable. The 2% PEG (Public, Educational, and Government) surcharge is accounted for in a separate fund. Projected expenses for the PEG program will not exceed the annual revenues.

11. The C-U Economic Partnership: Funding is held to current levels plus an inflation factor. The EDC and CUCVB were merged in 1994, to become the Champaign County Economic Partnership.

12. U-Cycle: Curbside recycling costs will be funded through the City recycling tax. The single-family tax was implemented in 1996 and the multi-family tax in 1999. The drop-off site was closed in 1999 when the multi-family service began. The cost for the

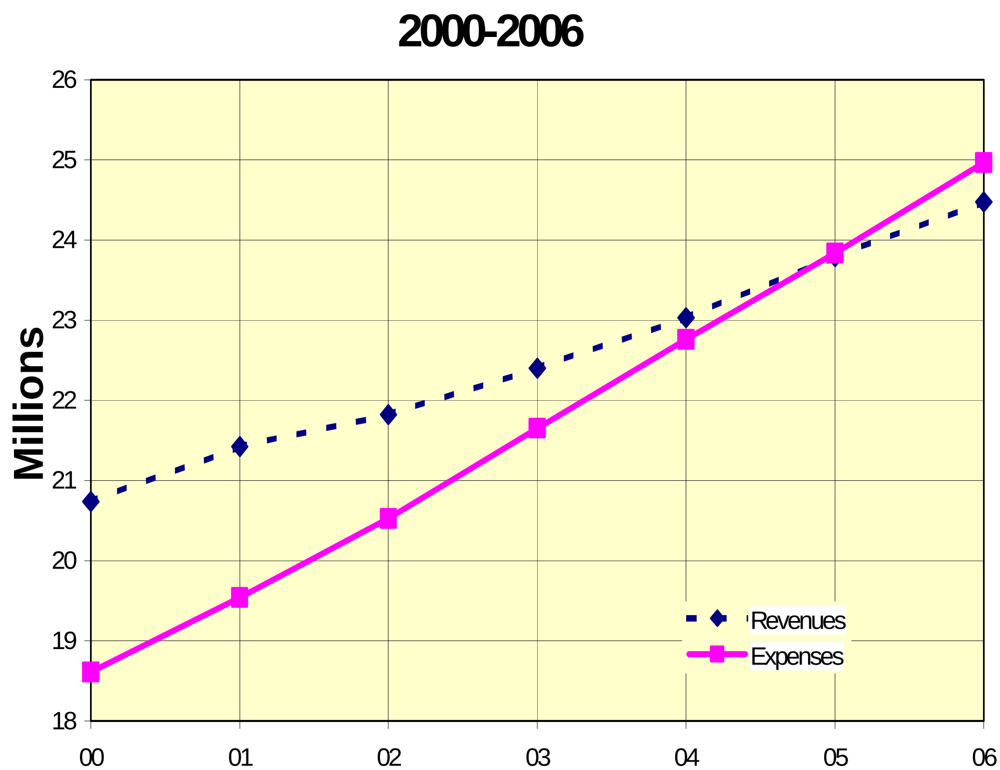
multi-family service is $33/yr and the single-family is $24/yr. The City's contracts to provide service for these programs expire in April of 2002. Since the cost under these contracts has not increased for the last 5 years for single-family and 2 years for multi-family, it may be necessary to adjust the fee associated with this service.

13. Library Expansion: Funds for expansion will be generated by private contributions and amounts set aside from the City's savings funds for this purpose. At June 30, 2000, the City has accumulated $1,944,000 in this fund. The City will contribute an additional $750,000 in 2001, $750,000 in 02, and $806,000 in 03. The Library Foundation will contribute $1.5 million, and state grants will fund $350,000. These three revenue sources will fund a basic project of $6.1 million. If the Foundation raises an addition $500,000, the City will contribute an additional $250,000 for a total target project of $6.85 million.

14. Worker's Compensation: Due to reduced claims costs, the annual general fund contribution to this fund was reduced approximately 50% in 98-99 (savings of approximately $300,000/yr.). We are recommending the current contribution be reduced 50% next year. This will mean an annual contribution of $172,000 which along with interest earnings will finance claim costs and all expenses, maintaining the fund at $2.84 million. As long as this favorable claim experience continues, the city is saving approximately $450,000 annually over what it would be paying in conventional insurance premiums.

FIVE YEAR FINANCIAL OPERATING FUNDS PROJECTIONS

Based on the above outlined measures, economic activities, and assumptions, the City's 2000-01 General Operating Funds budget projects revenues to be $1.8 million above expenses. Projected revenue increases are not expected to keep pace with the increase in the rate of expenditure growth due to inflation and other demands. As a result, this $1.8 million is projected to be reduced to $1.3 million in 2001-02, $750m in 2002-03, $225m in 2003-04 and revenues equal expenditures in 2004-05, as indicated in the chart above.



The actual numbers, which depict this chart, follow:

GENERAL OPERATING FUNDS
FINANCIAL PROJECTIONS, 01/01

PROP. TAX RATE 1.31	ACTUAL 1999-00	PROJECTED 2000-01	PROJECTED 2001-02	PROJECTED 2002-03	PROJECTED 2003-04	PROJECTED 2004-05	PROJECTED 2005-06
Normal Carryover, Prev. Year	$526,200	$547,300	$569,200	$594,814	$621,581	$649,552	$678,782
Revenues /Transfers	$15,909,233	$16,424,199	$16,824,389	$17,200,426	$17,622,246	$18,059,580	$18,509,467
Property Tax @ 1.31 rate	4,301,648	4,452,400	4,427,496	4,604,596	4,788,780	5,082,430	5,285,728
Subtotal, Rev. Prop. Tax & Carryover	$20,737,081	$21,423,899	$21,821,085	$22,399,836	$23,032,607	$23,791,562	$24,473,977
Expenses:							
Recurring Departments & Transfers	$15,666,464	$16,481,856	$17,252,149	$18,144,832	$18,997,572	$19,892,887	$20,830,793
Pension Costs	1,320,090	1,358,683	1,494,550	1,644,000	1,808,400	1,898,820	1,993,761
Library	1,624,494	1,698,300	1,779,000	1,863,500	1,952,016	2,044,737	2,141,862
Total Expenses	$ 18,611,048	$ 19,538,839	$ 20,525,699	$ 21,652,332	$ 22,757,988	$ 23,836,444	$ 24,966,416
Revenues Over (Under) Exp.	$ 2,126,033	$ 1,885,060	$ 1,295,386	$ 747,504	$ 274,619	$ (44,882)	$ (492,439)
Add Unspent Amounts	$718,718	$500,000	$522,500	$546,013	$570,583	$596,259	$623,091
Non-Recurring Carryover Prev. Years	$1,034,031	$ 1,714,624	$ 1,484,840	12	48	98	(127,307)
Non-Recurring Transfers to Reserve Funds	($1,616,858)	($2,045,644)	($2,707,900)	($671,900)	($195,600)	$0	$0
Normal Unspent Carryover	$ 547,300	$ 569,200	$ 594,814	$ 621,581	$ 649,552	$ 678,782	$ 709,327
Non-Recurring Carryover	$ 1,714,624	$ 1,484,840	$ 12	$ 48	$ 98	$ (127,307)	$ (705,982)

Special Funds Which Support The General Operating Fund

Certain activities are reported in special funds for better accounting and reporting ease but are basically financed by transfers from the General Operating Fund. Thus, assumptions and future financial spending in these areas directly impact the General Operating Fund. A description and financial summary of these funds are:

Social Service Agencies:

Accounts for payments to social service agencies: Funding is provided by a transfer from the General Operating Fund. Specific allocations will be decided prior to adoption of the annual budget. Financial details are reported in the annual budget document. Social service funding policies are:

- A single process shall be utilized for General Fund, C.D.B.G., HOME, and Township funding decisions.
- Cunningham Township obligations will not be shifted to the City.
- Funding for social service agencies is anticipated to increase at normal inflationary rates.
- Transitional housing program costs are reported and financed by the CDBG program.
- Urbana citizens shall be a direct beneficiary of the service with costs proportional to others served.

Also reported in this fund are payments for the community domestic violence initiative and for the fighting back program, two additional social service programs the city participates in. The current city contribution is $115,590, current social service spending is $130,800. Due to a transfer of cash from the Transitional Housing Fund and to some agencies not spending their allocations as budgeted, it is estimated that this fund will have $28,915 in cash at the end of the current fiscal year, June 30, 2001. This cash along with a 4.0% increase in the annual city contribution will allow the total allocation for social service agencies to be increased 2% each year until fiscal year 2006-07. At that time, all the accumulated cash will be spent and the city contribution and social service agency spending will be equal. It is then anticipated that spending and the city contribution would then go up by an inflation factor.

Equipment Services:

This fund accounts for costs of maintaining the City's fleet of vehicles and major equipment. Funding is provided by charges to each program and department based on actual maintenance costs. Costs include personnel and benefits (mechanics), parts and fuel, contractual repairs, and equipment replacement. It is anticipated that costs and charges to the city departments will increase in the future by inflation.

Vehicle and Equipment Replacement:

This fund sets monies aside to provide for the replacement of approximately $8.6 million in major equipment that is used by the city to provide services. Funding is provided by an annual charge to each department, based on average annual funding needs for replacement. Funds are set aside annually in order to meet equipment purchase needs over the next ten years, based on a detailed inventory purchase schedule. The purpose is to avoid significant fluctuations in taxing needs and to avoid borrowing to make these purchases. The current funding level of $952,000 adjusted annually for inflation should be sufficient to replace current equipment. Any new equipment needs of a material amount will require a non-recurring transfer to make the initial purchase and also an increase in the annual funding for replacement of the new item. Any new equipment needs will be evaluated individually. The financial projections assume an annual amount of $150,000 being transferred from the City's general reserve funds to the VERF for new equipment needs.

Recycling:

All ongoing recycling expenses are reported in the Recycling Fund, including costs for both the residential and multi-family U-Cycle programs (multi-family program began August of 1999). The drop-off site was closed in 1999 when the multi-family recycling pickup began. Annual costs for the residential recycling program are approximately $190,000, which is being paid by the residential recycling tax at $24/yr. Annual costs for the multi-family program are approximately $210,000, which is being paid by the multi-family recycling tax at $33/yr. It will be necessary to closely monitor the amounts raised by these taxes to ensure they are sufficient enough to pay program costs.

Costs relating to the Champaign-Urbana Solid Waste Disposal System (CUSWDS) and the costs of the Environmental Control Program are reported in the Public Works Department of the General Fund. It is expected that CUSWDS funding will not exceed $30,000 - $40,000 per year for the next ten years (for long term groundwater monitoring and periodic erosion maintenance of the closed landfill complex) pursuant to an agreement with neighboring property owners. It is assumed that the Landscape Recycling Center will continue to operate on a break-even basis. In 1997-98, the ISWDA was dissolved and Urbana's share of the assets ($81,659) was transferred to the City's General Reserve Fund.

Cable TV Public, Educational, and Governmental (PEG) FUND:

In 1994, the City of Urbana re-negotiated the local cable television franchise agreement with Time Warner. At that time, the City imposed a 2% franchise fee to pay for costs of operating PEG services on cable TV and began depositing these revenues into the PEG fund. Annual revenues from this fee are currently $86,000. Expenditures from this budget will continue to be dedicated to staffing and equipment needed to operate Urbana's PEG channel (Urbana Public Television (UPTV). The difference between revenues from this fee and operating costs (currently $33,000) are being transferred and set aside in the City's Vehicle and Equipment Replacement Fund for future PEG equipment needs. At June 30, 2001, the accumulated amount in the VERF for future PEG needs is estimated to be $148,000. The UPTV Commission and the City have identified that a future goal of the UPTV program is to provide a public access facility. It is uncertain at this time of the costs of such a facility. Monies maintained in the V.E.R.F. could be used for this purpose once an appropriate amount is reserved for replacement of currently owned equipment. These reserve monies are also earmarked for the upgrade to digital and HDTV, which the FCC is currently requiring to be completed by 2006. It is assumed that costs of providing future PEG service will not exceed revenues from the 2% franchise fee.

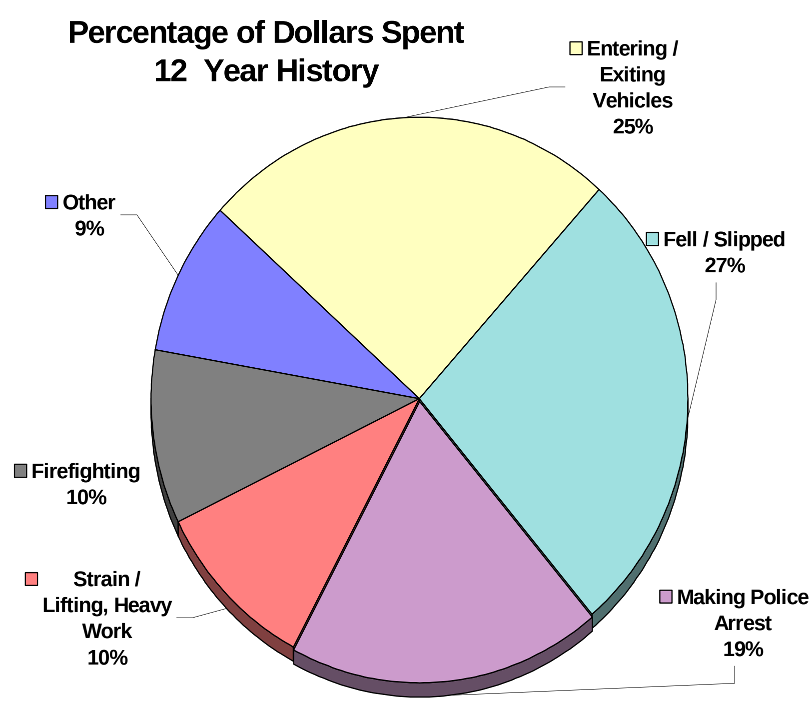
Police Records Management Fund (A.R.M.S.):

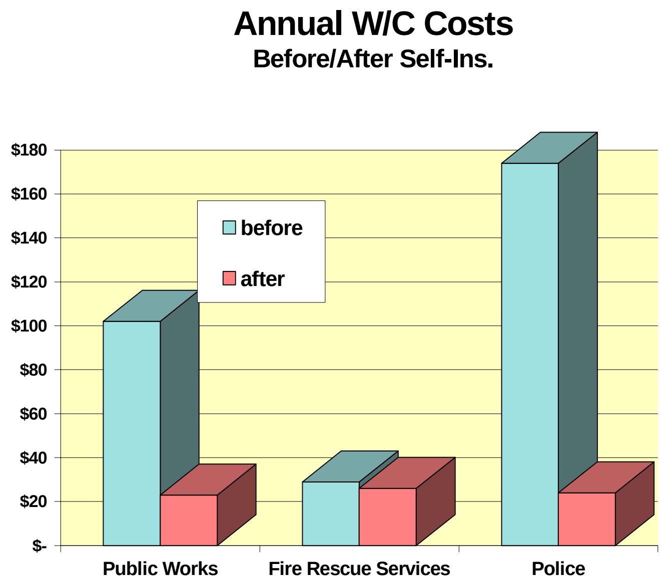
In 1996, the City of Urbana entered into an agreement with the City of Champaign and the University of Illinois to provide an integrated police computerized records management system through METCAD. The City of Urbana agreed to be the lead agency to maintain and administer this program. The three participating agencies have agreed to share costs 1/3 each with Urbana receiving 25% of the personnel costs for administration. This fund accounts for these costs and revenues. The majority of these annual costs ($60,000) are for personnel costs of a programmer/analyst, payroll taxes and benefits. The City of Urbana's share of these costs net of reimbursement for administration is reported in the Police Department budget.

Worker's Compensation Retained Risk Reserve Fund:

In 1994, the City created this fund to self-insure worker's compensation claim costs. In order to accumulate monies sufficient to pay for claims, the City charged programs and department budgets annually amounts equal to what the City paid for conventional worker's compensation insurance. Costs charged to the fund are payments made for claims, excess insurance purchased to protect the City from a catastrophic claim, administrative costs of the program, and costs for employee safety training and incentive programs. It was the goal that savings would accumulate until an amount of approximately $2.5 million was achieved. That level was reached by June 2000. In fiscal year 1999-2000, the City reduced the amount transferred by approximately 50%. Claim experience has continued to remain at very low levels, thus allowing the charge to be reduced again in fiscal year 2001-02 by an additional $150,000, thus saving the general fund $450,000 annually from the amount it would have paid for conventional insurance, assuming the same level of claims experience before this program began. At June 30, 2001, it is estimated that this fund will have accumulated $2.8 million dollars in savings.

Considerable examination of claims trends over the last several years indicates that the majority of Urbana's claims have originated from falls/slips (27%), entering/exiting equipment (25%), and making police arrests (19%), The chart to the right illustrates this claim history. Training/employee incentive programs have been targeted based on this claim history.





