

ORDINANCE NO. 9697-94

AN ORDINANCE PROVIDING FOR THE LOAN OF \$220,000 FROM THE ECONOMIC DEVELOPMENT FUND OF THE CITY OF URBANA, ILLINOIS, TO THE URBANA TAX INCREMENT FINANCING DISTRICT THREE FUND AND PROVIDING FOR THE DETAILS OF THE REPAYMENT OF SAID LOAN PRINCIPLE AND INTEREST.

WHEREAS, the City of Urbana, Champaign County, Illinois, is a home-rule unit pursuant to the provisions of the Constitution of Illinois and accordingly may exercise any power and perform any function pertaining to its government and affairs, including the power to incur debt, and;

WHEREAS, the City Council of the City of Urbana, Illinois, did on the 3rd day of December, 1990, pass ordinance number 9091-65, which created the Urbana Tax Increment Finance District Three, pursuant to the Tax Increment Finance Allocation Redevelopment Act, and;

WHEREAS, the City Council of the City of Urbana, Illinois, did on the 6th day of January, 1997, pass ordinance 9697-68, which amended the annual budget for the City of Urbana, Illinois, for the fiscal year beginning July 1, 1996, and ending June 30, 1997, and;

WHEREAS, said budget amendment authorized the expenditure of \$220,000 in the Urbana Tax Increment Finance District Three Fund, for relocation expenditures related to the Lincoln Mobile Home Relocation Plan and required by a development agreement between the City of Urbana, Capstone Corporation and Lincoln Mobile Home Park, and;

WHEREAS, the City Council at that time determined and hereby confirms that said expenditure of \$220,000 would enhance the property taxes of the Urbana Tax Increment Finance District Three Fund and is consistent with the goals and purpose of the City of Urbana Tax Increment Finance Three Redevelopment Plan, and;

WHEREAS, the City Council at that time determined and hereby confirms that the Urbana Tax Increment Finance District Three Fund did not then and does not now have sufficient monies available to pay for said \$220,000 expenditure, and;

THIS ORDINANCE CONSISTS OF 3 PAGES.

Initials AR

WHEREAS, the City Council of the City of Urbana determine that the City of Urbana has sufficient monies available in the City of Urbana Economic Development Fund to loan \$220,000 to the Urbana Tax Increment Finance District Three Fund, and;

WHEREAS, the City Council of the City of Urbana in order to save external issuance costs and staff time, hereby, determines that it is in the best interest of the City of Urbana for the Urbana Tax Increment Finance District Three Fund to borrow said \$220,000 from the City of Urbana Economic Development Fund, and;

WHEREAS, the City Council hereby affirms that said amount of borrowing of \$220,000 shall be a legally constituted debt of the Urbana Tax Increment Finance District Three Fund in all aspects and purposes and said \$220,000 loan plus interest shall be repaid from property taxes generated from the Lincoln Mobile Home Park/Capstone Apartment development project and deposited into the Urbana Tax Increment Finance District Three Fund. Said interest shall be at an annual rate of 6.0%, which approximates the interest earnings that will be foregone by the City of Urbana Economic Development Fund, and shall be calculated on the principle amount of loan outstanding. It is anticipated that the first debt repayment will be in the fiscal year 1997-98, and it is further anticipated that these annual repayments will not exceed 3 years. However, the amount of principle and interest repayment will be determined by the City Council annually, based on monies anticipated to be available in the Urbana Tax Increment Finance District Three Fund, and included in the annual approved budget of the City of Urbana and the Urbana Tax Increment Finance District Three Fund.

NOW THEREFORE, BE IT ORDAINED BY THE URBANA CITY COUNCIL that the sum of Two Hundred Twenty Thousand Dollars (\$220,000.00) shall be transferred from the City of Urbana Economic Development Fund to the Urbana Tax Increment Finance District Three Fund on the 1<sup>st</sup> day of March, 1997. The amount so transferred shall constitute a loan from the City of Urbana Economic Development Fund to the Urbana Tax Increment Finance District Three Fund and shall bear interest at the rate of six percent (6%) per annum until paid. Repayment of the loan to the City of Urbana Economic Development Fund shall be as directed from time to time by the Urbana City Council.

If any provisions of this ordinance or the application of such provisions to any circumstances is held invalid for any reason

whatsoever, the remainder of this ordinance or the application of the provisions to other circumstances shall not be affected hereby.

This ordinance shall take effect and be in full force and effect immediately on and after its passage and approval.

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 special meeting of the said Council.

PASSED by the City Council this 24th day of February, 1997.

AYES: Hayes, Kearns, Patt, Pollock, Ryan, Taylor, Whelan, and Mayor Satterthwaite

NAYS:

ABSTAINED:

  
\_\_\_\_\_  
Phyllis D. Clark, City Clerk

APPROVED BY THE Mayor this 28<sup>th</sup> day of February, 1997.

  
\_\_\_\_\_  
Tod Satterthwaite, Mayor