



CITY OF URBANA SPECIAL CITY COUNCIL MEETING

DATE: Monday, December 19, 2022
TIME: 7:00 PM
PLACE: 400 South Vine Street, Urbana, IL 61801

AGENDA

- A. Call to Order and Roll Call
- B. Approval of Minutes of Previous Meeting
- C. Additions to the Agenda
- D. Presentations and Public Input
- E. Council Input and Communications
- F. Unfinished Business
- G. Reports of Standing Committees
- H. **Committee of the Whole** (*Council Member Chaundra Bishop, Ward 5*)
 - 1. Consent Agenda
 - 2. Regular Agenda
 - a. **Ordinance No. 2022-12-050:** An Ordinance Revising the Annual Budget Ordinance - Budget Amendment #5 - Omnibus - HRF
 - b. **Ordinance No. 2022-12-051:** An Ordinance Dissolving the Special Tax Allocation Fund and Terminating the Designation of the City of Urbana Tax Increment Redevelopment Project Area (TIF2) - CD
- I. Reports of Special Committees
- J. Reports of Officers
- K. New Business
- L. Adjournment

All City meetings are broadcast on Urbana Public Television and live-streamed on the web. Details on how to watch are found on the UPTV webpage located at <https://urbanaininois.us/uptv>

PUBLIC INPUT

The City of Urbana welcomes Public Input during open meetings of the City Council, the City Council's Committee of the Whole, City Boards and Commissions, and other City-sponsored meetings. Our goal is to foster respect for the meeting process, and respect for all people participating as members of the public body, city staff, and the general public. The City is required to conduct all business during public meetings. The presiding officer is responsible for conducting those meetings in an orderly and efficient manner. Public Input will be taken in the following ways:

Email Input

Public comments must be received prior to the closing of the meeting record (at the time of adjournment unless otherwise noted) at the following: citycouncil@urbanaininois.us. The subject line of the email must include the words "PUBLIC INPUT" and the meeting date. Your email will be sent to all City Council members, the Mayor, City Administrator, and City Clerk. Emailed public comments labeled as such will be incorporated into the public meeting record, with personal identifying information redacted. Copies of emails will be posted after the meeting minutes have been approved.

Written Input

Any member of the public may submit their comments addressed to the members of the public body in writing. If a person wishes their written comments to be included in the record of Public Input for the meeting, the writing should so state. Written comments must be received prior to the closing of the meeting record (at the time of adjournment unless otherwise noted).

Verbal Input

Protocol for Public Input is one of respect for the process of addressing the business of the City. Obscene or profane language, or other conduct that threatens to impede the orderly progress of the business conducted at the meeting is unacceptable.

Public comment shall be limited to no more than five (5) minutes per person. The Public Input portion of the meeting shall total no more than two (2) hours, unless otherwise shortened or extended by majority vote of the public body members present. The presiding officer or the city clerk or their designee, shall monitor each speaker's use of time and shall notify the speaker when the allotted time has expired. A person may participate and provide Public Input once during a meeting and may not cede time to another person, or split their time if Public Input is held at two (2) or more different times during a meeting. The presiding officer may give priority to those persons who indicate they wish to speak on an agenda item upon which a vote will be taken.

The presiding officer or public body members shall not enter into a dialogue with citizens. Questions from the public body members shall be for clarification purposes only. Public Input shall not be used as a time for problem solving or reacting to comments made but, rather, for hearing citizens for informational purposes only.

In order to maintain the efficient and orderly conduct and progress of the public meeting, the presiding officer of the meeting shall have the authority to raise a point of order and provide a verbal warning to a speaker who engages in the conduct or behavior proscribed under "Verbal Input". Any member of the public body participating in the meeting may also raise a point of order with the presiding officer and request that they provide a verbal warning to a speaker. If the speaker refuses to cease such conduct or behavior after being warned by the presiding officer, the presiding officer shall have the authority to mute the speaker's microphone and/or video presence at the meeting. The presiding officer will inform the speaker that they may send the remainder of their remarks via e-mail to the public body for inclusion in the

meeting record.

Accommodation

If an accommodation is needed to participate in a City meeting, please contact the City Clerk's Office at least 48 hours in advance so that special arrangements can be made using one of the following methods:

- Phone: 217.384.2366
- Email: CityClerk@urbanillinois.us

400 S Vine St • Urbana IL 61801 • (217) 384-2455

MEMORANDUM

TO: Mayor Diane Wolfe Marlin and City Council Members

FROM: Elizabeth Hannan, Human Resources & Finance Director / CFO
Alyana Robinson, Financial Analyst

DATE: December 8, 2022

SUBJECT: FY2023 Budget Amendment #5 – Omnibus

Introduction: Attached is an Ordinance revising the FY2023 annual budget to provide for items described below. This budget amendment requires six affirmative votes, including the Mayor, in order to pass.

Discussion: The following items are included in the attached Ordinance amending the annual budget.

General Operating Fund (100):

Donation – Police Department: The City of Urbana Police Department received a donation of \$500 to be used for protective gear. This will be budgeted to reflect revenue and expense.

Justice Assistance Grant (JAG) – Police Department: The City of Urbana Police Department has been awarded with a grant of \$12,548, which will be added to the FY2023 budget. This grant will be used to fund training for all police officers (please refer to Resolution No. 2022-11-087R). This will be budgeted to reflect related revenue and expense.