The chart to the left illustrates the improvements made over the last five years in reducing claims paid out by the major departments of the City.

Other Special Funds

Activities that are required to be reported individually due to legal, regulatory, or administrative reasons are reported as a Special Fund. Significant municipal resources are programmed within the City's Special Funds, which are organized by purpose or activity. A description and financial summary of these funds are:

RESERVE FUNDS (SAVINGS):

The City of Urbana maintains a reserve fund, called the General Reserve Fund (formerly the Tax Stabilization Fund). The purpose of the General Reserve Fund is to provide stability in delivering services or in raising revenues when fluctuations are occurring in the City's financial situation. These fluctuations are most often caused by economic changes or changes in State or Federal laws.

For these cash projection purposes all amounts of recurring revenues that exceed recurring expenditures in the general operating funds are transferred into the General Reserve Fund. Non-recurring expenditures that these monies will be spent on are also then reported in the fund. The amount that will be maintained in the General Reserve Fund in the near future will be dependent upon the payback time for the development projects that the city has and is planning on investing in the future. These projections have estimated revenues from these projects very conservatively. At June 30, 2001 the General Reserve Fund is estimated to have a balance of $2.7 million. Over the next 3 years, an additional $3.6 million will be transferred from the general operating fund. Expenditures for these monies are projected to be $2.5 million for all of the Rt. 45 improvements, $1 million for Windsor Road, and an additional $1.8 million for the Library Building (includes the additional $250,000 to reach the target project). The General Reserve Fund after all of these transfers shows a balance of $1.7 million at the end of 2006. It is anticipated that upon completion of the Library facility, funds will be needed to address other facility needs including a possible public works facility expansion.

While it is illegal to run a deficit unreserved fund balance, there has been considerable debate as to an appropriate surplus level for Urbana's unreserved fund balance. There are several factors which would indicate a limited need for a large unreserved fund balance including the stability of our local economy, revenue base and mix, the predictability of our cash flow needs and limited debt. Furthermore, some citizens subscribe to the view that local government should not raise money until it is needed and that excessive fund balances are an indication of over-taxation. In the recent past, lawsuits have been filed by taxpayers challenging the determination of appropriate reserve levels for local governments.

On the other hand, Urbana has experienced in past years some fluctuation in sales tax receipts and uncertainty regarding the retention of certain businesses. The fact that revenues from the federal and state governments continue to be a significant part of Urbana total revenue base (currently 20%) is additional reason for Urbana to maintain an adequate reserve. For as these governments' budgets periodically come under tight fiscal pressures, there is always discussion and real possibility that these revenues will be reduced. It can also be argued that Urbana can "earn" net revenues over inflationary purchasing power adjustments through structured medium term investment strategies--although this is not always the case, given the interest rate environment.

Of growing concern is Urbana's reliance on large property tax payers. This fact was impressed upon the citizens of Urbana recently when Carle was considering requesting a tax-exempt status. Carle is the single largest property tax payer in the City of Urbana, accounting for 5% of the entire Urbana property tax base. The top ten property tax payers account for 16% of the tax base. In comparison, the top taxpayer in Champaign accounts for only 2% and the top ten 5% of their tax base. The result is that Urbana is twice as dependent upon a very few large taxpayers. Over the past 10 years, Urbana's reliance on a few large taxpayers has almost doubled. If Urbana were to lose one of these taxpayers, the impact would be very severe. Because of this, Urbana's should probably maintain reserves at a higher level.

<u>An Elected Officials Guide to Fund Balance</u>, published by the Government Finance Officers Association (GFOA) suggests "rules of thumb" to measure the adequacy of unreserved fund balance. One of these measures is 5% of annual operating expenditures. Urbana's General Operating Funds expenditures are projected in FY 2000-01 to be approximately $19.5 million. Five percent of this figure is approximately $1,000,000. Urbana's total expenditures in all funds (including CIP, Library Trust Fund, CD, etc.) are projected to be approximately $28 million. Five percent of this figure is $1.4 million. Another approach cited by this publication is the use of one month's operating expenditures (8.3%) as an adequate unreserved fund balance for municipalities. For Urbana, one month's operating expenditures are equivalent to $1.6 million.

<u>The Financial Indicators Data Book For The Year 1990</u>, as published by the GFOA, provides some additional insight into National trends regarding unreserved and unrestricted fund balance levels for municipalities. Of the 260 cities, villages and towns applying for the GFOA Certificate of Achievement Award in 1990, with populations between 25,000 and 49,999, the median fund balance was $51 per capita. Utilizing a $51.00 per capita figure adjusted by inflation since 1990, yields an approximate $3 million unreserved fund balance for Urbana.

Of major significance in this debate is Urbana's bond rating and its relationship to our unreserved fund balance. Judy Angustino of *Moody's* in New York authored Urbana's most recent bond rating in April of 1993. Urbana enjoys an Aa2 bond rating, which is considered to be very good. An unrestricted, unreserved fund balance of 10% or greater of a municipality's operating budget is the "comfort zone" for *Moody's* according to Ms. Angustino. For Urbana, an unreserved fund balance of $1,950,000 is a minimum figure to provide the comfort level necessary (everything else being equal) to maintain an Aa2 bond rating at *Moody's*.

The General Reserve Fund's balance is dependent upon current economic development needs of the City. It is the City's policy to utilize these reserves for short to mid-term borrowing in lieu of issuing public debt for economic development projects. This is advantageous because it saves the costs and administrative time involved in issuing public debt securities. In the last 2 years, the General Reserve Fund has loaned $250,000 for certain public facility costs within TIF 2, $115,000 to TIF 3 to complete the Lincoln Mobile Home Park relocations, and $2.1 million to the Stone Creek Golf Development for capital improvements. These loans have been used to further economic development and will be repaid with interest that would have otherwise been earned by the fund.

Last year's long-range plan indicated that it was the desire of the City that a balance of $3.1 million would be maintained in the Tax Stabilization Fund. This level would put Urbana in the upper quarter of certain select cities in the GFOA study.

The following table illustrates financial projections for the General Reserve Fund.

GENERAL RESERVE FUND FINANCIAL PROJECTIONS, 01/01 PROP. TAX RATE 1.31	ACTUAL 1999-00	PROJECTED 2000-01	PROJECTED 2001-02	PROJECTED 2002-03	PROJECTED 2003-04
Cash Bal., Beg. Year	$1,855,955	$2,600,333	$2,727,917	$3,728,817	$2,288,517
Revenues:					
Interest/investments	$ 97,615	$ 113,240	$ 118,000	$ 170,500	$ 120,000
Add'l Revenues, Dev. Projects	0	0	0	100,000	150,000
Loan Repayments, TIF 2	98,000	94,000	0	0	0
Repayment, Recycling Fund (toters)	0	30,000	30,000	30,000	4,425
Transfer from Gen. Fund	1,616,858	2,045,644	2,707,900	671,900	195,600
Total Revenues	$ 1,812,473	$ 2,282,884	$ 2,855,900	$ 972,400	$ 470,025
Expenditures:					
Non-Recurring Costs	$ 15,000	$ 71,000	$ 30,000	$ 31,200	$ 32,448
Transfer to Ec. Dev. Fund	0	176,630	0	0	0
Transfer to Cap. Impr. Fund	300,000	977,000	0	0	0
Transfer to Library Bldg. Fund	500,000	750,000	750,000	806,500	250,000
Rt. 45 Improvements	0	0	1,000,000	1,500,000	0
Windsor Rd. Improvements	0	0	0	0	1,000,000
Loan Recycling Toters	85,338	0	0	0	0
Loan for Stone Creek Golf Proj	33,851	0	0	0	0
Transfer VERF, New Eq.	133,906	180,670	75,000	75,000	75,000
Total Expenditures	$ 1,068,095	$ 2,155,300	$ 1,855,000	$ 2,412,700	$ 1,357,448
Cash Bal. End Year	$2,600,333	$2,727,917	$3,728,817	$2,288,517	$1,401,094

	2004-05	2005-06
Cash Bal., Beg. Year	$1,401,094	$1,530,348
Revenues:		
Interest/investments	$ 88,000	$ 88,000
Add'l Revenues, Dev. Projects	150,000	150,000
Loan Repayments, TIF 2	0	0
Repayment, Recycling Fund (toters)	0	0
Transfer from Gen. Fund	0	0
Total Revenues	$ 238,000	$ 238,000
Expenditures:		
Non-Recurring Costs	$ 33,746	$ 35,096
Transfer to Ec. Dev. Fund	0	0
Transfer to Cap. Impr. Fund	0	0
Transfer to Library Bldg. Fund	0	0
Rt. 45 Improvements	0	0
Windsor Rd. Improvements	0	0
Loan Recycling Toters	0	0
Loan for Stone Creek Golf Proj	0	0
Transfer VERF, New Eq.	75,000	150,000
Total Expenditures	$ 108,746	$ 185,096
Cash Bal. End Year	$1,530,348	$1,583,252

SALES TAX GRANT/INSURANCE RESERVE FUND:

This Fund is used for two purposes:

1. To retire the general obligation portion of the 1990 debt issue (originally $1,007,000). Debt service payments will extend until 2005.
2. To transfer monies to the TIF 1 and TIF 2 Funds in order for the TIFs to receive the State sales tax grant. The monies to make this local share came from the proceeds of the sale of the Federal Courthouse land. Based on current sales tax increments in the TIF's, it appears that there are sufficient monies to replace lost sales tax in the general fund and make necessary debt service payments until the year 2007. To keep the general fund whole, we have to identify a capital improvement project in the CIP that is TIF qualified, and use these monies to replenish this fund. Otherwise, the general fund will have to lose this match money each year in order to receive the grant. The annual amount in 2007 is estimated to be $256,000.

Following is a financial projection for the Insurance Reserve Fund showing amounts for various commitments until the year 2013.

	INTEREST EARNED	GRANT MATCH	DEBT	ENDING BALANCE
				$1,577,821
06/30/01	142,230	183,000	124,729	$1,412,322
06/30/02	82,621	190,320	125,324	$1,179,299
06/30/03	68,989	210,933	125,670	$911,685
06/30/04	53,334	219,370	125,559	$620,089
06/30/05	36,275	228,145	125,137	$303,083
06/30/06	17,730	237,271	0	$83,542
06/30/07	4,887	256,762	0	($168,332)
06/30/08	(9,847)	267,032	0	($445,211)
06/30/09	(26,045)	277,713	0	($748,969)
06/30/10	(43,815)	298,822	0	($1,091,606)
06/30/11	(63,859)	310,775	0	($1,466,240)
06/30/12	(85,775)	333,206	0	($1,885,220)
06/30/13	(110,285)	346,534	0	($2,342,040)

BUILDING FUND:

The Building Fund was established in FY 1990-91 as a mechanism to set aside funds to address facility deficiencies. This action represented the City Council policy to "pay as you go" for needed facility improvements. Expenditures from the Fund have been used for minor facility upgrades, the Public Works building addition, acquisition of the Winkelman Building, and expansion of the Police Department and City Hall related improvements, completed in November of 1997. All monies left in the fund are allocated for future library construction and improvements. The Administration's strategy with respect to facility expansion includes the following policies:

1. Projects are undertaken generally on a "pay as you go" basis avoiding debt financing or fluctuations in the City's taxing needs.

2. The Administration is committed to fulfilling our A.D.A. responsibilities via accessible City facilities.

3. Library Building Expansion: The City and Library Board have formally agreed by ordinance to the following intentions and policies in determining the future timing and viability of this project:

   - Given Urbana's current high property tax rate (compared to other local communities) and the relationship of this tax rate to economic development, raising the property tax rate for library building expansion is to be avoided.

   - The project can be accomplished with a construction level of $6.1 million.

   - At June 30, 2001, the City will have contributed $2,694,000 ($34,000 has been spent on architectural studies). Thus this fund at 6/30/01 will have a balance of $2,660,000. The City will contribute an additional $750,000 in 02 and $806,000 in 03. During this time, $350,000 in state grants will be acquired and the Foundation will have contribute $1.5 million, for a total basic project cost of $6.1 million.

   - If the Foundation is able to contribute an additional $500,000, the City will contribute an additional $250,000 to finance a target project of $6.85 million. As of January 1, 2001, the Library Foundation had accumulated $547,000 in private donations.

   - Groundbreaking was originally scheduled for Fall of 2001, assuming private donations are meeting expected levels.

   - The Library and City shall together formulate policies concerning priorities, collection size, and budgetary and operating decisions affect this usage.

4. Public Works Facilities: Following completion of the Library project, the next priority probably will be to begin to accumulate funds to address public works facility needs, particularly as they relate to fleet service problems. A feasibility study is currently underway and is expected to be completed in Spring 2001.

ECONOMIC DEVELOPMENT RESERVE FUND:

The main purpose of the Economic Development Reserve Fund is to provide a reserve whereby the City can invest in revenue-enhancing economic development activities. Many of these investments are significant enough that the City's general operating funds would not be adequate to pay for this investment. Normally, funds shall be utilized only upon projects where a five-year investment payback can be demonstrated. A portion of interest revenues accrues to the Fund in order to keep the Fund's spending power adequate with inflation. The balance of interest can be used for small expenditures that will enhance economic development such as downtown improvements or for other economic development studies, engineering assessments, etc.

The fund was established in FY 1987-88 with proceeds from the University of Illinois for the vacation of a street right-of-way in conjunction with construction of the Beckman Institute. Prior to FY 1992-93, minor expenditures from this Fund were made in support of the Frasca Airport development. In FY 1992-93, an additional $1,000,000 was transferred to this Fund in order to address the revitalization of the Lincoln Square Mall. In 1998, the balance of the UDAG Reserve Fund ($464,088) was added.

The administration's policy is to maintain the Fund's balance by repaying advances from revenues earned from the development projects. In the last 3 years, the ED Fund loaned $400,000 to TIF 2 for Schnucks related capital improvements, $220,000 to TIF 3 for the Lincoln Mobile Home Park/Capstone relocation plan, and $1.1 million for capital improvements related to the Stone Creek Development. After these loans, the ED Fund is projected to have a balance of $121,000 at June 30, 2001. The TIF 3 loan is expected to be repaid over 3 years beginning in the year 2000 and the TIF 2 loan is to be repaid over 5 years beginning in 98. Due to a slower than hoped for Stone Creek project development, it is uncertain exactly when the Economic Development Fund will accumulate amounts equal to levels before these loans ($1 million). In 1997, this Fund also started accounting for costs of special downtown events and the revenues from these events (ex. Farmer's Market). Revenues are expected to match expenses in these events. In 2000-01, $300,000 was budgeted for the research park incentives. With these significant projects planned, the amount maintained in this fund will basically be depleted until repayment from some of the city's economic development projects begins.

Following is a financial projection for the Economic Development Fund:

ECONOMIC DEV. RESERVE FUND FINANCIAL PROJECTIONS, 01/01	ACTUAL 1999-00	PROJECTED 2000-01	PROJECTED 2001-02	PROJECTED 2002-03	PROJECTED 2003-04	PROJECTED 2004-05
FUND BAL., BEG. YEAR	$133,681	$234,397	$121,018	$190,218	$196,528	$193,829
REVENUES:						
INTEREST	$11,554	$11,000	$5,000	$7,500	$8,000	$8,000
TRANSFER, CAP. IMPR. (TIF)	-	-	-	-	-	-
REPAYMENT TIF 3 LOAN	26,400	62,000	58,000	53,000	46,000	26,300
REPAYMENT TIF 2 LOAN	95,000	95,000	95,000	-	-	-
TRANSFER, GEN. FUND	-	176,630	-	-	-	-
FARMERS MARKET FEES	25,947	26,000	26,000	26,000	26,000	26,000
TOTAL REVENUES	$158,901	$370,630	$184,000	$86,500	$80,000	$60,300
EXPENDITURES:						
TRANSFER, DOWNTOWN LOANS	$ -	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000
SEWER PAYMENT, PARK INN	-	13,000	-	-	-	-
RETAIL DEV. LOANS	4,011	5,000	10,000	10,000	10,000	10,000
OPTIONS, TITLES, ENV. ASSES.	22,774	5,000	5,000	5,000	5,000	5,000
LOAN, TIF 4, CONSULTANT	8,096	9,904	-	-	-	-
RESEARCH PARK INCENTIVES	-	300,000	37,000	-	-	-
FARMERS MARKET COSTS	11,609	22,800	22,800	23,940	25,137	26,394
METROZONE PAYMENT	-	50,000	-	-	-	-
CONTRIBUTION, URBANA HOME SHOW	-	5,000	5,000	5,000	5,000	5,000
DOWNTOWN BUS. ALLIANCE	-	25,000	25,000	26,250	27,563	28,941
PROF. COSTS, BIG GROVE	11,695	38,305	-	-	-	-
TOTAL EXPENDITURES	$58,185	$484,009	$114,800	$80,190	$82,700	$85,334
FUND BAL., END YEAR, RESERVED FOR ECONOMIC DEVELOPMENT PROJECTS	$234,397	$121,018	$190,218	$196,528	$193,829	$168,794

ECONOMIC DEV. RESERVE FUND FINANCIAL PROJECTIONS, 01/01	PROJECTED 2005-06
FUND BAL., BEG. YEAR	$168,794
REVENUES:	
INTEREST	$8,000
TRANSFER, CAP. IMPR. (TIF)	-
REPAYMENT TIF 3 LOAN	-
REPAYMENT TIF 2 LOAN	-
TRANSFER, GEN. FUND	-
FARMERS MARKET FEES	26,000
TOTAL REVENUES	$34,000
EXPENDITURES:	
TRANSFER, DOWNTOWN LOANS	$ 10,000
SEWER PAYMENT, PARK INN	-
RETAIL DEV. LOANS	10,000
OPTIONS, TITLES, ENV. ASSES.	5,000
LOAN, TIF 4, CONSULTANT	-
RESEARCH PARK INCENTIVES	-
FARMERS MARKET COSTS	27,714
METROZONE PAYMENT	-
CONTRIBUTION, URBANA HOME SHOW	-
DOWNTOWN BUS. ALLIANCE	30,388
PROF. COSTS, BIG GROVE	-
TOTAL EXPENDITURES	$83,101
FUND BAL., END YEAR, RESERVED FOR ECONOMIC DEVELOPMENT PROJECTS	$119,693

TAX INCREMENT FINANCE DISTRICT SPECIAL FUNDS:

Each of the City of Urbana's special TIF Districts is accounted for in a Special Fund. Changes in State law concerning TIF Districts (1993) make it possible to project TIF revenues and fund stability with greater certainty. The first change provides for transfers of funds between TIF 1 and TIF 2 (or any contiguous TIF Districts) for eligible projects (or debt service). The second change provides a guarantee of State funding for the State sales tax obligations in TIF 1 and TIF 2. These changes have a significant impact on the current and long-term planning for TIF 1 and TIF 2. Furthermore, greater certainty regarding new development in Urbana's TIFs makes it possible to make more accurate financial projections.

