

ORDINANCE NO. 8687-31

AN ORDINANCE

AUTHORIZING THE ILLINOIS DEPARTMENT OF REVENUE TO ANNUALLY CERTIFY AND CAUSE TO BE PAID TO THE CITY OF URBANA, ILLINOIS AN AMOUNT EQUAL TO THE INCREASE IN THE AGGREGATE AMOUNT OF STATE SALES TAXES PAID BY RETAILERS AND SERVICEMEN ON TRANSACTIONS AT PLACES OF BUSINESS LOCATED WITHIN THE REDEVELOPMENT PROJECT AREA

WHEREAS, the City of Urbana, Champaign County, Illinois (the "City") has heretofore designated a portion of the City as a "redevelopment project area" known as the Redevelopment Project Area (the "Project Area") in accordance with the provisions of the Real Property Tax Increment Allocation Redevelopment Act, which, as amended, is now the Tax Increment Allocation Redevelopment Act (the "Act"); and

WHEREAS, the City has approved a Redevelopment Plan and Redevelopment Project for the Project Area and held the necessary public hearing required by the Act; and

WHEREAS, the City Council of the City has determined that it is necessary and in the best interests of the City to authorize the Department of Revenue, pursuant to §11-74.4-8a(1) of the Act, to annually certify and cause to be paid to the City an amount equal to the increase in the aggregate amount of state sales taxes paid by retailers and servicemen on transactions at places of business located within the Redevelopment Project Area.

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

Section 1. Definitions. That the following words and terms used in this Ordinance shall have the following meanings unless the context or use indicates a different meaning:

a) "Act" means the Tax Increment Allocation Redevelopment Act of the State of Illinois, as amended and supplemented from time to time, and as formerly known and cited as the Real Property Tax Increment Allocation Redevelopment Act (Ill.Rev.Stats., Ch. 24, §11-74.4-1 et seq.).

b) "City" means the City of Urbana, Champaign County, Illinois, and its successors and assigns.

c) "City Code" means the Code of Ordinances, City of Urbana, Illinois, as amended and supplemented from time to time.

d) "Fund" means the special tax allocation fund for the Central Business District (Downtown Urbana) (hereinafter referred to as the "Project Area") established pursuant to

§11-74.4-8 of the Act and created by an Ordinance heretofore adopted by the City Council of the City on December 15, 1980, and approved by the Mayor on December 22, 1980, and entitled: Ordinance No. 8081-63, An Ordinance Adopting Tax Increment Financing, as the same may from time to time be amended or supplemented.

e) "Ordinance" means this Ordinance as originally adopted and as the same may from time to time be amended or supplemented.

f) "Project" means the Redevelopment Project in furtherance of the objectives of the Redevelopment Plan established pursuant to §11-74.4-4 of the Act and adopted and approved by an Ordinance heretofore adopted by the City Council of the City on December 15, 1980, and approved by the Mayor on December 22, 1980, and entitled: Ordinance No. 8081-61, An Ordinance Approving The Tax Increment Redevelopment Plan and Redevelopment Project, as the same may from time to time be amended or supplemented.

g) "Project Area" or "Redevelopment Project Area" means the Redevelopment Project Area for the Central Business District (Downtown Urbana) established pursuant to §11-74.4-4 of the Act and created by an Ordinance heretofore adopted by the City Council of the City on December 15, 1980, and approved by the Mayor on December 22, 1980, and entitled: Ordinance No. 8081-62, An Ordinance Designating The Tax Increment Redevelopment Project Area, as the same may from time to time be amended or supplemented.

h) "Redevelopment Plan" means the comprehensive program of the City for the Project Area established pursuant to §11-74.4-4 of the Act and approved by an Ordinance heretofore adopted by the City Council of the City on December 15, 1980, and approved by the Mayor on December 22, 1980, and entitled: Ordinance No. 8081-61, An Ordinance Approving The Tax Increment Redevelopment Plan And Redevelopment Project, as the same may from time to time be amended or supplemented.

Section 2. Findings. That the City Council hereby specifically finds and determines as follows:

a) That tax increment allocation financing has been duly adopted in respect to the Redevelopment Plan and Project for the Project Area as approved and adopted by this City Council pursuant to Ordinance No. 8081-63, entitled "An Ordinance Adopting Tax Increment Financing", passed by this City Council on December 15, 1980, and approved by the Mayor on December 22, 1980, such adoption being prior to January 1, 1987.

b) That the Redevelopment Project Area would not reasonably be developed without the use of such incremental revenues as are authorized pursuant to §11-74.4-8a(1) of the Act and Section 3 of this Ordinance.

c) That such above described incremental revenues will be exclusively utilized for the development of the Redevelopment Project Area pursuant to §§11-74.4-3(i) and 11-74.4-8a(3)(f) of the Act and Section 5 of this Ordinance.

d) That the City imposes the maximum tax allowed by law under each of the following:

(1) the Municipal Retailers' Occupation Tax Act of the State of Illinois pursuant to §22-16, Article II of Chapter 22 of the City Code;

(2) the Municipal Use Tax Act of the State of Illinois pursuant to §22-82, Article IV of Chapter 22 of the City Code; and

(3) the Municipal Service Occupation Tax Act of the State of Illinois pursuant to §22-30, Article III of Chapter 22 of the City Code.

