

**MEMORANDUM**

TO: Mayor Prussing and Members, Urbana City Council

FROM: City Comptroller

RE: TIF One Surplus Distribution

DATE: September 16, 2008

When the expiration date of the TIF One District was extended in 2004, the City agreed to payout to the School and Park Districts amounts that would reimburse them for tax revenues that they were losing in extending the TIF. A review of the future cash flows of the Tax Increment Financing District One shows that the amount of \$228,030 (last year's amount increased by 4%, which is the increase in TIF assessed value this year) is available to be considered as surplus and distributed to the various taxing bodies, as required by law. This would be the fifth year for a TIF One surplus distribution. By law, amounts distributed are based on 2008 tax rates, and are:

Urbana School District	\$120,493
City of Urbana	36,367
Champaign County	20,763
Urbana Park District	19,561
Parkland	13,173
M.T.D.	7,149
Cunningham Township	5,387
C-U Health District	2,948
Forest Preserve	2,189
Total	\$228,030

Be aware that the TIF's will also distribute an additional \$201,570 to the School District and an additional \$101,260 to the Park District in the form of reimbursement for vocational training and various community projects this year. The \$36,367 amount for the City of Urbana was projected and included in the general fund revenues budget for the year.

Recommendation. Approval of the attached resolution. Attached please find a projected cash flow analysis on TIF One.

	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
Cash Bal., Beg. Year	\$1,172,757	\$1,095,037	\$1,150,816	\$801,662	\$868,484	\$195,896
Revenues:						
Property Tax-Current	\$635,000	\$663,575	\$693,436	\$724,640	\$757,249	\$395,663
Add'l Tax, Historic Lincoln	0	0	0	0	50,000	104,000
Interest	44,000	44,000	30,000	32,066	28,000	7,000
Total Revenues	\$679,000	\$707,575	\$723,436	\$756,707	\$835,249	\$506,663
Expenses:						
Surplus Payments to Govt.	\$228,030	\$237,151	\$246,637	\$256,503	\$266,763	\$280,101
Arts Intern	37,670	40,307	43,128	46,147	49,378	52,834
Public Arts Project	44,000	47,080	50,376	53,902	57,675	61,712
Marketing, Dues	20,000	20,000	20,000	20,000	20,000	20,000
U.B.A. Special Marketing	23,000	18,000	18,000	18,000	18,000	18,000
Downtown Loan Subsidies	48,000	35,000	35,000	25,000	25,000	25,000
Downtown Rent Subsidies	24,000	24,000	24,000	24,000	24,000	24,000
Prel. Eng., Race/Brdwy, Boneyarc	28,461	0	0	0	0	0
Broadway Ave. Impr.	0	0	0	0	750,000	0
Stratford Storm Sewer Impr.	18,000	0	0	0	0	0
Station Theatre Impr.	5,169	0	0	0	0	0
Park District Projects	34,000	0	0	0	0	0
Vocational Training School	75,000	78,375	81,902	85,587	89,439	93,464
Downtown S.S., Phase 7	20,000	0	0	0	0	0
Main St. Improvement	0	0	400,000	0	0	0
Historic Lincoln Incentives	0	0	0	0	40,000	83,200
Stratford Reimb.	35,390	36,983	38,647	40,386	42,203	44,102
Debt Service	116,000	114,900	114,900	120,360	125,380	0
Total Expenses	\$756,720	\$651,796	\$1,072,590	\$689,885	\$1,507,838	\$702,413
Cash Bal., End Year:						
Reserved Future Debt Service	\$733,720	\$360,640	\$509,690	\$125,380	\$0	\$0
Reserved Future Projects	\$361,317	\$790,176	\$291,972	\$743,104	\$195,896	\$145

**RESOLUTION NO. 2008-09-019R**

**A RESOLUTION DEEMING CERTAIN FUNDS IN THE SPECIAL TAX ALLOCATION FUND FOR THE DOWNTOWN URBANA TAX INCREMENT REDEVELOPMENT PROJECT AREA AS “SURPLUS” FUNDS AND DIRECTING THE PAYMENT AND DISTRIBUTION THEREOF (2008)**

**WHEREAS**, pursuant to a series of ordinances (Ordinance Nos. 8081-61, 8081-62 and 8081-63), adopted December 22, 1980, including as subsequently supplemented and amended (collectively, the “**TIF Ordinances**”) in connection with the Urbana Downtown Tax Increment Redevelopment Project Area (the “**Redevelopment Project Area**”), the City Council (the “**Corporate Authorities**”) of the City of Urbana, Champaign County, Illinois (the “**Municipality**”) adopted the Urbana Downtown Tax Increment Area Redevelopment Plan and related Redevelopment Projects, designated the Redevelopment Project Area, and authorized tax increment finance under the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.), as supplemented and amended (including the predecessor Act thereof, the “**TIF Act**”); and

**WHEREAS**, the Municipality is required under Sections 11-74.4-5(d) and 11-74.4-7 of the TIF Act to annually designate all funds deposited into the special tax allocation fund established under the TIF Ordinances that are not identified as being required, pledged, earmarked or otherwise designated for payment of or securing of obligations or anticipated redevelopment project costs as “surplus” funds and to cause the distribution thereof by paying the same to the taxing districts in the Redevelopment Project Area, the Illinois Department of Revenue and the Municipality in direct proportion to the amount of funds received from the collection of real estate taxes and from the State of Illinois and deposited into such special tax allocation fund, such amount to the taxing districts in the Redevelopment Project Area to be in the same manner and proportion as the most recent distribution by the County Collector of Champaign County, Illinois to the affected taxing districts of real property taxes from real property in the Redevelopment Project Area.

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

**Section 1. Findings.** The Corporate Authorities find, determine and declare that the amount of funds deposited in the special tax allocation fund for the Redevelopment Project Area that is not required, pledged, earmarked or otherwise designated for payment of or securing of obligations or anticipated redevelopment project costs is \$228,030, such amount having been calculated and now deemed to be “surplus” funds for the year 2008 under and pursuant to Sections 11-74.4-5(d) and 11-74.4-7 of the TIF Act.

**Section 2. Direction.** The City Comptroller of the City be and the same is hereby authorized and directed to cause the payment and distribution of all such “surplus” funds in the manner and proportion as that specified in Sections 11-74.4-5(d) and 11-74.4-7 of the TIF Act.

**Section 3. Effective Date.** This Resolution shall become effective upon its passage and approval as required by law.

This Resolution 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 City Council on the \_\_\_\_ day of \_\_\_\_\_, 2008, A.D.

**PASSED** by the City Council this \_\_\_\_ day of \_\_\_\_\_, 2008.

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Phyllis D. Clark, City Clerk

**APPROVED** by the Mayor this \_\_\_\_ day of \_\_\_\_\_, 2008.

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Laurel Lunt Prussing, Mayor