Tax Increment District #1:

TIF 1 was established in 1980, then amended in 1986 to include the State sales tax element. The property tax element will terminate in 2003. The State sales tax element was extended to 2013, with the debt restructuring in 1994. General obligation backed TIF 1 bonds in the amount of $2,600,000 were issued in 1982 for parking deck and streetscape construction, and then advance refunded in 1985 to take advantage of lower interest rates. The 1985 debt was then itself refunded with the 1994A debt issue, again to lower interest rates. Future debt service requirements average $230,000 annually until FY 2001-02, and $115,000 annually thereafter. A detailed schedule of these future debt payments is found under the TIF 1 Fund in the City budget document. It is probable that TIF 1 has sufficient revenue capacity to support a portion of TIF 2 debt or other TIF 2 eligible activity, as now permitted under State Statute, as well as retiring TIF 1 debt without General Fund contributions.

A development agreement with the Jumers calls for annual payments based on incremental revenues from improvements made to the hotel. At this time, it appears that these payments will not be required in the near future.

The final incremental property tax revenue for TIF One will be received in FY 2002-03. It is estimated that in the next year, approximately $638,000 will be then be transferred to the various Urbana taxing bodies, the School District receiving $344,000, the City $102,000, the Park District $59,000, the County $47,000 and others $86,000.

Tax Increment District #2:

TIF 2 was established in 1986 and includes a State sales tax element. The property tax element of the district will terminate in 2009. The State sales tax element was extended to 2013, with the 1994 debt restructuring. General Obligation backed TIF 2 revenue bonds in the amount of $2,883,000 were issued in 1990, to acquire property and construct parking around the City building complex and Lincoln Square. The 1990 debt was refunded with the 1994B debt issue to take advantage of lower interest rates. Future debt service requirements average $240,000 until 2005 and $25,000 thereafter until 2013. A detailed schedule of this debt repayment schedule can be found under TIF 2 Fund in the City budget document. Assuming continued MVPS stability, it is very likely that TIF 1 and TIF 2 revenues are sufficient to retire TIF 1 and TIF 2 debt.

With the signing of the Schnucks Redevelopment Agreement, the City committed to the construction of infrastructure and reimbursement for blight removal costs. This required that $400,000 be loaned to TIF 2 from the Economic Development Fund to pay for these public infrastructure improvements. Revenues from the project should be sufficient to pay for all development costs and retire the Economic Development Fund loan in five years beginning in FY 97-98 without using local sales tax. The project is projected to contribute $100,000 per year in sales tax into the General Fund. The develop agreement calls for annual payments of $160,563 with the last payment of $82,000 due in 2012.

The development agreement with Lincoln Square commits the City to make annual payments based on incremental property taxes from the project. The current annual payment is $41,780 in 2001 with the last payment due in 2013.

In FY 96-97, TIF 2 was required to borrow $250,000 from the City Tax Stabilization Fund to pay for certain public facility improvements. This loan is being repaid over three years with the last payment of $94,000 due 3/01/01.

In FY 96-97, TIF 2 was also required to borrow $400,000 from the City Economic Development Fund to pay for improvements related to the Schnucks project. This loan is being repaid over 5 years with the last payment of $95,000 due 3/01/02.

Tax Increment District #3:

TIF 3 was established in 1990 and will terminate in 2013. It is a real estate tax TIF without a sales tax component. TIF 3 debt in the amount of $1,000,000 was issued in 1992, to acquire land and perform certain infrastructure improvements. A substantial portion of this debt was spent on property acquisition, new home development, mobile home relocation and redevelopment costs for blighted areas along University Avenue which allowed the development of a new Hampton Inn Hotel, restaurant site and Durst Bicycle Shop relocation agreement.

The debt service schedule for these bonds is $130,000 annually with the last payment due in 2005. A detailed debt repayment schedule can be found under the TIF 3 Fund in the City budget document.

In 1997 and 98, TIF 3 was required to borrow $220,000 from the City Economic Development Reserve Fund in order to pay for relocation costs involved in the Lincoln Mobile Home Park relocation agreements. The ED loan will be repaid over five years with the last payment due in 2005.

The long-term health of the Fund should be very solid; however, any future TIF 3 borrowing must be evaluated carefully and be based on revenues from new projects.

Tax Increment District #4:

City staff is currently studying the feasibility of establishing a fourth TIF district in an area generally described as north of I74 and west of Cunningham. If feasible, this district could assist in paying for the costs of the infrastructure needs in that area. The City's Economic Development Fund has committed $18,000 toward this study. If a TIF district is created, these costs could be reimbursed.

Planning Assumptions For TIF Special Funds:

TIF Fund projections are somewhat fluid based upon the rate of change over the last few years regarding the regulation of TIF Districts by the State Legislature. Likewise, many internal assumptions regarding TIF developments tend to fluctuate based upon the estimates and timing of new project revenues. At this time, however, the following assumptions and policies are made for the purposes of financial planning:

General Assumptions and Policies

1. Real Property Taxes are projected to increase at 2.5% annual inflation based on actual EAV increment for the 2000 revenue year. Estimated increases in EAV for projects obligated by redevelopment agreements or other contracts are assigned to the year a project is completed.

2. Local sales taxes and the State Sales Tax Grant are based on the previous year increment plus estimates of losses or gains for individual businesses in the prior State revenue fiscal year. The City has the option to withdraw local sales tax contributions in any given year if the State Grant is not requested. Given the unpredictability of sales tax at the local level, inflation and trend factors have been omitted, thus keeping the estimate flat.

3. The school district's current level of dependence upon real estate tax funding will continue for the term of all TIF districts.

TIF #1 Assumptions and Policies

1. Transfers to TIF 2 are required for the next three years.

2. No significant structures become tax-exempt.

3. Vocational training payments to the School District will be made from TIF 3.

Financial projections for TIF 1 for its lifetime (until 2013) follow:

	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Cash Bal., Beg. Year	$1,013,916	$1,401,112	$924,799	$1,127,811	$1,591,325	$2,150,975
Revenues:						
Property Tax	$576,031	$589,500	$601,290	$613,316	$625,582	$0
Interest	65,193	56,044	36,992	45,112	63,653	86,039
Transfer from TIF 2	0	0	0	0	0	0
Local Sales Tax Match	0	0	0	0	0	0
State Sales Tax Grant	5,316	3,600	3,600	3,600	3,600	3,600
Total Revenues	$646,540	$649,144	$641,882	$662,028	$692,835	$89,639
Expenses:						
Transfer Gen. Fund, Admin.	$15,000	$15,500	$16,120	$16,765	$17,435	$18,133
Auditing	500	250	250	250	250	250
Marketing, Dues	3,618	9,500	9,500	9,500	9,500	0
Broadway Ave. Streetscape	0	229,823	0	0	0	0
Broadway Ave. Lighting	0	130,000	0	0	0	0
Race St. Streetscape	0	200,000	0	0	0	0
Parking Lot 8 Redevelopment	0	0	120,000	0	0	0
Cross Walk Improvements	0	0	0	0	0	0
Goose Alley Streetscape	615	0	0	0	0	0
Jumer's Dev. Incentives	0	0	0	0	0	0
Phase 2 Development	0	0	0	0	0	0
Downtown Lighting Impr.	0	100,000	0	0	0	0
Downtown Expansion	0	17,728	0	0	0	0
Downtown Consultant	10,636	43,856	0	0	0	0
Downtown Loans	0	8,000	0	0	0	0
Transfer to TIF 2	0	145,800	66,000	69,000	0	0
Debt Service	228,975	225,000	227,000	103,000	106,000	108,000
Unidentified Cap. Impr.	0	0	0	0	0	0
Total Expenses	$259,344	$1,125,457	$438,870	$198,515	$133,185	$126,383
Cash Bal., End Year	$1,401,112	$924,799	$1,127,811	$1,591,325	$2,150,975	$2,114,231

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Cash Bal., Beg. Year	$2,114,231	$2,087,150	$2,057,986	$2,021,655	$1,977,872	$1,928,337
Revenues:						
Property Tax	$0	$0	$0	$0	$0	$0
Interest	84,569	83,486	82,319	80,866	79,115	77,133
Transfer from TIF 2	0	0	0	0	0	0
Local Sales Tax Match	0	0	0	0	0	0
State Sales Tax Grant	3,600	3,600	3,600	3,600	3,600	3,600
Total Revenues	$88,169	$87,086	$85,919	$84,466	$82,715	$80,733
Expenses:						
Transfer Gen. Fund, Admin.	$0	$0	$0	$0	$0	$0
Auditing	250	250	250	250	250	250
Marketing, Dues	0	0	0	0	0	0
Broadway Ave. Streetscape	0	0	0	0	0	0
Broadway Ave. Lighting	0	0	0	0	0	0
Race St. Streetscape	0	0	0	0	0	0
Parking Lot 8 Redevelopment	0	0	0	0	0	0
Cross Walk Improvements	0	0	0	0	0	0
Goose Alley Streetscape	0	0	0	0	0	0
Jumer's Dev. Incentives	0	0	0	0	0	0
Phase 2 Development	0	0	0	0	0	0
Downtown Lighting Impr.	0	0	0	0	0	0
Downtown Expansion	0	0	0	0	0	0
Downtown Consultant	0	0	0	0	0	0
Downtown Loans	0	0	0	0	0	0
Transfer to TIF 2	0	0	0	0	0	0
Debt Service	115,000	116,000	122,000	128,000	132,000	137,000
Unidentified Cap. Impr.	0	0	0	0	0	0
Total Expenses	$115,250	$116,250	$122,250	$128,250	$132,250	$137,250
Cash Bal., End Year	$2,087,150	$2,057,986	$2,021,655	$1,977,872	$1,928,337	$1,871,820

	2011-12	2012-13
Cash Bal., Beg. Year	$1,871,820	$1,809,043
Revenues:		
Property Tax	$0	$0
Interest	74,873	72,362
Transfer from TIF 2	0	0
Local Sales Tax Match	0	0
State Sales Tax Grant	3,600	3,600
Total Revenues	$78,473	$75,962
Expenses:		
Transfer Gen. Fund, Admin.	$0	$0
Auditing	250	250
Marketing, Dues	0	0
Broadway Ave. Streetscape	0	0
Broadway Ave. Lighting	0	0
Race St. Streetscape	0	0
Parking Lot 8 Redevelopment	0	0
Cross Walk Improvements	0	0
Goose Alley Streetscape	0	0
Jumer's Dev. Incentives	0	0
Phase 2 Development	0	0
Downtown Lighting Impr.	0	0
Downtown Expansion	0	0
Downtown Consultant	0	0
Downtown Loans	0	0
Transfer to TIF 2	0	0
Debt Service	141,000	144,000
Unidentified Cap. Impr.	0	0
Total Expenses	$141,250	$144,250
Cash Bal., End Year	$1,809,043	$1,740,755

TIF #2 Assumptions and Policies

1. The development of the Maple and Vine redevelopment site into a Schnucks Grocery Store and commercial center had a significant impacts on TIF 2. Although the property tax increment will be largely dedicated to the repayment for infrastructure improvements and blight removal, the development is expected to generate $100,000 per in year in sales tax into the General Fund. Additional increment may be realized with the development of outlets on the site and additional retail uses.

2. Local sales tax from Lincoln Square generated $100,000 over previous sales. State sales tax increment based on a 80/60/40 formula and $12,000,000 fund should yield $40,000 for the TIF 2 District aggregate.

3. Transfers from TIF 1 to TIF 2 are required for the next three years.

Financial projections for TIF 2 for its lifetime (until 2013) follows:

TIF TWO FUND PROJECTIONS

	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Cash Bal., Beg. Year	$297,833	$273,181	$461	$916	$620	$495,971
Revenues:						
Property Tax	$577,943	$547,000	$560,675	$574,692	$589,059	$603,786
Interest	19,142	18,000	5,000	5,000	31	24,799
Local Sales Tax Match	81,149	183,000	186,660	190,393	194,201	198,085
State Sales Tax Grant	139,986	222,000	226,440	230,969	235,588	240,300
Transfer In, TIF One	0	145,800	66,000	69,000	0	0
Total Revenues	$818,220	$1,115,800	$1,044,775	$1,070,054	$1,018,879	$1,066,969
Expenses:						
Transfer Gen. Fund, Admin.	$15,000	$15,500	$16,120	$16,765	$17,435	$18,133
TIF Specialist/Benefits	18,170	40,460	42,078	43,762	45,512	47,332
Auditing	500	250	250	250	250	250
Marketing, Dues	592	9,880	10,275	10,686	11,114	11,558
Lot 25 Expansion	0	67,751	0	0	0	0
Lincoln Sq. Dev. Payment	40,564	41,780	43,033	44,324	45,654	47,024
Schnuck's Subsidy	160,563	160,563	160,563	160,563	160,563	160,563
Development Projects	0	279,003	314,000	550,000	0	100,000
Transfer to TIF 1	0	0	0	0	0	0
Stratford Prop. Improvement	169,033	125,967	0	0	0	0
Loan Repayment, Ec. Dev. Fund	95,000	95,000	95,000	0	0	0
Loan Repayment, Tax Stab. Fun	98,000	94,000	0	0	0	0
Boneyard Improvements	0	178,500	0	0	0	0
Race St. Improvement	0	0	100,000	0	0	0
Main/Vine St. Improvement	0	10,000	0	0	0	0
Springfield Ave. Streetscape	0	6,866	0	0	0	0
Downtown Loan Subsidy	0	15,000	15,000	0	0	0
Debt Service	245,450	248,000	248,000	244,000	243,000	243,000
Sales Tax Match	0	0	0	0	0	0
Total Expenses	$842,872	$1,388,520	$1,044,320	$1,070,350	$523,528	$627,860
Cash Bal., End Year	$273,181	$461	$916	$620	$495,971	$935,080

