



**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:** Elizabeth H. Tyler, AICP, Planning Manager

**DATE:** October 4, 2001

**SUBJECT:** An Ordinance Revising the Annual Budget Ordinance (Tax Increment Financing Consulting and Plan Preparation)

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**Introduction & Background**

The consulting firm of Peckham Guyton Albers & Viets, Inc. (“PGAV”) was retained by the City in late 1999 to prepare an Eligibility and Financial Feasibility Study for a Potential Tax Increment Finance (TIF) District to be located in north Urbana along the proposed Olympian Drive, North Lincoln Avenue, and North Cunningham Avenue corridors. This study was completed on January 23, 2001 and was distributed to Council, affected taxing bodies, and interested property owners. The study concluded that the area would qualify under the eligibility criteria of the Illinois Redevelopment Act.

This initial study was funded through a loan of \$18,000 from the City’s Economic Development Fund to the TIF District Four Fund via Ordinance 1999-11-120 and Ordinance 1999-11-121 Revising the Annual Budget Ordinance. In addition, on September 11, 2000, the Urbana City Council passed Resolution No. 2000-08-021R declaring an intent to reimburse certain redevelopment project costs. The Resolution established a mechanism whereby the work completed by the TIF consultant can be reimbursed from early proceeds of the TIF. Funding for the consultant study and preparation of the Redevelopment Plan can also be provided by a planning grant that is forthcoming from the Illinois Department of Commerce and Community Affairs, Balanced Growth Capacity Building Program. The funds under this grant have not yet been awarded to the City.

**Update**

As noted in the previous Staff Memoranda (dated July 19, 2001 and September 20, 2001), PGAV has updated the Eligibility Study to reflect a smaller area within the previous study area that is already within the corporate limits or that is expected to be annexed into the City in the next few months. The update also includes a number of properties to the east of Cunningham Avenue that are in existing or future

park and recreation use. The Eligibility Study also needed to be updated to reflect more recent Equalized Assessed Valuation data. This Eligibility Study update was completed on September 28, 2001.

Simultaneous with preparation of the Eligibility Study update, planning and economic development staff have prepared a Draft Redevelopment Plan for the North Cunningham Avenue Corridor Redevelopment Project Area. Copies of both the Draft Redevelopment Plan and the revised Eligibility Study (which is included as an appendix of the Plan) will be forwarded to City Council under separate cover.

As noted in previous staff memoranda, adoption of a TIF district in this area by the end of the calendar year is desirable in order to capture tax increment that may accrue from construction of the Farm and Fleet Store. Adoption of a second TIF District for the Lincoln Avenue corridor (TIF#4B) could then occur in the next calendar year. The Lincoln Avenue Redevelopment Area could utilize the PGAV Eligibility Study update, but would need to be guided by a separate Redevelopment Plan.

A budget amendment is requested at this time to fund costs associated with the Eligibility Study update and with production costs associated with the Draft Redevelopment Plan. This amendment also covers the costs of consultant review of the Draft Redevelopment Plan and ongoing consultation regarding TIF notification and review requirements. The amount of the budget amendment is for \$12,000 to be provided from the Economic Development fund. As provided for previously, this fund can be reimbursed from the proceeds of TIF No. 4 and/or from the forthcoming State grant.

## **Recommendation**

Staff recommends that City Council adopt the attached Ordinance Revising the Annual Budget Ordinance to provide for costs associated with consultation and preparation of the TIF Feasibility Study Update for North Urbana and a Redevelopment Plan for the North Cunningham Avenue Corridor Area.

Attachments: Draft Ordinance

ORDINANCE NO. 2001-10-124

AN ORDINANCE  
REVISING THE ANNUAL BUDGET ORDINANCE  
(Tax Increment Financing Consulting)

WHEREAS, the Annual Budget Ordinance of and for the City of Urbana, Champaign County, Illinois, for the fiscal year beginning July 1, 2001, and ending June 30, 2002, (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:	Economic Development
AMOUNT:	\$12,000
ADD EXPENSE:	Consulting/Redevelopment Plan Preparation, T.I.F. 4
FROM:	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 \_\_\_\_\_,  
\_\_\_\_\_.

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Tod Satterthwaite, Mayor