



**CITY OF URBANA, ILLINOIS
FINANCE DEPARTMENT**

MEMORANDUM

TO: Mayor Prussing and City Council Members
FROM: Elizabeth Hannan, Finance Director
DATE: November 5, 2015
SUBJECT: TIF One Surplus Distribution

Introduction: The attached Resolution will authorize a surplus distribution from the Tax Increment Financing District One based on the 2014 tax levy extended in 2015.

Distribution: This would be the twelfth year for a TIF One surplus distribution. When TIF One was extended in 2004, the city agreed with the School and Park Districts to distribute surplus annually (based on the approximate net amount the School District would have received) until TIF1 expires in 2016. The amounts to be distributed are based on 2015 tax rates, and are:

Urbana School District	\$155,051
City of Urbana	35,597
Urbana Park District	31,765
Champaign County	22,836
Parkland	13,906
M.T.D.	8,678
Cunningham Township	6,579
C-U Health District	3,411
Forest Preserve	<u>2,496</u>
Total	<u>\$280,319</u>

The amount increased 2.3% from last year since the amount of property tax extended for TIF1 increased by 2.3%. This increase is attributable to an increase of about 1% in the incremental amount of EAV, and an increase of about 1.3% in the tax rate. This amount is available to be considered as surplus and distributed to the various taxing bodies, as required by law.

This surplus distribution is in addition to other amounts paid to the School District as reimbursement for vocational training, and to the Park District for various community projects this year.

Fiscal Impact: The distribution is consistent with the amounts budgeted for this purpose.

Recommendation: Approval of the attached Resolution authorizing the TIF One surplus distribution.

RESOLUTION NO. 2015-11-061R

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 (2015)

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 11-74.4-8 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 RESOLVED 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 \$280,319 such amount having been calculated and now deemed to be “surplus” funds for the year 2015 under and pursuant to Sections 11-74.4-5(d) and 11-74.4-8 of the TIF Act.

Section 2. Direction.

The Finance Director 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 11-74.4-8 of the TIF Act.

Section 3. Effective Date.

This Resolution shall become effective upon its passage and approval as required by law.

PASSED by the City Council this ____ day of _____, 2015.

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this ____ day of _____, 2015.

Laurel Lunt Prussing, Mayor