TIF TWO FUND PROJECTIONS

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Cash Bal., Beg. Year	$935,080	$1,116,191	$1,412,020	$1,621,272	$1,842,585	$2,076,031
Revenues:						
Property Tax	$618,880	$634,352	$650,211	$666,466	$683,128	$0
Interest	51,429	61,390	77,661	89,170	101,342	114,182
Local Sales Tax Match	202,047	206,088	210,209	214,414	218,702	223,076
State Sales Tax Grant	245,106	250,008	255,008	260,108	265,311	270,617
Transfer In, TIF One	0	0	0	0	0	0
Total Revenues	$1,117,462	$1,151,839	$1,193,090	$1,230,158	$1,268,483	$607,874
Expenses:						
Transfer Gen. Fund, Admin.	$18,858	$19,612	$20,397	$21,213	$22,061	$0
TIF Specialist/Benefits	49,226	51,195	53,243	55,372	57,587	0
Auditing	250	250	250	250	250	250
Marketing, Dues	12,021	12,501	13,001	13,521	14,062	0
Lot 25 Expansion	0	0	0	0	0	0
Lincoln Sq. Dev. Payment	48,434	49,888	51,384	52,926	54,513	56,149
Schnuck's Subsidy	160,563	160,563	160,563	160,563	160,563	160,563
Development Projects	400,000	364,000	388,000	400,000	400,000	73,000
Transfer to TIF 1	0	0	0	0	0	0
Stratford Prop. Improvement	0	0	0	0	0	0
Loan Repayment, Ec. Dev. Fund	0	0	0	0	0	0
Loan Repayment, Tax Stab. Fun	0	0	0	0	0	0
Boneyard Improvements	0	0	0	0	0	0
Race St. Improvement	0	0	0	0	0	0
Main/Vine St. Improvement	0	0	0	0	0	0
Springfield Ave. Streetscape	0	0	0	0	0	0
Downtown Loan Subsidy	0	0	0	0	0	0
Debt Service	247,000	30,000	30,000	28,000	27,000	26,000
Sales Tax Match	0	168,000	267,000	277,000	299,000	311,000
Total Expenses	$936,352	$856,009	$983,838	$1,008,845	$1,035,037	$626,962
Cash Bal., End Year	$1,116,191	$1,412,020	$1,621,272	$1,842,585	$2,076,031	$2,056,943

TIF TWO FUND PROJECTIONS

	2011-12	2012-13	
Cash Bal., Beg. Year	$2,056,943	$2,073,829	
Revenues:			
Property Tax	$0	$0	
Interest	113,132	114,061	
Local Sales Tax Match	227,537	232,088	
State Sales Tax Grant	276,029	281,550	
Transfer In, TIF One	0	0	
Total Revenues	$616,698	$627,699	
Expenses:			
Transfer Gen. Fund, Admin.	$0	$0	
TIF Specialist/Benefits	0	0	
Auditing	250	250	
Marketing, Dues	0	0	
Lot 25 Expansion	0	0	
Lincoln Sq. Dev. Payment	0	0	
Schnuck's Subsidy	160,563	160,563	
Development Projects	82,000	0	
Transfer to TIF 1	0	0	
Stratford Prop. Improvement	0	0	
Loan Repayment, Ec. Dev. Fund	0	0	
Loan Repayment, Tax Stab. Fun	0	0	
Boneyard Improvements	0	0	
Race St. Improvement	0	0	
Main/Vine St. Improvement	0	0	
Springfield Ave. Streetscape	0	0	
Downtown Loan Subsidy	0	0	
Debt Service	24,000	24,000	
Sales Tax Match	333,000	346,000	
Total Expenses	$599,813	$530,813	
Cash Bal., End Year	$2,073,829	$2,170,714	#VALUE!

TIF #3 Assumptions and Policies

1. The property tax increment incurred was $10,000 lower than originally estimated in FY 1993-94 as a result of Board of Review action to lower assessments on certain properties on University Avenue and demolition and tax-exempt activity related to Covenant properties. Hampton Inn and Durst have provided positive increment beginning in FY 1995-96.

2. It is anticipated that the Capstone Development and future development on Covenant property will provide revenues to undertake future additional projects contained in the TIF 3 Development Plan.

Financial projections for TIF 3 for its life (until the year 2013) follow:

	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Bal., Beg. Year	$168,484	$290,316	$143,910	$150,430	$309,681	$267,876
Revenues:						
Property Tax	$458,412	$526,000	$536,520	$547,250	$558,195	$569,359
Interest	9,475	15,967	12,000	1,000	0	14,733
Capstone Repayment	0	0	0	0	0	0
Weiseger Repayment	0	0	0	0	0	0
Loan Tax Stab. Fund	0	0	0	0	0	0
Loan, Ec. Dev. Fund	0	0	0	0	0	0
Total Revenues	$467,887	$541,967	$548,520	$548,250	$558,195	$584,093
Expenses:						
Marketing, Dues, Eng. Studies	$ -	$ 12,000	$ 14,000	$ 12,000	$ 12,000	$ 12,000
Loan Repayment, Ec. Dev. Fund	26,400	62,000	58,000	53,000	46,000	26,300
Vocational Payment to School	50,000	50,000	50,000	50,000	50,000	50,000
Capstone Improvement	13,000	0	30,000	0	0	0
Lincoln/Goodwin Ave. Impr.	0	0	120,000	0	0	0
Mathews St. Impr.	0	0	0	0	0	0
Lincoln Ave. Improvement	0	0	0	0	0	0
Harvey/Gregory St. Impr.	0	240,000	0	0	120,000	0
Goodwin Ave. Bikepath	0	80,000	0	0	0	0
Corridor Prop;.Subsidy	123,556	110,373	136,000	140,000	238,000	242,000
Debt Service	133,099	134,000	134,000	134,000	134,000	130,000
Future Unallocated Exp.	0	0	0	0	0	0
Total Expenses	$346,055	$688,373	$542,000	$389,000	$600,000	$460,300
Bal., End Year	$290,316	$143,910	$150,430	$309,681	$267,876	$391,669
Factors:						
Property Tax Increase	1.025					

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Bal., Beg. Year	$391,669	$442,957	$513,681	$525,142	$543,318	$867,819
Revenues:						
Property Tax	$580,747	$592,361	$604,209	$616,293	$628,619	$641,191
Interest	21,542	24,363	28,252	28,883	29,882	47,730
Capstone Repayment	0	0	0	0	0	0
Weiseger Repayment	0	0	0	0	0	0
Loan Tax Stab. Fund	0	0	0	0	0	0
Loan, Ec. Dev. Fund	0	0	0	0	0	0
Total Revenues	$602,288	$616,724	$632,461	$645,176	$658,501	$688,921
Expenses:						
Marketing, Dues, Eng. Studies	$ 14,000	$ 14,000	$ 15,000	$ 15,000	$ 16,000	$ 16,000
Loan Repayment, Ec. Dev. Fund	0	0	0	0	0	0
Vocational Payment to School	50,000	50,000	50,000	50,000	50,000	50,000
Capstone Improvement	0	0	0	0	0	0
Lincoln/Goodwin Ave. Impr.	0	0	0	0	0	0
Mathews St. Impr.	0	230,000	0	0	0	0
Lincoln Ave. Improvement	240,000	0	0	0	0	0
Harvey/Gregory St. Impr.	0	0	0	0	0	0
Goodwin Ave. Bikepath	0	0	300,000	300,000	0	0
Corridor Prop;.Subsidy	247,000	252,000	256,000	262,000	268,000	273,000
Debt Service	0	0	0	0	0	0
Future Unallocated Exp.	0	0	0	0	0	0
Total Expenses	$551,000	$546,000	$621,000	$627,000	$334,000	$339,000
Bal., End Year	$442,957	$513,681	$525,142	$543,318	$867,819	$1,217,740

	2011-12	2012-13
Bal., Beg. Year	$1,217,740	$1,610,731
Revenues:		
Property Tax	$654,015	$667,095
Interest	66,976	88,590
Capstone Repayment	0	0
Weiseger Repayment	0	0
Loan Tax Stab. Fund	0	0
Loan, Ec. Dev. Fund	0	0
Total Revenues	$720,991	$755,685
Expenses:		
Marketing, Dues, Eng. Studies	$ -	$ -
Loan Repayment, Ec. Dev. Fund	0	0
Vocational Payment to School	50,000	50,000
Capstone Improvement	0	0
Lincoln/Goodwin Ave. Impr.	0	0
Mathews St. Impr.	0	0
Lincoln Ave. Improvement	0	0
Harvey/Gregory St. Impr.	0	0
Goodwin Ave. Bikepath	0	0
Corridor Prop;.Subsidy	278,000	284,000
Debt Service	0	0
Future Unallocated Exp.	0	0
Total Expenses	$328,000	$334,000
Bal., End Year	$1,610,731	$2,032,416

Debt Requirements

Currently there is no outstanding debt being retired from property taxes or general revenues. All debt is being retired from either TIF revenues, parking system revenues or from a special cash reserve fund. Current outstanding City debt is detailed below:

1. $539,175 of original $962,220 issued in 1994 (refinanced 1990 issue). Average annual debt payment of $125,000 is required until 2005. This debt was originally issued to purchase certain capital equipment. It is anticipated that no property tax levy will be required to pay this debt service because sufficient funds are set aside in the Sales Tax Grant Financing Fund.
2. $365,000 of original $1,000,000 issued in 1992 for TIF 3 projects. Average annual debt payment of $130,000 is required until 2003. Debt service will be paid through future TIF 3 revenues.
3. $1,290,000 of original $2,600,000 issued in 1994 (refinanced 1982 issue used to construct parking garage and streetscape improvements). Average annual debt payment of $115,000 is required until 2013. Debt service will be paid through future TIF 1 revenues.
4. $1,175,000 of original $2,883,000 issued in 1994 (refinanced 1990 issue used to construct parking improvements related to Lincoln Square and the Federal Courthouse within the TIF 2 area). Average annual debt payment of $240,000 is required until 2005 and $25,000 from 2006 until 2013. Debt service will be paid through future TIF 2 revenues.
5. $435,825 of original $777,780 issued in 1994 (refinanced 1990 issue used to construct parking improvements related to the Federal Courthouse that were outside the TIF 2 area). Average annual debt payment of $100,000 is required until 2005. Debt service will be paid from future MVPS revenues.

The City will consider the use of debt financing only for non-recurring capital improvement projects and unusual equipment purchases and when all of the following criteria are met:

- The project's useful life is equal to or greater than the term of the financing, typically 10 - 20 years.
- There is insufficient current cash balances to pay for the project and the project is mandated by State or Federal requirements or is required to meet immediate needs.
- Debt levels will not affect the City's AA bond rating and market conditions are favorable.
- Debt service can be paid from a new dedicated revenue source or the increase in property tax or other revenue sources is considered acceptable.

MOTOR VEHICLE PARKING SYSTEM

The Motor Vehicle Parking System (MVPS) Fund is an enterprise fund, which accounts for all revenues and expenses of operating all parking lots, spaces and the parking garage. Revenues are mainly provided by meter, garage and contractual lot parking fees. Costs include operating and maintenance costs of street, lot and garage parking systems. Also reported in this Fund is debt service on three bonded debt issues, 1994A (TIF 1), 1994B (TIF 2), and a portion of the 1994C bonds, all of which were used to construct parking improvements. A transfer is made from the TIF 1 Fund to pay 100% of the debt service on the 1994A bonds and from the TIF 2 Fund to pay 100% of the 1994B bonds. Revenues from the parking system pay for debt service on the 1994C bonds. Charges are also made to this fund and monies transferred to the General Fund to reimburse the general fund for a payment in lieu of taxes and for administrative costs.

Planning Assumptions and Policies for Motor Vehicle Parking System:

1. Lincoln Square contract revenues ($75,000/yr) pursuant to the lease are secure.

2. The City staff is continuously performing an engineering analysis on the major parking lots within the system. It is projected that an annual amount of $20,000-$30,000 will be required in future years to maintain current lots. If the analysis demonstrates that more monies are needed for these improvements, this will negatively impact future cash flows.

3. The T.I.F. districts will continue to finance debt service payments on the 1994A and 1994B issues.

4. Transfers to the General Fund for reimbursement for payment in lieu of taxes and administrative charges will increase with inflation. These transfers currently total $297,000 annually.

5. In response to requests from downtown merchants for additional parking, the City in cooperation with the local mass transit and major downtown employers, in the fall of 1999 implemented a shuttle system and other changes to encourage long-term employee parking to relocate. It is uncertain whether this shuttle system will remain permanent and exactly how much it may cost the M.V.P.S. system

6. Current meter and parking rates should be sufficient to maintain the system for the foreseeable future or until the point where significant capital expenditures for construction are required.

7. Garage expansion is not cost-effective. Surface parking alternatives will be first examined to solve any future additional parking needs.

8. Included in FY00-01 is the amount of $98,035 for completion of “Art in the Park”/Courthouse Parking Improvements in the City Building block.

9. Each year, an annual amount of $40,000 is being set aside for future major parking garage rehabilitation. At June 30, 2001, it is projected that a total of $160,000 will be available. This amount is included in the ending cash balances.

10. Any loss of parking revenues due to projects by the University of Illinois will be replaced by the University through either one-time payments or swapping of similar revenue producing areas.

Financial projections for the MVPS Fund follow:

	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
CASH BAL., BEG. YEAR	$1,490,664	$1,585,170	$1,451,308	$1,553,410	$1,639,559	$1,707,994
REVENUES:						
CAMPUS METERS	$365,445	$365,445	$365,445	$365,445	$365,445	$365,445
OTHER METERS	204,066	158,000	158,000	158,000	158,000	158,000
LINCOLN SQ. CONTRACT	73,390	75,156	77,411	79,733	82,125	84,589
OTHER RENTALS	80,469	80,469	80,469	80,469	80,469	80,469
PARKING GARAGE	78,206	78,206	78,206	78,206	78,206	78,206
INTEREST	84,051	89,000	79,822	85,438	90,176	93,940
TRANSFER, TIF 1 DEBT	228,975	225,000	227,000	103,000	105,000	105,000
TRANSFER, TIF 2 DEBT	245,450	248,000	248,000	249,000	244,000	244,000
TOTAL REVENUES	$1,360,052	$1,319,276	$1,314,353	$1,199,291	$1,203,421	$1,209,648
EXPENSES:						
SYSTEM OPERATIONS	$312,913	325,430	338,447	351,985	366,064	380,707
GARAGE OPERATIONS	71,298	74,150	77,116	80,201	83,409	86,745
DEBT SERVICE, 1994A BONDS	228,975	225,000	227,000	103,000	105,000	105,000
DEBT SERVICE, 1994B BONDS	245,450	248,000	248,000	249,000	244,000	244,000
DEBT SERVICE, 1994C BONDS	101,388	104,000	104,000	104,000	104,000	104,000
MISCELLANEOUS	5,437	16,000	16,000	16,000	16,000	16,000
COURTHOUSE/ART IN PARK	109,119	98,035	0	0	0	0
TRANSFER, GEN., P.I.L.O.T.	168,800	174,700	181,688	188,956	196,514	204,374
GARAGE RENOVATIONS	19,014	140,976	0	0	0	0
LOT IMPROVEMENTS	3,152	46,848	20,000	20,000	20,000	25,000
SUBTOTAL, EXPENSES	$1,265,546	$1,453,138	$1,212,251	$1,113,141	$1,134,986	$1,165,826
REV. OVER (UNDER) EXP.	$94,506	($133,862)	$102,102	$86,150	$68,434	$43,823
CASH BAL., END YEAR:						
RESERVED, COURTHOUSE/ART IN PARK	$98,035	$0	$0	$0	$0	$0
RESERVED GARAGE RECONSTRUCTION	$260,986	$160,010	$200,010	$240,010	$280,010	$320,010
UNRESERVED	$1,226,149	$1,291,298	$1,353,400	$1,399,549	$1,427,984	$1,431,807

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
CASH BAL., BEG. YEAR	$1,751,817	$1,877,714	$1,985,202	$2,067,228	$2,126,310	$2,160,060
REVENUES:						
CAMPUS METERS	$365,445	$365,445	$365,445	$365,445	$365,445	$365,445
OTHER METERS	158,000	158,000	158,000	158,000	158,000	158,000
LINCOLN SQ. CONTRACT	87,126	89,740	92,432	95,205	98,062	101,003
OTHER RENTALS	80,469	80,469	80,469	80,469	80,469	80,469
PARKING GARAGE	78,206	78,206	78,206	78,206	78,206	78,206
INTEREST	96,350	103,274	109,186	113,698	116,947	118,803
TRANSFER, TIF 1 DEBT	115,000	116,000	122,000	127,000	132,000	136,000
TRANSFER, TIF 2 DEBT	247,000	30,000	29,000	27,000	26,000	26,000
TOTAL REVENUES	$1,227,596	$1,021,134	$1,034,739	$1,045,023	$1,055,129	$1,063,927
EXPENSES:						
SYSTEM OPERATIONS	395,935	411,772	428,243	445,373	463,188	481,715
GARAGE OPERATIONS	90,215	93,823	97,576	101,479	105,538	109,760
DEBT SERVICE, 1994A BONDS	115,000	116,000	122,000	127,000	132,000	136,000
DEBT SERVICE, 1994B BONDS	247,000	30,000	29,000	27,000	26,000	26,000
DEBT SERVICE, 1994C BONDS	0	0	0	0	0	0
MISCELLANEOUS	16,000	16,000	16,000	16,000	16,000	16,000
COURTHOUSE/ART IN PARK	0	0	0	0	0	0
TRANSFER, GEN., P.I.L.O.T.	212,549	221,051	229,893	239,089	248,653	258,599
GARAGE RENOVATIONS	0	0	0	0	0	0
LOT IMPROVEMENTS	25,000	25,000	30,000	30,000	30,000	30,000
SUBTOTAL, EXPENSES	$1,101,699	$913,647	$952,713	$985,941	$1,021,379	$1,058,074
REV. OVER (UNDER) EXP.	$125,898	$107,488	$82,026	$59,082	$33,750	$5,853
CASH BAL., END YEAR:						
RESERVED, COURTHOUSE PARKING	$0	$0	$0	$0	$0	$0
RESERVED GARAGE RECONSTRUCTION	$360,010	$400,010	$440,010	$480,010	$520,010	$560,010
UNRESERVED	$1,517,704	$1,585,192	$1,627,218	$1,646,300	$1,640,050	$1,605,902

CAPITAL IMPROVEMENT FUNDS

Resolution No. 8788-R14 adopted the City of Urbana's original long-term Capital Improvement Plan and the requirement for annual updates. Accordingly, the City publishes a separate document annually, entitled the Capital Improvement Plan (C.I.P.). This plan details a proposed priority of spending for the next 10 years to provide a planned and coordinated approach to the maintenance, replacement and construction of the City's infrastructure (lighting systems, sidewalks, curbs and gutters, traffic signals, storm sewers, streets, and sanitary sewers). Various funding policies of the City relating to Motor Fuel Tax, Sewer Benefit Tax and the Capital Improvement and Replacement Funds were also dictated by this Resolution and subsequent amendments. The priorities, projects and cash flows for the ten-year plan are established annually via the budget process.