Section 3. Authorization. That pursuant to §11-74.4-8a(1) of the Act, the City hereby authorizes the Department of Revenue to annually certify and cause to be paid to the City an amount equal to the increase in the aggregate amount of taxes paid by retailers and servicemen on transactions at places of business located within the Project Area pursuant to the Municipal Retailers' Occupation Tax Act, the Municipal Service Occupation Tax Act, the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act for as long as the Project Area exists, over and above the aggregate amount of such taxes as certified by the Department of Revenue and paid under such Acts by retailers and servicemen on transactions at places of business located in the Project Area during the base year, less 1.6% of such amounts generated under the Retailers' Occupation Tax Act, Use Tax Act and Service Use Tax Act and the Service Occupation Tax Act, which sum shall be retained by the State Treasurer to cover the costs incurred by the Department of Revenue in administering and enforcing Section 11-74.4-8a(1) of the Act. For the purposes of computing the aggregate amount of such taxes for the base year of the City, the Department of Revenue, pursuant to §11-74.4-8a(1) of the Act, shall compute the aggregate amount of such taxes for the calendar year of 1985 and deduct therefrom an amount equal to 4% of the aggregate amount of taxes per year for each year the base year is prior to the calendar year of 1985, but not to exceed a total deduction of 12%.

Section 4. Allocation and Payment to Fund;
Accounting. That in addition to the City incremental real property tax revenues from the Project Area, which have heretofore been allocated and directed to be paid and deposited to the Fund, all incremental revenues from the Municipal Retailers' Occupation Tax Act and the Municipal Service Occupation Tax Act derived from the Project Area shall be allocated to and when

collected shall be paid to the City Comptroller who shall deposit said funds in the Fund. Any payments of incremental revenues of the State of Illinois caused to be paid to the City by the Department of Revenue from the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act pursuant to §11-74.4-8a(1) of the Act and this Ordinance shall likewise be deposited by the City Comptroller in the Fund. For accounting purposes, the City Comptroller shall identify the source of each payment as Municipal Retailers' Occupation and Service Occupation Tax, State Retailers' and Service Occupation Tax, and Use and Service Use Tax.

Section 5. Use of Incremental Revenues. That the City shall pursue the implementation of the Redevelopment Plan in an expeditious manner. All incremental revenues created pursuant to §11-74.4-8a(1) of the Act and Section 3 of this Ordinance shall be exclusively utilized for the development of the Project Area and shall be used exclusively to pay redevelopment project costs as defined in §11-74.4-3(1) of the Act.

Section 6. Transmittal. That within thirty (30) days after the adoption of this Ordinance, the City Clerk be and the same is hereby directed to transmit to the Department of Commerce and Community Affairs and the Department of Revenue the following:

a) a certified copy of this Ordinance accompanied by a complete list of street names and the range of street numbers of each street located within the Project Area for which payments are to be made under §11-74.4-8a(1) of the Act and this Ordinance in both the base year and in the year preceding the payment year; and the addresses of persons registered with the Department of Revenue; and, the name under which each such retailer or serviceman conducts business at that address, if different from the corporate name; and the Illinois Business Tax Number of each such person, updated as required under §11-74.4-8a(3) of the Act;

b) certified copies of the ordinances approving the Redevelopment Plan and designating the Project Area;

c) a copy of the Redevelopment Plan as approved by the City;

d) an opinion of legal counsel to the City that the City has complied with the requirements of the Act; and

e) a certification by the Mayor of the City that with regard to the Project Area: (1) the City has committed all of the municipal tax increment created pursuant to the Act for deposit in the Fund; (2) the Redevelopment Projects described in the Redevelopment Plan would not be completed without the use of State incremental revenues pursuant to the Act; (3) the City will pursue the implementation of the Redevelopment Plan in an

expeditious manner; (4) the incremental revenues created pursuant to §11-74.4-8a(1) of the Act will be exclusively utilized for the development of the Project Area; and (5) the increased revenue created pursuant to §11-74.4-8a(1) of the Act shall be used exclusively to pay Redevelopment Project Costs as defined in the Act.

Section 7. Annual Submission of Information. That in the event the City receives any payments as authorized under §11-74.4-8a(1) of the Act and this Ordinance, the Administrator of the Community Development Services Department of the City shall submit to the City Council of the City and to the Illinois Department of Commerce and Community Affairs annually and within 180 days after the close of the fiscal year of the City such information for the immediately preceding fiscal year of the City as may be required by §11-74.4-8a(6) of the Act and any rules and regulations of the Department of Revenue issued pursuant thereto.

Section 8. Further Authorization. That from and after the effective date of this Ordinance, the proper officers, agents and employees of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out the intent and accomplish the purposes of this Ordinance.

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

1986. PASSED by the City Council this 6th day of October

Ruth S. Brookens
Ruth S. Brookens, City Clerk

1986. APPROVED by the Mayor this 8th day of October

Jeffrey T. Markland
Jeffrey T. Markland, Mayor