Financing the ten-year plan involves the use of several funding sources including the Sewer Benefit Tax Fund (SBT), Motor Fuel Tax Fund (MFT), Capital Improvement and Replacement Fund (CI&R), the three Tax Increment Financing District Funds, Community Development Block Grant (CDBG) Fund, and various project-specific private, state, and federal funds. Annual levels of expenditures may vary considerably from one year to the next since many of these capital improvement projects are very significant and often require that amounts be accumulated over more than a one-year period. When amounts are being accumulated, cash in these funds are growing. When the actual expenditures are made, cash will be decreasing. A brief description of the main funds follows:

- Motor Fuel Tax: State of Illinois MFT funding is generated from the State of Illinois gasoline tax and is apportioned to local governments based largely on population. In FY99-2000, local governments shared in the new “Illinois First” state program. Because of this new state program, the amount received in FY99-2000 increased about $128,000 and the amount in FY2000-01 is estimated to increase an additional $56,000. While there is some flexibility in the use of these funds, expenditures are generally limited to street maintenance and street lighting replacement. The current annual amount received from MFT is $1,075,000.

- Capital Improvement and Replacement: Since this fund is established and funded by a transfer from the City’s general operating funds, it has no Federal or local limits on use of the monies. It is also used to produce the local match on some state and federal projects. The current annual amount received from the general fund is $685,000.

- Sewer Benefit Tax: This fund is established by the City and funded by the City’s Sewer Benefit Tax on residential and commercial properties within the City. It is limited to improvements and maintenance of the City’s sanitary sewer lines and storm sewers where these improvements are directly related to the sanitary system in the area. Because of the great need for sewer improvements, the city has increased this tax slightly above inflation (4.5% annual increase over last 4 years). An average household of 4 persons will pay approximately $38/year. The current annual amount received from the sewer benefit tax is $685,000.

- Community Development Block Grant: CDBG contributions are planned to offset target area infrastructure improvements. The amount of CDBG funding for capital improvements may fluctuate, based on Urbana's comprehensive strategy.

Planning Assumptions and Policies for Capital Improvement Plan Funds:

1. Construction cost increases due to inflation will be offset by the same increase in revenues due to inflation. Interest accrues to the funds on balances.
2. Current annual funding levels including interest and miscellaneous are $2.6 million. This amount is adequate to maintain the City's current infrastructure according to acceptable useful lives. However, additions or major upgrades to the current infrastructure such as new roads, sewers, lighting systems, sidewalks, etc., will probably require additional funding or deferring currently identified projects.
3. Does not include amounts from State, Federal, other local government or private participation in projects.
4. No new major obligations to assist Champaign and the University of Illinois with Boneyard projects upstream.
5. Additional non-recurring transfers of approximately $2.1 million have been made from the City's General Reserve Fund from FY97 to 01 to speed up the City's lighting rehabilitation program and other improvement projects. The monies have been available because the City's general operating funds have been able to generate an excess of revenues over expenditures. It is anticipated that a transfer of $1 million will be able to be made in fiscal year 2001-02 and an additional $1.5 million in 2002-03 for Route 45 related infrastructure improvements the city has committed to. Also, an additional $1 million transfer is planned in 2003-04 for the Windsor Road improvement.
6. No funds have been allocated toward the University of Illinois Campus Area Transportation Plan (CATS). Any funding will require either identifying a new revenue source or reprioritizing current identified projects.
7. Only planning funds have been allocated for the Olympian Drive project in the next nine years. Construction of Olympia Drive would significantly alter the planning assumptions for this fund.

COMMUNITY DEVELOPMENT SPECIAL FUNDS:

In May 2000, the Urbana City Council adopted the Consolidated Plan for Program Years 2000-2004, which guides decisions regarding housing and community development fund expenditures during the four-year period beginning July 1, 2000, and ending June 30, 2004. The Consolidated Plan details the goals, objectives and policies for the expenditure of the Community Development Block Grant funds and the HOME consortium funds. The statutory goals of the programs encompassed by the Consolidated plan are as follows:

- to provide decent housing
- to provide a suitable living environment
- to expand economic opportunities.

Community Development Block Grant:

This grant allows the City to provide services to residents of the CD target area, which currently includes parts of Census Tracts 53, 54, and 55 in north and east central Urbana. In 2001-2002, the City of Urbana will receive $553,000 in CDBG entitlement funds. This is $23,000 more than the 2000-01 grant. It is always uncertain as to how the Federal Administration and Congress will choose to fund CDBG. However, given the Federal Government's current budgetary position, we have assumed annual entitlement revenue to remain fairly constant for the next five years. Any significant reduction in grant funding will result in a proportionate reduction in spending in these programs or identification of a local revenue replacement.

Only 20% of CDBG expenditures can be used for personnel and other administrative costs. 37% for direct housing and community improvements, 14% for social service agency funding, with the balance allocated for infrastructure improvements (streets, sewers, etc.).

A detail listing of program objectives and uses of funds is included in the annual City budget.

Community Development Sink Fund:

This fund was originally established to cover CDBG expenditures while awaiting receipt of entitlement draw-downs. When the Federal government automated its payment system and linked this system to the Federal Reserve, delays in entitlement draw-downs were essentially eliminated. In recent years, this fund has been used to help fund site development, architectural services and property acquisitions in connection with the Eads at Lincoln development. With the creation of TIF 3, use of these funds for Eads at Lincoln has become less necessary. It is recommended that the Fund will continue to be used for miscellaneous community development-related expenditures not otherwise eligible for funding under CDBG but that a minimum balance of $50,000 be maintained in this Fund as a reserve for emergencies such as sudden unanticipated loss of CDBG funds. Interest revenues shall accrue to the Fund and be used to pay for any costs.

Small Business Loan Fund:

This Fund was originally capitalized with CDBG funds to purchase participation notes in connection with Small Business Loans. No business loans are being originated from this Fund at this time due to burdensome Federal guidelines and to a shift in local funding priorities toward housing. Revenue received by this Fund includes loan payments and interest. This revenue is considered CDBG program income subject to CDBG guidelines. Per these guidelines, all revenues are transferred into CDBG for immediate expenditure in accordance with the CDBG Annual Action Plan. Once the last Small Business Loan matures (three loans are still outstanding) this fund will be closed.

Transitional Housing Fund:

This Fund was used to account for a federal grant from HUD to partially fund the City's Transitional Housing Program. The program operates three dwelling units acquired and renovated with assistance from HUD and two additional units leased from Carle Foundation at no cost. The City committed contractually to the U.S. Department of Housing and Urban Development to operate this program for 20 years. The City will be completing the tenth year of the program on June 30, 2001. The grant from HUD for the program terminated June 30, 1998. Beginning in 1999-2000, all costs of operating the program are being funded from the community development block grant and from rents. The current budget associated with the Transitional Housing Program is approximately $45,000. Since costs are being funded by C.D.G.G., beginning in 2000-01 the program is reported in the C.D.B.G. Fund.

Local Housing Loan Program:

Similar to the Small Business Loan Funds, this Fund is used to account for repayment of housing rehabilitation loans originated through CDBG. Loan payments and interest earnings deposited in the Local Housing Loan Program account represent CDBG program income. This Fund's revenue is routinely transferred to CDBG for expenditure in accordance with the CDBG Annual Action Plan. It is difficult to predict revenues (and thus expenditures) in the Local Housing Loan Program since the majority of CDBG housing loans are structured as deferred payment loans with no definite repayment date.

State Trust Housing:

This Fund was used as a revolving construction fund for the Eads at Lincoln project, as well as a second source of housing rehabilitation funds. With the completion of the project in 1997, the balance of the grant monies was transferred back to the State and the fund was closed. This fund became active again in fiscal 99-2000 with a grant of $75,000 from the Illinois Housing Development Authority. In 2000-01, the grant award will be expended and the fund closed out again.

Downtown Loan Program:

This Fund is used to account for loans made to rehabilitate facades of downtown buildings. Funding comes from transfers from the TIF Funds and the Economic Development Fund. The demand for downtown loans has diminished and only a few small loans have been made in the last few years.

Small Rental Properties Program:

This Fund accounted for a $250,000 grant from the Illinois Housing Development Authority used for renovation of rental properties. The twenty units renovated through the program are subject to rent and income limitations for seven years. This fund has been closed.

HOME Program

The HOME Program Fund was new in FY1995-96. HUD has approved an extension of the current program until June 30, 2004. The fund accounts for federal HOME Investment Partnerships Act funds granted to the Urbana Consortium for affordable housing activities. The Consortium currently consists of Urbana, Champaign, and Champaign County (Rantoul participated in fy2000-01). Urbana serves as lead entity of the Consortium. As such, Urbana is responsible for reporting to HUD and ensuring that all HOME expenditures meet HUD guidelines. A small part of the fund will be used to pay Consortium administrative expenses incurred by Urbana and expenses related to HOME-funded activities. The City's share of HOME Program Fund requires a 25% general fund match (approximately $65,000).

The amount of the grant for FY2001-02 is $1,036,000. HUD regulations require that each year's grant funds be contractually obligated within two years of the grant award and spent within five years. Thus, closeout of the FY00-01 allocation is not expected until the year 2006 The City of Urbana's share for FY2001-02 is $261,919 in addition to $69,214 consortium administration. The City's required local match for the FY2001-02 program is $65,480.

Federal regulations require set aside of HOME funds for exclusive use by certain private non-profit organizations known as community housing development organizations (CHDO). The set-aside is calculated as 15% of each year's grant. The C.H.D.O. set-aside funds are allocated by consensus of the Consortium members. The Consortium currently recognizes and funds two C.H.D.O.'s: the Homestead Corporation and the Illinois Center for Citizen Involvement.

Supportive Housing Program:

This fund was created in FY1995-96 to account for a HUD grant for expansion of three transitional housing shelters owned and managed by three private, non-profit agencies (A Woman's Place, The Center for Women in Transition, and Salvation Army). The City's role in this project is limited to fund management and program oversight. The grant was originally scheduled to terminate on June 30, 1998. However, in 1997, HUD approved a three-year extension in the amount of $619,550. Another three year extension has been granted in 2001 in the amount of $619,550.

Shelter Plus Care Program:

In 1996, HUD awarded the City $404,940 in Shelter Plus Care Funds. These Funds were used to provide tenant-based rent assistance to 15 households for five years. This program is targeted toward homeless persons with disabilities and their families/caregivers. The program is administered by the Housing Authority of Champaign County pursuant to a contract with the City. In 1999, the City was awarded $546,840 for a second Shelter Plus Care program serving 18 neighborhoods for five years.

Crystal Lake Park Neighborhood Development Fund:

This fund was created in the FY1996-97 budget as a result of the development agreement between the City of Urbana and the Carle Foundation. The fund is used to account for two programs established by the agreement:

- The City and Carle both have contributed ten thousand (10,000) dollars each year for five (5) years to a neighborhood investment fund to be used in the area bounded by University Avenue, Lincoln Avenue, Broadway Avenue, and Sunset Drive (extended). In FY2000-01, the City and Carle made their final payments, The City's contribution was made from the non-block grant funds. In return, the C.D.B.G. fund will contribute a like amount annually to the City's general fund for overhead expenses associated with the C.D.B.G. program. Per the development agreement, the neighborhood investment fund can be used for affordable housing, housing rehabilitation, crime prevention, social services, job training and/or neighborhood beautification programs. A committee of neighborhood residents appointed by the Mayor worked with staff to design the program and review applications submitted by residents.

- Carle was required to sell 12 dwellings for homeownership assistance. The City allocated an additional $40,000 to provide down payment and closing assistance to purchasers of the Carle properties. Sale of the 12 dwellings was completed in FY97-98. In FY99-2000, the balance of funds remaining in the homebuyer assistance fund, as well as any loan repayments, were allocated to a similar homebuyer assistance program intended to promote sale of dwellings in the neighborhood for homeownership (other than Carle owned).

- In FY2000-01, approximately $28,000 is available for these programs.

Financial Planning Policies and Assumptions for CD Special Funds:

Regarding the CD Special Funds, the following assumptions and policies have been formulated for the purposes of financial planning:

1. CD Special Funds shall not be utilized in a manner, which will provide an incentive to non-Urbana residents to locate to Urbana only in order to obtain benefits.
2. All transitional housing expenses are being accounted for in the C.D.B.G. program.
3. C.D.B.G. and HOME grant programs will continue to be funded at similar levels in the near future. Any significant reduction in funding will result in a proportionate reduction in spending in these programs or identification of a new local revenue replacement. Other programs are considered non-recurring in nature.

PENSION TRUST FUNDS:

A description of the City's three pension trust fund operations follows:

1. Illinois Municipal Retirement Fund: All employees that meet certain minimum hourly standards, except sworn police and fire personnel, by state law must be enrolled and participate in the Illinois Municipal Retirement Fund (IMRF). Retirement and disability benefit levels are also established by State Statute and based on a percentage of salary, age at retirement, and number of years employed with City. Employees are currently required to contribute 4.5% of their annual salary. The City is required to contribute the remaining amounts necessary to fund the system. The City's contribution is currently 2.56% of salaries. Ten years ago, this rate was 7.85%. This drop in cost is due in large part to unusual high returns on IMRF investments in the stock market over the last 4 years. The City's pension requirements for IMRF are currently considered to be 100% funded (sufficient monies are currently on deposit along with future normal anticipated contributions to pay for future pension costs, given information at this date) The City’s contribution is currently approximately $500,000.

2. Sworn police personnel are covered by the Police Pension Plan. Benefits and contribution levels are established by State Statute and based on a percentage of salary. Employees are currently required to contribute 9.91% (increased from 9.0% on 1/1/01) of their salary and the City is required to contribute the remaining amounts necessary to fund the system. The City’s contribution is currently 48% of salaries (21% for current funding and 27% for catch-up of accrued liabilities). Accrued liabilities occur when changes in benefit levels are applied retroactively and when actuarial assumptions are changed. Four years ago, the City hired an independent actuary to perform the annual actuarial analysis of the Police Pension Fund. The City had utilized the Illinois Department of Insurance previously. The independent actuary reported that the Dept. of Insurance’s actuarial assumptions and methods were not current and the funding level should be significantly increased. By substantially increasing contributions, the City has improved the funding level to 66% current funding from a 58% level 5 years ago. The goal of the City is to reach a 100% funding level. Over the last five year’s, this contribution has averaged an annual 34% increase to current contribution of $954,000. This contribution increase was required even given larger than normal investment returns from the stock market over the last 2 years.

3. Sworn fire personnel are covered by the Firemen's Pension Plan. Benefits and contribution levels are established by State Statute and based on a percentage of salary. Employees are required to contribute 8.45% of their salary and the City is required to contribute the remaining amounts necessary to fund the system. The City's contribution is currently 22% of salaries (19% considered normal cost and 3% catch-up on accrued liabilities (accrued liabilities occur when benefit changes are applied retroactively or actuarial assumptions change). The City's pension requirements for the Firemen's Pension Fund are currently 98% funded (increased from 87% level 5 years ago). This 98% funding level indicates that sufficient monies are currently on deposit along with

future normal anticipated contributions to pay for future pension costs, given information at this date. Over the last five year's, this contribution has averaged an annual 8% increase to current contribution of $458,118. This contribution increase was required even given larger than normal investment returns from the stock market over the last 2 years.

Pension Funding Assumptions

1. It is the City's policy to meet all current pension funding levels with current revenues and to catch-up un-funded costs in accordance with State requirements and prudent and accepted actuarial methods Our goal is to achieve a 100% funding level for all retirement liabilities. A significant increase in benefits was approved by the State Legislature for the Police Pension Fund effective January 1, 2001. It is uncertain at this time, exactly how much cost increase will be required in the future due to these benefit changes. Fire Pension received a similar benefit increase last year. Because both Fire and Police Pension Funds have recently experienced benefit increases from legislative changes, it is assumed that over the next five years, no additional significant changes will be approved. It is also assumed that the Police and Fire Pension Fund disability experience will not be above current actuarial assumed levels. A disability experience above normal levels can increase funding requirements significantly.

2. All costs associated with hiring additional firefighters due to the University of Illinois service contract have been and will in the future continue to be funded by revenues generated from the contract.

3. Because of unusual investment returns, I.M.R.F. funding levels have been able to be reduced to the current level. Because of this, lobbying efforts by various municipal employee groups aimed at convincing the State Legislature to increase benefits (including paying for retirement health care costs) are intensifying. A significant increase in IMRF benefit levels would mean significantly increased costs

4. The City's financial projections have assumed an annual increase of 10% for all 3 pension funds for the future. This is a conservative projection and should be adequate. We are hopeful that actual future costs will average less than 10%

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: April D. Getchius, AICP, Director

DATE: February 15, 2001

SUBJECT: An Ordinance Approving an Annexation Agreement with Jack O. Snyder for property located at 2210 North Willow Road (Plan Case No. 1769-A-00)

Introduction

The purpose of this memorandum is to forward a proposed Annexation Agreement between the City of Urbana and Jack O. Snyder. Mr. Snyder has petitioned the City of Urbana to annex the subject 1.0 ± acre property, located at 2210 North Willow Road, with a zoning designation of B-3, General Business. The current Champaign County zoning designation for the site is AG-2, Agriculture. A copy of the proposed Annexation Agreement is attached to this memorandum.

The City Council will conduct a public hearing on this annexation agreement at 7:20 p.m. on February 19, 2001.

Background

The subject property is located at the northeast corner of the intersection of North Willow Road and Anthony Drive, just north of Interstate 74. It is currently vacant and has previously been used for commercial purposes by Amerigas. The City of Urbana recently amended the Comprehensive Plan land use designations of the subject site and other sites in the Willow Road/North Cunningham Avenue vicinity to the designation of Commercial from a previous designation of Commercial and Industrial (Ordinance 1999-09-088, passed on September 7, 1999). The proposed zoning designation would be entirely consistent with the amended Comprehensive Plan land use designation for the site.

Additional background information on this agreement is provided in the Plan Commission Memorandum, dated February 1, 2001.

Issues and Discussion

The petitioner is requesting to be annexed into the City of Urbana under the terms of the attached proposed Annexation Agreement. Among the provisions of the Annexation Agreement is the designation of the site as B-3, General Business.

In considering the proposed zoning designation, the Plan Commission must consider effects upon the public health, safety, comfort, morals and general welfare of the community. The City's Comprehensive Plan and zoning law decisions in the Illinois Courts provide a framework for this consideration. Relevant Comprehensive Plan goals, objectives, and policies are outlined in the Plan Commission Memorandum.

The Plan Commission Memorandum also addresses the factors for evaluating the legal validity of a zoning classification, as identified in the case of La Salle National Bank v. County of Cook. These are summarized as follows.

1. *The existing land uses and zoning of the nearby property.*

The proposed rezoning to B-3 would be consistent with existing B-3 zoning designations to the west of the site and with existing commercial and industrial uses to the east, north, and west. The B-3 zoning would be compatible with Industrial zoning designations to the east and north. The existing County R-1 zoning to the south is buffered by Interstate 74 and is not connected to the subject site. The existing County R5 zoning to the west, across Willow Road, is no longer being used for mobile home park purposes and is expected to be annexed into the City with a proposed zoning designation of B-3.

2. *The extent to which property values are diminished by the restrictions of the ordinance.*

While City Planning and Economic Development Division staff are not qualified as professional appraisers, it can generally be noted that the value of the petitioner’s property may be diminished by its existing County agricultural zoning. The site is not used for agricultural purposes and is surrounded by urban land use and/or zoning designations. It is not nearby any other agriculturally zoned properties and is not of a size or configuration that is suitable for agricultural purposes.

3. *The extent to which the ordinance promotes the health, safety, morals or general welfare of the public.*

4. *The relative gain to the public as compared to the hardship imposed on the individual property owner.*

As the subject property constitutes a small island of AG-2 zoning and is surrounded by commercial and industrial zoning designations, it is difficult to argue that the present zoning of the subject parcel particularly promotes the health, safety, morals or general welfare of the public. Under the current zoning, the petitioner experiences a hardship and uncertainty associated with agricultural zoning on a site that is surrounded by urban zoning and land uses and which is no longer suitable for agricultural purposes. This hardship and uncertainty would seem to outweigh any detriment to the public they may result from the proposed rezoning.

5. *The suitability of the subject property for the zoned purposes.*

The subject parcel is surrounded by other developed and developing uses and is adequately served by public streets and utilities. The subject parcel is well suited to general commercial use. It has good access from both Anthony Drive and Willow Road and has excellent visibility from Interstate 74. As noted above, due to its size and location, the subject parcel is no longer suitable for agricultural uses. As this area is developed further with commercial and industrial uses, future upgrade to Anthony Drive and/or Willow Road may become necessary.

6. *The length of time the property has been vacant as zoned, considered in the context of land development, in the area, in the vicinity of the subject property.*

The subject parcel has become vacant relatively recently. It was previously used by Amerigas. Activity at the site is visible in 1972 and in 1988 aerial photographs.

Summary of Findings

1. Annexation of the site with a zoning designation of B-3, General Business, is consistent with the Comprehensive Plan designation of the site as Commercial.

2. Annexation of the site with a zoning designation of B-3 and subsequent commercial development of the site would help meet a number of the goals, objectives, and policies of the Urbana Comprehensive Plan.

3. The proposed B-3 zoning for the site would be consistent with existing and planned land uses in the vicinity.

4. The proposed zoning designation appears to generally meet the LaSalle Case criteria.

Options

The City Council has the following options in this case:

a. The City Council may approve the proposed Annexation Agreement with Jack O. Snyder, including a zoning designation of B-3 for the site.
b. The City Council may approve the proposed Annexation Agreement with Jack O. Snyder, including a zoning designation of B-3 for the site, with specific changes to be identified. (Note that because this is a voluntary annexation, the property owner would have to agree to recommend changes).

c. The City Council may deny the proposed Annexation Agreement with Jack O. Snyder.

Recommendation

At their February 8, 2001 meeting, the Urbana Plan Commission recommended unanimously that the City Council approve the proposed Annexation Agreement with Jack O. Snyder, including a zoning designation of B-3 for the site. Staff concurs with this recommendation.

Prepared by:

____

Elizabeth H. Tyler, AICP/ASLA, Assistant City Planner

c: Jack O. Snyder
Joe Duchene
Mercer Turner

Attachments: Draft Ordinance Approving an Annexation Agreement
Proposed Annexation Agreement with Petition for Annexation
Excerpt Draft minutes from February 8, 2001 Plan Commission meeting

ORDINANCE NO. _______________

AN ORDINANCE APPROVING AN ANNEXATION AGREEMENT WITH JACK O. SNYDER

(2210 North Willow Road - Plan Case No. 1769-A-00)

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

Section 1. That an agreement by and between the City of Urbana and Jack O. Snyder, in the form of the copy of said Agreement attached hereto and hereby incorporated by reference, be and the same is hereby authorized and approved.

Section 2. That the Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver and the City Clerk of the City of Urbana, Illinois, be and the same is authorized to attest to said execution of said Agreement as so authorized and approved for and on behalf of the City of Urbana, Illinois.

PASSED by the City Council this ________ day of ____________________, ______.

AYES:

NAYS:

ABSTAINS:

____
Phyllis D. Clark, City Clerk

APPROVED by the Mayor this ________ day of ____________________, ______.

____
Tod Satterthwaite, Mayor

ANNEXATION AGREEMENT

THIS Agreement, made and entered into by and between the City of Urbana, Illinois, (herein after sometimes referred to collectively as the "Corporate Authorities" or the "City") and Jack Snyder (hereinafter referred to as the "Owner"). The effective date of this Agreement shall be as provided in Article III, Section 6.

WITNESSETH:

WHEREAS, this Agreement is made pursuant to and in accordance with the provisions of Section 11-15.1-1 et seq., of the Illinois Municipal Code (65 ILCS 5/11-15.1-1); and

[EREAS, Jack O. Snyder is the Owner of record of a certain approximately 1.00 acre parcel of real estate located at 2210 North Willow Road, and having permanent index number 30-21-04-100-004, the legal description of which real estate is set forth Exhibit A attached hereto and referenced herein as the "tract".

WHEREAS, the attached map, labeled Exhibit B, is a true and accurate representation of the tract to be annexed to the City of Urbana under the provisions of this agreement.

WHEREAS, said Owner finds that in order to best utilize the Owner's property, it is desirous to annex the tract to the City of Urbana pursuant to, and as provided for in this Annexation Agreement; and

WHEREAS, the tract is currently zoned AG-2, Agriculture in Champaign County and the City and the Owner find it necessary and desirable that the tract be annexed to the City with a zoning classification of B-3, General Business, under the terms and provisions of the Urbana Zoning Ordinance in effect upon the date of annexation, as amended, and subject to the terms and conditions set forth in this Agreement; and

WHEREAS, the Corporate Authorities find annexing said tract as described herein as City B-3, General Business, reflects the goals, objectives and policies set forth in the 1982 Urbana Comprehensive Plan, as amended from time to time; and

WHEREAS, such annexation will ensure that the City of Urbana will receive real estate taxes and other revenues and will enable the City to continue to enhance its tax base; and

WHEREAS, the Owner desires to have the aforementioned real estate annexed to the City of Urbana upon certain terms and conditions hereinafter set forth in this Agreement.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES SET FORTH HEREIN, THE PARTIES AGREE AS FOLLOWS:

ARTICLE I. REPRESENTATIONS AND OBLIGATIONS OF THE OWNER

The Owner agrees to the following provisions:

Section 1. Annexation: The Owner represents that he is the sole record Owner of the tract described in Exhibit A and the Owner acknowledges that immediately after the City Council's approval of this Agreement, the City shall act on the signed annexation petition, labeled Exhibit C, to cause said tract to be annexed to the City of Urbana.

The Owner further agrees that this Annexation Agreement shall be included in any sales contract for the sale of any portion of the subject tract. If the subject tract is to be platted for subdivision, the Owner agrees that the substance of these provisions regarding annexation shall be included in the subdivision covenants and such will constitute a covenant running with the land.

Section 2. Zoning Classification: The Owner agrees to accept the City of Urbana zoning classification of B-3, General Business, as provided for in Section IV-5 of the Urbana Zoning Ordinance. The Owner further agrees to abide by all applicable development regulations existing at the time of annexation.

Section 3. Disconnection: The Owner agrees and hereby stipulates that the Owner shall not take any action to disconnect the tract from the City once it is annexed during the 20-year term of this agreement.

ARTICLE II. REPRESENTATIONS AND OBLIGATIONS OF THE CORPORATE AUTHORITIES

The Corporate Authorities agree to the following provisions:

Section 1. Annexation: The Corporate Authorities agree to act immediately to annex said tract subject to the terms and conditions outlined in this Agreement by enacting such ordinances as may be necessary and sufficient to legally and validly annex said tract to the City.

Section 2. Zoning Classification: The Corporate Authorities agree that the tracts will be zoned B3, General Business in accordance with Article IV, Section IV-5 of the Urbana Zoning Ordinance upon annexation and as defined in the City of Urbana Zoning Ordinance as such exists at the time of annexation of tract. The Corporate Authorities agree that all applicable development regulations will apply to said tract, except as otherwise provided herein.

Section 3. Tax Increment Financing District: Upon annexation, the City agrees to include the tract within the proposed tax increment financing district number 4 (a.k.a. North Urbana Redevelopment Plan) if it qualifies as a part of said district and said district is approved by the City of Urbana and the State of Illinois.

Section 4. Enterprise Zone. The City will submit application to the State of Illinois to request the subject tract to be added to Urbana Enterprise Zone pursuant to the Illinois Enterprise Zone Act (20 ILCS 655/1 et seq.) no later than 30 days after the effective date of this agreement, or the date all property is located within the City of Urbana, whichever is later.

ARTICLE III: GENERAL PROVISIONS

Section 1. Term of this Agreement: This Agreement shall be binding upon the parties hereto, and their respective successors and assigns, for a full term of twenty (20) years commencing as of the effective date of this Agreement as provided by the Illinois State Statutes, unless other provisions of this Agreement specifically apply a different term. To the extent permitted thereby, it is agreed that, in the event the annexation of subject tract under the terms and conditions of this Agreement is challenged in any court proceeding, the period of time during which such litigation is pending shall not be included in calculating said twenty-year term.

If this Agreement imposes any obligation, restraint, or burden (hereinafter called collectively "obligation") on the Owner, his successors or assigns, which obligation extends beyond the termination date of this Agreement, such obligation may be released by the Urbana City Council enacting an Ordinance releasing such obligation by a majority vote of all Alderpersons then holding office and the recording of such Ordinance in the Champaign County Recorder's Office, Champaign County, Illinois.

Section 2. Covenant running with the land: The terms of this Agreement constitute a covenant running with the land for the life of this Agreement unless specific terms are expressly made binding beyond the life of this Agreement. Furthermore, the terms herein are hereby expressly made binding upon all heirs, grantees, lessees, executors, assigns and successors in interest of the Owner as to all or any part of the tract, and are further expressly made binding upon said City and the duly elected or appointed successors in office of its Corporate Authorities.

Section 3. Binding Agreement upon parties: The Corporate Authorities and Owner agree that neither party will take no action or omit to take action during the term of this Agreement which act or omission as applied to the tract would be a breach of this Agreement without first procuring a written amendment to this Agreement duly executed by both the Owner and the city.

Section 4. Enforcement: The Owner and Corporate Authorities agree and hereby stipulate that any party to this Agreement may, by civil action, mandamus, action for writ of injunction or other proceeding, enforce and compel performance of this Agreement or the non-defaulting party may declare this Agreement null and void in addition to other remedies available. Upon breach by the Owner, the City may refuse the issuance of any permits or other approvals or authorizations relating to development of the tract.

Section 5. Severability: If any provision of this Agreement is rendered invalid for any reason, such invalidation shall not render invalid other provisions of this Agreement which can be given effect even without the invalid provision.

Section 6. Effective Date: The Corporate Authorities and Owner intend that this Agreement shall be recorded in the Office of the Champaign County Recorder with any expenses for said recording to be paid by the Corporate Authorities. The effective date of this Agreement shall be the date it is recorded; or if not recorded for any reason, the effective date shall be the date the Mayor signs the agreement on behalf of the City.

Section 7. Notices: Notices under the terms of this Agreement shall be considered given when deposited in the U.S. Mail, postage prepaid, first class certified, or delivered personally to:

Owner:

Jack O. Snyder
204 North Prospect
Bloomington, Illinois 61704

with a copy to:

Mercer Turner
202 North Prospect, Ste. 202
Bloomington, IL 61704

City:

Bruce K. Walden
Chief Administrative Officer
City of Urbana
400 South Vine Street
Urbana, Illinois 61801

Any change of address to which said Notice shall be delivered shall be provided in writing to all parties of this Agreement.

IN WITNESS WHEREOF, the Corporate Authorities and Owner have hereunto set their hands and seals, and have caused this instrument to be signed by their duly authorized officials and the corporate seal affixed hereto, all on the day and year written below.

Corporate Authorities
City of Urbana: **Owner:**

Tod Satterthwaite, Mayor Jack O. Snyder

Date Date

ATTEST: **ATTEST:**

Phyllis D. Clark Notary Public
City Clerk

Date Date

Exhibits attached and made a part of this Agreement:

Legal Description of Tract

Beginning at a point on the West line of Section 4, Township 19 North, Range 9 East of the Third Principal Meridian, which is 2,256.41 feet South of the Northwest corner thereof; thence East 208.00 feet; thence South 248.36 feet more or less to the intersection with the Northerly right of way line of FAI 74; thence Westerly along said right of way line along a curve to the right whose radius is 1,090 feet, 37.84 feet to the Point of Curvature of said curve; thence North 78° 05' West, 48.70 feet to the point of tangency of another curve to the right whose radius is 130.00 feet; thence along said curve to the right, 179.10 feet; thence West 17.15 feet to the West line of said Section 4; thence North along said West line 105.05 feet to the point of beginning, situated in Champaign County, Illinois.

Being the same tract described on a Deed recorded March 9, 1990 in Book 1677 at Page 627 in the Office of the Recorder of Deeds, Champaign County, Illinois.

DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Planning and Economic Development Division

m e m o r a n d u m

TO: Bruce K. Walden, CAO

FROM: April D. Getchius, AICP, Director

DATE: February 15, 2001

SUBJECT: ZBA 01-MAJ-1, Request for a major variance filed by Chet Frederick. The petitioner proposes a reduction in the required front yard setback along Elm Street from the blockface average of 23.5-feet to 15-feet.

Introduction

Chet Frederick is in the process of constructing a 5-unit apartment building at the southwest corner of Grove Street and Elm Street. The framing of the building is completed and the contractors are currently working on the interior of the structure. The building appears to front on Grove Street and takes the address of 201 S. Grove Street. However, the building also has frontage on Elm Street which is also considered a "front yard". The Urbana Zoning Ordinance requires either a 15-foot setback along Grove and Elm Streets or the average of the setbacks of all structures on each blockface, whichever is greater. For the setback on Elm Street, the blockface average is 23.5-feet. The petitioner's building has been constructed at the 15-foot setback line. Due to a error on the part of city staff during the Building Safety Team review of the development plan, the petitioner was informed that the setback along Elm Street could be 15-feet. It was later discovered that the setback was required to be 23.5-feet once the blockface average was factored into the setback equation. Upon noticing the error, city staff had consulted with Mr. Frederick on the possible solutions to the problem. To rectify the problem, the only apparent options for Mr. Frederick would be to, a) apply for a variance to permit the encroachment; or b) demolish the structure or move it back an additional 8.5-feet from the Elm Street frontage. With those options, Mr. Frederick opted to apply for the variance. Since the reduction of the required yard setback is greater than 25%, the case is considered to be a Major Variance of the zoning regulations.

Zoning

The lot is currently zoned R-5, Medium High Density Multiple Family Residential. The petitioner did not need to obtain a zoning change to build the five-unit apartment building. The entire neighborhood north of Green Street is zoned either R-4 or R-5 Multi-Family Residential. The zoning south of Green Street is primarily R-3, Single and Two Family Residential. The site is located in an area of mixed single, and multi-family uses. The south side of Elm Street from Grove Street to Maple Street is occupied by single-family residential homes on lots zoned for multi-family.

Description of the Site

Located at the southwest corner of Elm Street and Grove Street, the lot contains 8,625 square feet in area (69-feet wide by 125-feet deep). Although the lot has street frontage on Grove Street and Elm Street, it is also served by a 12-foot public alley to the south.

The one-story, five unit apartment building will be approximately 2,800 square feet. Access to the building will be from the alley to the south which will access the five off-street parking spaces. With exception of the Elm Street front yard setback, the building meets all other requirements of the Urbana Zoning Ordinance and Building Code.

It is important to note that the current layout of the apartment building could still be built on the existing lot if the proper setbacks were met. The site contains approximately 13-feet of extra room on the southern boundary of the site between the parking area and the alley. The requested variance does not, in affect, allow the petitioner to obtain any additional units that could not be achieved if the proper setbacks were met.

Blockface Average Setback Requireme nt

In residential zoning districts, the zoning ordinance requires a front yard setback of 15-feet of the average of all front yard setbacks along that blockface. This regulation is intended to protect a blockface with uniform deep setbacks from being disrupted with the new construction of a building at 15-feet. While this regulation can be quite effective in preserving the character of a street where all the homes have similar deep setbacks, it can become problematic when a blockface contains homes with a wide range of setbacks. One home with an exceptionally deep setback can skew the average along the block making all the other homes legally non-conforming. This has resulted in an increase in the requests for variances when homeowners want to add onto their homes or even enclose a front porch.

Findings

In order to review a potential variance, Section XI-3 of the Urbana Zoning Ordinance requires the ZBA and City Council to make findings based on variance criteria. At the February 13, 2001 meeting, the ZBA cited the following findings for their recommendation for approval of the requested variance:

1. *Are there special circumstances or special practical difficulties with reference to the parcel concerned, in carrying out the strict application of the ordinance?*

In this case, the special practical difficulty is that the building was built with the understanding that only a 15-foot variance would be required. At this time it out of compliance with the zoning ordinance and the only way to bring it into compliance without the variance would be to demolish it or to move it 8.5-feet south on the lot.

2. *The proposed variance will not serve as a special privilege because the variance requested is necessary due to special circumstances relating to the land or structure involved or to be used for occupancy thereof which is not generally applicable to other lands or structures in the same district.*

The structure involved had preliminary approval for construction at the 15-foot setback line. The granting of the variance would not serve as a special privilege because while the setback may not be consistent with the requirements of the zoning ordinance, it is consistent with the variety of setbacks already evident in the immediate neighborhood.

3. *The variance requested was not the result of a situation or condition having been knowingly or deliberately created by the Petitioner.*

The petitioner had approval from city staff to build the structure in its current location only to later find out that a staff error necessitated the need for a variance.

4. *The variance will not alter the essential character of the neighborhood.*

The neighborhood contains a variety of building setbacks ranging from very shallow to quite deep. While this setback is not consistent with the immediately adjacent properties, overall it is consistent with the setbacks of the neighborhood as a whole.

5. *The variance will not cause a nuisance to the adjacent property.*

The setback is not consistent with the neighboring structure's setback at 705 East Elm Street but there is a significant evergreen buffer between the two structures which greatly mitigates any negative impact this variance may create. Even without the vegetative buffer, the reduced setback should not be a nuisance to the adjacent property.

6. *The variance represents generally the minimum deviation from requirements of the Zoning Ordinance necessary to accommodate the request.*

The petitioner is not requesting any additional variance in the setback beyond the 8.5-feet needed.

The Zoning Board of Appeals further found that:

1. The proposed variance is needed due to a city staff error in the review of the construction plans. The building was under construction prior to an awareness on the part of the city staff that the incorrect setback had been permitted.

2. The proposed variance would not cause a negative impact to the immediate area because the setback will be generally consistent with the setbacks of many structures in the area.

3. The proposed variance will not have a negative impact on the immediately adjacent neighbor to the west because there is a heavy vegetative buffer between the two lots which shields the two structures from each other.

4. The development meets all other requirements established by the Urbana Zoning Ordinance.

5. The variance allows for the completion of the building without it having to be torn down or physically moved.

Options

The City Council has the following options this case:

a. The Council may grant the variance as requested based on the findings outlined in this memo; or

b. The Council may grant the variance subject to certain terms and conditions. If the Council elects to impose conditions or grant the variance on findings other than those articulated herein, they should articulate its findings in support of the approval and any conditions imposed.

c. The Council may deny the variance request. If the Council elects to do so, they should articulate findings supporting its denial; or

Recommendation

Based on the findings outlined herein, the Zoning Board of Appeals voted 5-0 to forward the variance request to the City Council with a recommendation for approval. Therefore, staff concurs with the ZBA and recommends that City Council **GRANT** the variance as requested.

Attachments:	Exhibit 1:	Proposed Ordinance
	Exhibit 2:	Location Map
	Exhibit 3:	Zoning Map
	Exhibit 4:	Site Plan
	Exhibit 5:	Additional Photos
	Exhibit 6:	February 13, 2001 Zoning Board of Appeals Minutes

c: Chet Fredrick, Applicant

Prepared by:

____

Rob Kowalski, AICP
Senior Planner

EXHIBIT #1; PROPOSED ORDINANCE

ORDINANCE NO. ____________________

AN ORDINANCE APPROVING A MAJOR VARIANCE

(Reduction Of The Frontyard Setback In The City's R-5, Medium High Density Multiple Family Residential Zoning District, From 23.5-feet to 15-feet / 201 S. Grove Street -- Case No. ZBA-01-MAJ-1)

WHEREAS, the Zoning Ordinance provides for a major variance procedure to permit the Zoning Board of Appeals and the City Council to consider criteria for major variances where there are special circumstances or conditions with the parcel of land or the structure; and

WHEREAS, the owner of the subject property, Chet Frederick, has submitted a petition requesting a major variance to allow the reduction of the required front yard setback on the north side of the subject property; and

WHEREAS, said petition was presented to the Urbana Zoning Board of Appeals in Case #ZBA-01-MAJ-1; and

WHEREAS, after due publication in accordance with Section XI-10 of the Urbana Zoning Ordinance and with Chapter 65, Section 5/11-13-14 of the Illinois Compiled Statutes (65 ILCS 5/11-13-14), the Urbana Zoning Board of Appeals (ZBA) held a public hearing on the proposed major variance on February 13, 2000, and the ZBA by a unanimous vote of its members recommend to the City

Council approval of the requested variance; and

WHEREAS, after due and proper consideration, the City Council of the City of Urbana has determined that the major variance referenced herein conforms with the major variance procedures in accordance with Article XI, Section XI-3.C.3.d of the Urbana Zoning Ordinance; and

WHEREAS, the City Council agrees with the following findings of fact adopted by the ZBA in support of its recommendation to approve the application for a major variance:

1. The special practical difficulty is that the building was built with the understanding that only a 15-foot variance would be required. At this time the building is out of compliance with the zoning ordinance and the only way to bring it into compliance without the variance would be to demolish it or to move it 8.5-feet south on the lot.

2. The granting of the variance would not serve as a special privilege because while the setback may not be consistent with the requirements of the zoning ordinance, it is consistent with the variety of setbacks already evident in the immediate neighborhood.

3. The petitioner had approval from city staff to build the structure in its current location only to later find out that a staff error necessitated the need for a variance.

4. The neighborhood contains a variety of building setbacks ranging from very shallow to deep. While this setback is not consistent with the immediately adjacent properties, overall it is consistent with the setbacks of the neighborhood as a whole.

5. There is a significant evergreen buffer between site and the neighboring structure which greatly mitigates any negative impact this variance may create. Even without the vegetative buffer, the reduced setback should not be a nuisance to the adjacent property.

6. The proposed variance represents the minimum deviation from requirements of the Zoning Ordinance necessary to accommodate the request.

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

The major variance request by Chet Frederick, in Case #ZBA-01-MAJ-1 is hereby approved to allow the reduction of the required front yard setback along Elm Street in the R-5, Medium High Density Multiple Family Residential Zoning District from 23.5 feet to 15 feet, in the manner proposed in the application for the major variance in that case.

The major variance described above shall only apply to the property located at 201 S. Grove Street, Urbana, Illinois, more particularly described as follows:

LEGAL DESCRIPTION:

Lot 1 in Block 4 in James Thorpe’s Addition to the City of Urbana, otherwise known as Thorpe’s Place, as per plat recorded in Plat Book “A” at Page 193, situated in the City of Urbana, in Champaign County, Illinois.

PERMANENT PARCEL #: 92-21-17-235-007

The City Clerk is directed to publish this Ordinance in pamphlet form by authority of the corporate authorities. This Ordinance shall be in full force and effect from and after its passage and publication in accordance with the terms of Chapter 65, Section 1-2-4 of the Illinois Compiled Statutes (65 ILCS 5/1-2-4).

This Ordinance is hereby passed by the affirmative vote, the “ayes” and “nays” being called of a majority of the members of the City Council of the City of Urbana, Illinois, at a regular meeting of said Council on the _____ day of ____________________, 2000.

PASSED by the City Council this ________ day of

____________________, ______.

AYES:

NAYS:

ABSTAINS:

____
Phyllis D. Clark, City Clerk

APPROVED by the Mayor this ________ day of

_________________________, ______.

____
Tod Satterthwaite, Mayor

CERTIFICATE OF PUBLICATION IN PAMPHLET FORM

I, Phyllis D. Clark, certify that I am the duly elected and acting Municipal Clerk of the City of Urbana, Champaign County, Illinois.

I certify that on the _____ day of ____________________, 2001,the corporate authorities of the City of Urbana passed and approved Ordinance No. ___________________, entitled “AN ORDINANCE APPROVING A MAJOR VARIANCE

“(Reduction Of The Frontyard Setback In The City’s R-5, Medium High Density Multiple Family Residential Zoning District, From 23.5-feet to 15-feet / 201 S. Grove Street -- Case No. ZBA-01-MAJ-1)” which provided by its terms that it should be published in pamphlet form. The pamphlet form of Ordinance No. _______ was prepared, and a copy of such Ordinance was posted in the Urbana City Building commencing on the _______ day of _____________________, 2001, and continuing for at least ten (10) days thereafter. Copies of such Ordinance were also available for public inspection upon request at the Office of the City Clerk.

EXHIBIT #2; Location Map

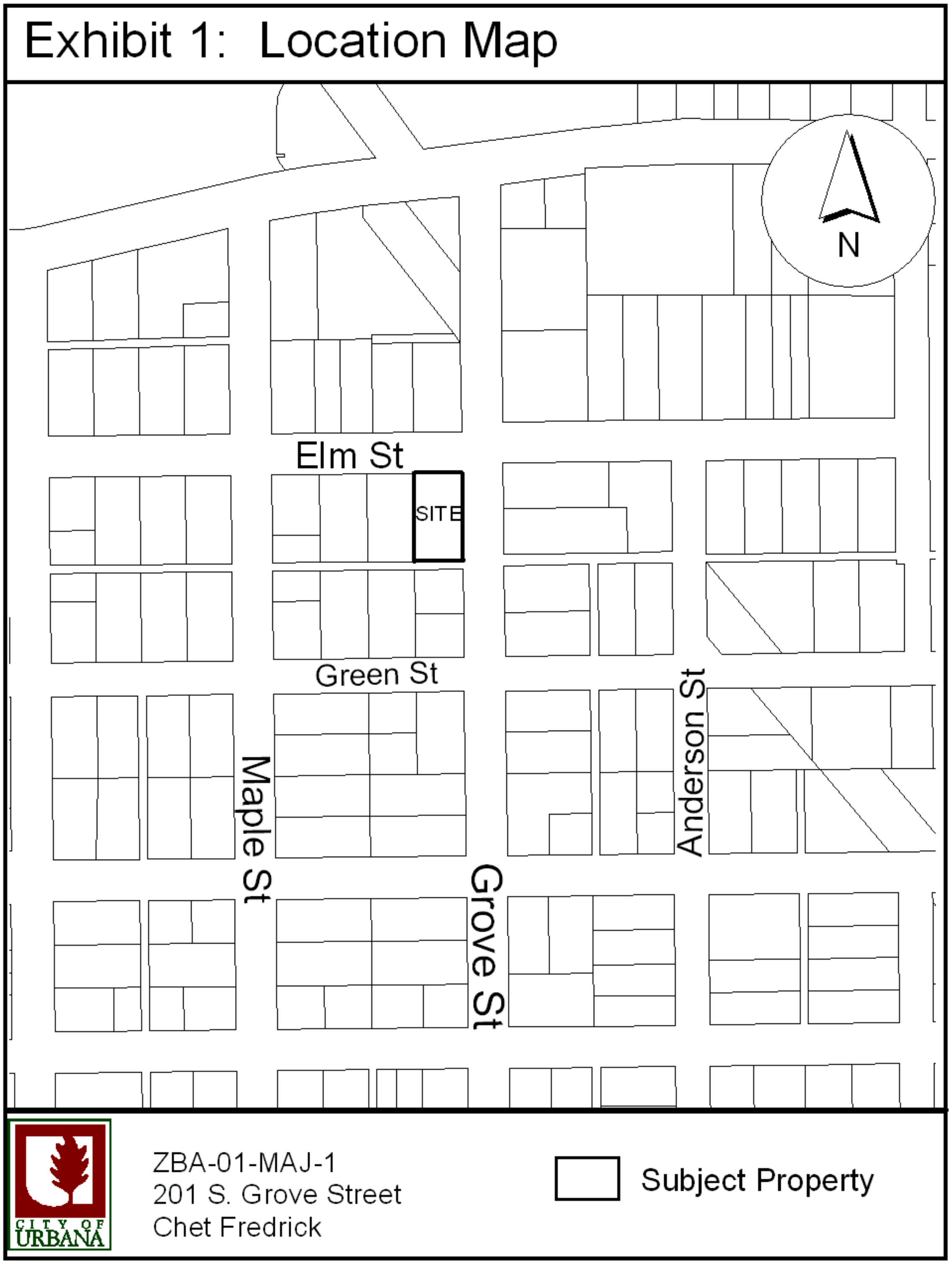


EXHIBIT #3; ZONING MAP

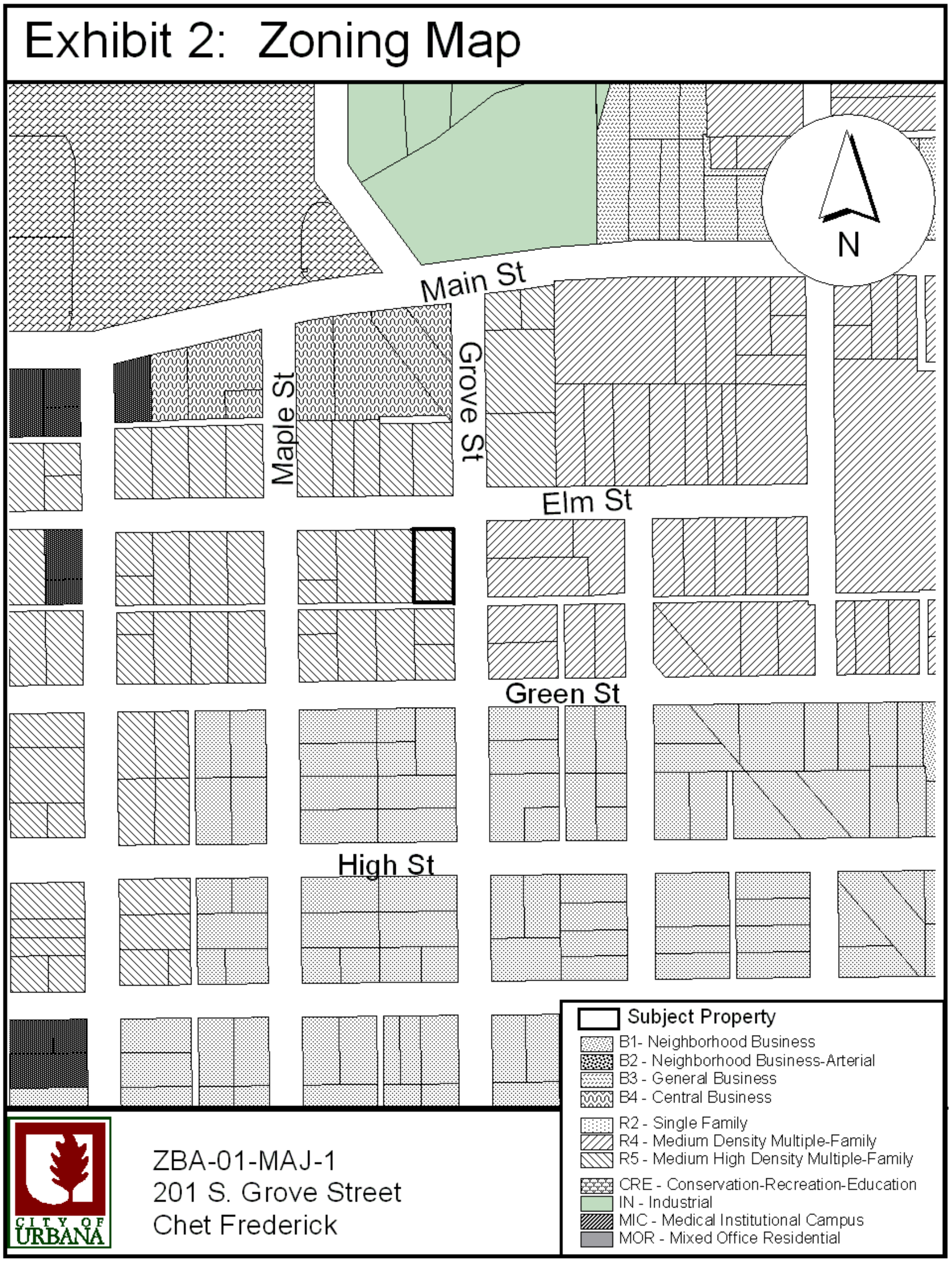


EXHIBIT #4; SITE PLAN

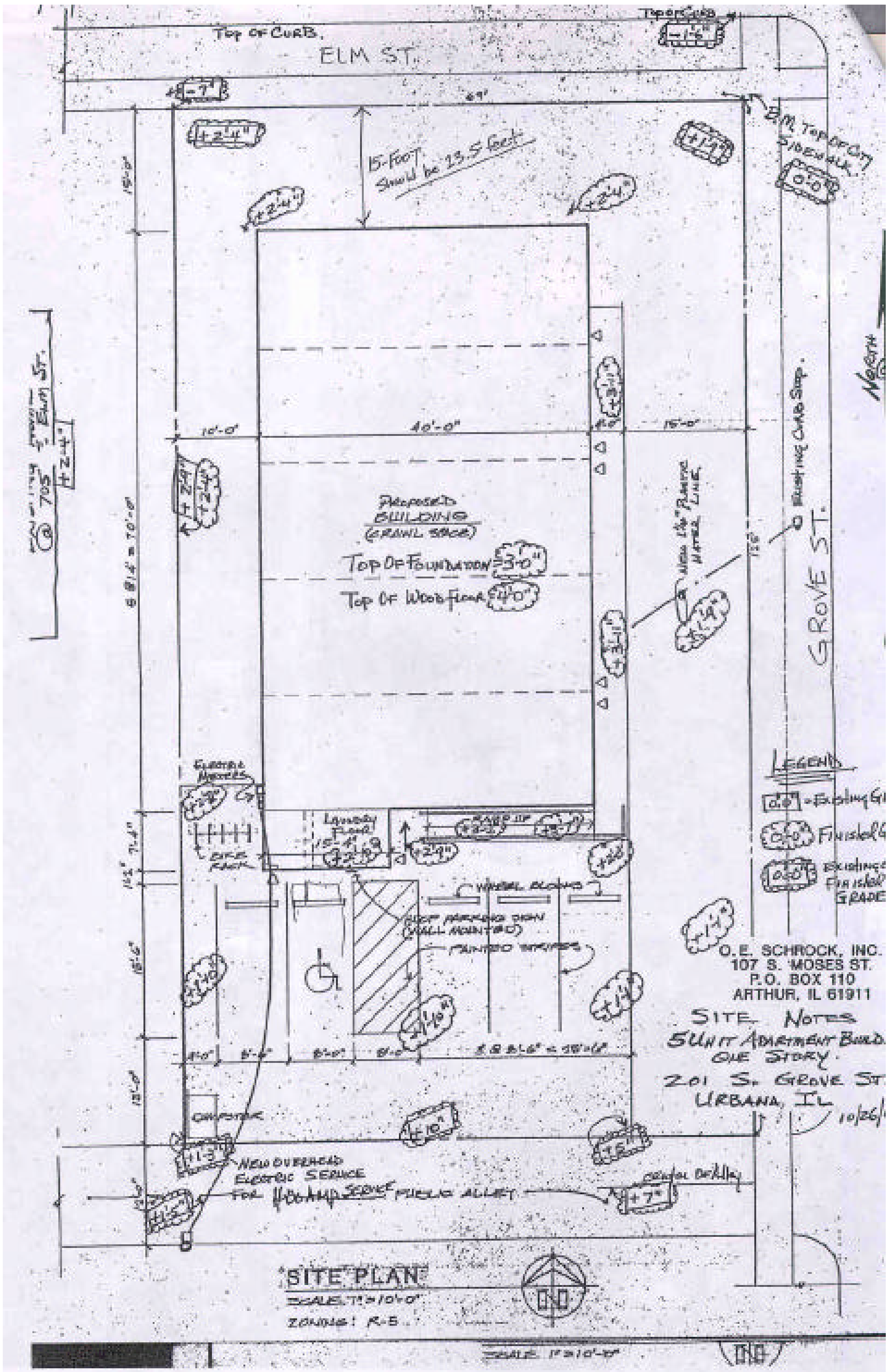


Exhibit #5
Additional Photos

Looking from Elm Street

Looking east on Elm Street

View from the rear alley

Exhibit #6
February 16, 2001 Zoning Board of Appeals Minutes

MINUTES OF A REGULAR MEETING

URBANA ZONING BOARD OF APPEALS

DATE: **February 13, 2001** **DRAFT**

TIME: **7:30 p.m.**

PLACE: **Urbana City Building**
400 S. Vine Street
Urbana, IL 61801

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MEMBERS PRESENT:	Anna Merritt, Jim Fitzsimmons, Herb Corten, Charles Warmbrunn, Paul Armstrong
MEMBERS ABSENT	Darwin Fields, Harvey Welch
STAFF PRESENT:	Rob Kowalski, Senior Planner Craig Grant, Manager, Building Safety Division Mary Jo Montgomery, Recording Secretary
OTHERS PRESENT:	Don Aldeen, Chet Frederick, Harold Hedin, Seth Chin-Parker, Nohra Mateo, Chris Stohr, Geoff Merritt

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1. CALL TO ORDER, ROLL CALL AND DECLARATION OF QUORUM

The meeting was called to order at 7:30 p.m. A quorum was declared present.

2. CHANGES TO THE AGENDA

There were none.

3. APPROVAL OF MINUTES

The minutes from the November 16, 2000 meeting were accepted as corrected by unanimous voice vote.

4. COMMUNICATIONS

There were none.

5. CONTINUED PUBLIC HEARINGS

There were none.

6. OLD BUSINESS

There was none.

7. NEW PUBLIC HEARINGS

There was none.

8. NEW BUSINESS

Case # ZBA-01-MAJ-1, request by Chet Frederick to reduce the required front yard setback from the blockface average of 23.5 feet to 15 feet along Elm Street at 201 S. Grove Street.

Mr. Kowalski presented an overview of the case stating that an error by Building Safety Division led to reason for Mr. Frederick to come before the board asking for a variance. Mr. Kowalski stated that a concerned neighbor noticed the house was close to the street and called the city staff to investigate. Mr. Frederick's building meets all requirements of the zoning ordinance. There would be ample room for parking. Mr. Kowalski concluded his presentation with a staff recommendation for approval of the Major Variance.

Mr. Corten asked if there would be a hard surface for parking in back of the building. Mr. Craig Grant stated that there would be. Mr. Fitzsimmons asked if the City maintains the alley. Mr. Grant stated that they did.

Being no further questions for staff, Ms. Merritt asked if there were any opponents in the audience who would like to speak. Mr. Harold Hedin, 307 S. Grove was the first to speak. He was in favor of allowing Mr. Frederick's building to proceed, but was upset that the error was made in the set back. Mr. Seth Chin-Parker, 504 E. Elm, was the second person to speak. He opposed the variance because he felt the home was not in the best interest of the neighborhood. Mohra Mateo, 605 E. Green Street, was the third person to speak. Ms. Mateo reiterated that she was in opposition to Mr. Frederick's building because there was not front yard because of where the building sits on the property.

Mr. Don Aldeen spoke on behalf of Mr. Frederick and stated that since staff was recommending the major variance request that the board recommend as well.

Mr. Chris Stohr spoke in opposition of the variance request by stating that he was concerned about the lack of front yard space.

Mr. Fitzsimmons wanted to make it clear to the audience that Building Safety Division and Planning and Zoning are two separate offices which are based in the Community Development office at the City. He stated that a mistake had been made in Plan Review and that the issue now was to rectify it and move on.

Mr. Corten moved to accept staff recommendation of approval and send to City Council . Mr. Armstrong seconded.

Ms. Merritt called for a roll call. The vote follows:

Ms. Merritt, aye Mr. Fitzsimmons, aye Mr. Corten, aye

Mr. Warmbrunn, aye Mr. Armstrong, aye

The motion passed 5-0.

9. AUDIENCE PARTICIPATION

There was none.

10. STAFF REPORT

11. STUDY SESSION

There was none

12. ADJOURNMENT OF MEETING

The meeting was adjourned at 6:30 p.m.

Respectfully submitted,

____

April D. Getchius, Secretary
Urbana Plan Commission

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: April D. Getchius, AICP, Director

DATE: February 8, 2001

SUBJECT: Distribution of Completed Feasibility Study for the North Urbana Tax Increment Financing (TIF) Feasibility Study

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Introduction

The consulting firm of Peckham Guyton Albers & Viets, Inc. ("PGAV") has been working for the past several months on 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 North Cunningham Avenue corridors. Enclosed with this memorandum, as an informational item for Council review, is a completed copy of the report prepared by PGAV.

Background

The PGAV study was initially requested by the City in response to a need to correct major infrastructure deficiencies and obstacles to development in North Urbana, primarily north of Interstate 74. Following the postponement of the Olympian Drive project, Council re-evaluated the need for the TIF study in May, 2000. At that time, staff and Council found that a TIF District in this area would be worthy of investigation for the following reasons:

1. A TIF District could help to pay for other circulation needs in the area, including improvements to Lincoln Avenue, Airport Road, and North Cunningham Avenue. Circulation improvements are needed both to provide adequate east-west access (i.e., by improving Airport Road) and to serve future development in the area.

2. A TIF District could help to pay for public improvements associated with redevelopment of the north quadrants of the Cunningham Avenue/Interstate 74 interchange. Redevelopment of this area is critical to the future commercial tax base of the City.

3. A TIF District could help to pay for "brownfield" redevelopment along the North Lincoln Avenue Corridor by assisting in lot consolidation, site clean-up, and marketing efforts.

4. Creation of a TIF District extending southward along Cunningham Avenue could help to pay for redevelopment of commercial areas along this corridor. TIF-funded improvements could include corridor beautification, lot consolidation, marketing, façade improvements, etc. Connection of a future TIF District to the existing boundaries of TIF No. 2 (in downtown Urbana) would provide additional flexibility for use of TIF funds.

5. With up to a 23-year duration, a TIF in this area would be helpful in paying for long-term improvements and extension of Olympian Drive, at such time as future development warrants this project.

6. A North Urbana TIF District could be used as a tool for implementing Comprehensive Plan improvements to this area.

On September 5, 2000, City Council passed Resolution No. 2000-08-021R, which provided for completion of the feasibility study and declared an intent to reimburse certain redevelopment project costs. The Resolution establishes a mechanism whereby the work completed by PGAV 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.

Discussion

A relatively large area was included in the Original Study Area evaluated by PGAV (see Exhibit A in the report). Field surveys of TIF qualification factors described in the report and refocusing of project needs after the postponement of the Olympian Drive project reduced the potential TIF area substantially to that shown in Exhibit B. Also as shown in Exhibit B, PGAV further broke this area down into three subareas: Subarea 1, along North Cunningham south of the interstate; Subarea 2, O'Brien/Frasca Commercial; and Subarea 3, North Lincoln Industrial.

The Feasibility Study concludes that the three subareas evaluated, both individually and additively, meet the criteria for "blight", as defined and set forth in the Illinois Redevelopment Act, as amended. The Feasibility Study provides a detailed description of the qualifying criteria and block-by-block qualification analysis (see Exhibits C and D and Attachment B).

The Feasibility Study also includes projections for estimated tax increment in the TIF District under two build-out scenarios. Projected cumulative tax increment over a possible 23-life span of the TIF District range from $66 to $105 million dollars (Exhibits H and I). This increment could support redevelopment project costs between $13.7 and $33.5 million dollars (Exhibit J).

It should be noted that several of the parcels included in the three subareas are not currently within the corporate limits of the City (these are those properties outside the City Boundary line in Exhibit B). In order to participate in the TIF District, these properties would need to be annexed to the City at the time of TIF adoption. Community Development staff are currently meeting with these property owners to explain the benefits and costs of annexation into the City. As noted in the Feasibility Study, substantial changes to the boundaries of the TIF District could affect the conclusions of the Feasibility Study.

Community Development staff are also meeting informally with representatives of potentially affected taxing bodies to review their questions and concerns about the possible TIF District.

Now that the Feasibility Study has successfully been completed, the City can decide if it wishes to pursue the preparation of a Redevelopment Plan designating a Redevelopment Project Area and eligible projects. Adoption of a Redevelopment Plan would allow the City to use TIF to fund projects within the Redevelopment Project Area that are identified in the Redevelopment Plan.

At a future date, Community Development staff will provide Council with additional information regarding the cost implications and scheduling of a Redevelopment Plan for the North Urbana TIF District. At that time, we will request formal guidance on whether to proceed with this additional study. As with our current TIF Districts, the Redevelopment Plan process will involve a formal public review process and input from a Joint Review Board representing affected taxing districts.

Prepared by:

____

Elizabeth H. Tyler, AICP/ASLA
Assistant City Planner

Enclosure: Tax Increment Financing Feasibility Study
for the North Urbana (TIF No. 4) Study Area, Prepared by PGAV Urban Consulting

MEMORANDUM

TOD SATTERTHWAITE, MAYOR

384-2456

February 16, 2001

TO: Urbana City Council Members

FROM: Tod Satterthwaite, Mayor

RE: Appointments

I am pleased to submit the following appointment for your approval.

Housing Authority Board of Champaign County
Clyde Walker

> Mr. Walker currently works as an Encoding Assistant Supervisor for Metritech, Inc. and also works part-time as a carpenter. He has served on the Douglass Park Concerned Citizens for Better Neighborhoods organization, on a steering committee to help oversee the Parkside redevelopment project. He also served on the City of Champaign Neighborhood Services Advisory Board, before moving to Urbana. Mr. Walker has been a resident of the Urbana-Champaign area for the last 37 years and currently resides at 901 S. Lierman, #19. Mr. Walker's term will expire on July 31, 2003.

Also, for your information, I have made the following appointment to the Civil Service Commission:

Ron Gerrietts

> Mr. Gerrietts has recently retired as principal from Urbana High School. He was a long time teacher and administrator in the Urbana School system, where he had years of experience dealing with personnel issues. He has been a resident of Urbana for 20 years and currently resides at 2113 Ransom Place. Mr. Gerrietts term will expire on June 30, 2003.

TS:jr