Rebudget Tree Donation – PW Urban Forestry: The City received an anonymous donation of \$98,650 for tree planting in the Urbana Community Development Target Area in FY2022. This budget amendment will carry over remaining funds of \$82,815 to FY2023 budget.

Staffing Vacancies Savings – Public Works: Due to staffing vacancies, a couple of salary line items in Public Works can be reallocated to fund for alternate services, software and technology upgrades (see list below) to enhance efficiency, or provide alternative services that would potentially have been provided by the vacant staff members.

- **Geographic Information System (GIS) On-call Services** – With the addition of a GIS Specialist, it has become clear that there are overwhelming needs to better organize and manage our data. An estimated amount of \$20,000 will be used to help supplement the GIS Specialist's efforts in developing and implementing a strategy to create better managed and more accessible information.

- **Lucity** - The City invested in a work management system known as Lucity in 2018. The initial implementation lacked well-defined work flows, categorization, and functional GIS integration for a number of people throughout Public Works. The reallocation of \$50,000 would be used to work with the software company to enhance Lucity's functionality for users and provide better information for staff management and decision making on processes, procedures, and capital planning.
- **Public Works Policies and Procedure Assistance** - A large list of vacancies throughout Public Works paired with outdated and cumbersome policies and procedures hinders staff's ability to empower or retain the good employees we have. City staff does not have adequate internal bandwidth to do the work and champion the review and revision of outdated policies and procedures, so Public Works would look to engage an outside consultant for this work. An estimated amount of \$50,000 would be reallocated to assist with these efforts.

Capital Replacement & Improvement Fund (200): This revision reprioritizes funds of \$15,000 from CR&I Sidewalk Maintenance Project (40101) to fund a traffic engineering study at the intersection of Vine and Water Streets.

Landscape Recycling CTR Fund (301): Staff is requesting an increase of \$135,000, which represents sales tax and interest due on retail items (mainly mulch and top soil) sold by the Landscape Recycling Center (LRC). Once staff learned the LRC was selling tangible personal property to retail customers without charging sales tax, they identified the items subject to sales tax and requested approval from the State of Illinois to file these taxes under the voluntary disclosure program, which limits the look-back period to four years. The City's request for voluntary disclosure was approved in October 2022. At that time, the City began collecting sales tax from the buyers of applicable retail items, and will file the required tax forms and will remit the taxes to the State of Illinois on a quarterly basis.

Community Development Special Fund (330): The CD Special Fund will receive additional revenue for administrative costs related to the Department of Commerce and Economic Opportunity grants described below; this will increase the revenue by \$25,000.

Community Development Grants Fund (331):

Traffic studies: This is related to the traffic studies project mentioned in the Capital Replacement & Improvement Fund, which is eligible for CDBG (Community Development Block Grant) funds. Staff propose that \$25,000 from CDBG funds be reallocated to fund the Miscellaneous Traffic Studies Project to complete speed studies at six locations (five from the EQL program).

Department of Commerce and Economic Opportunity (DCEO) Grant – ILEAS

Rehabilitation: The City of Urbana will also be receiving a grant in the amount of \$3,000,000 that will be applied towards the ILEAS rehabilitation project. A total of \$25,000 of that amount will be allocated for administrative costs, which increases revenues in the CD Special Fund (330). A detailed overview of this grant was presented on November 28th (please refer to Resolution No. 2022-11-090R).

TIF 2 Fund (342): TIF 2 will end on December 31, 2022, and this amendment will revise estimates through the end of the life of the TIF and transfer the entire balance from TIF 2 to Central TIF.

Central TIF Fund (344): As mentioned above, TIF 2 will end on December 31, 2022. This amendment reflects the updated transfer amount from TIF 2 (342) to Central TIF (344). Several positions previously funded from TIF 2 are also reassigned to Central TIF.

Equipment Services Fund (600): Due to unplanned absences, the Fleet Services section is approaching a critical staffing level as we enter the snow season. Staff is conducting mechanic interviews to fill the newly budgeted certified mechanic position but would like to utilize some of the unspent wages from this position being vacant for first six months of the year to allow the Fleet Supervisor the flexibility to outsource assistance in the event Public Works encounters critical staffing issues.

Fiscal Impact: The new estimated ending fund balance in the General Operating Fund would be \$11,731,301 which is 30.17% of recurring expenditures.

Alternatives:

1. Forward the Ordinance amending the FY2023 budget to City Council for approval on December 19, 2022.
2. Amend one or more of the items before forwarding to Council for approval.

Recommendation: Forward the budget amendment authorizing these adjustments to the FY2023 budget for approval at the December 19, 2022 Special City Council meeting.

ORDINANCE NO. _____

AN ORDINANCE REVISING THE ANNUAL BUDGET ORDINANCE

(Budget Amendment #5 – Omnibus)

WHEREAS, the City of Urbana (“City”) is a home rule unit of local government pursuant to Article VII, Section 6, of the Illinois Constitution of 1970, and may exercise any power and perform any function pertaining to its governmental business and affairs, and the passage of this Ordinance constitutes an exercise of the City’s home rule powers and functions as granted by the Illinois Constitution of 1970; and

WHEREAS, the corporate authorities of the City heretofore did approve the annual budget ordinance of and for the City of Urbana for the fiscal year beginning July 1, 2022 and ending June 30, 2023; and

WHEREAS, the said corporate authorities find that revising the annual budget ordinance by deleting, adding to, changing, or creating sub-classes within object classes and object classes themselves is in the best interests of the residents of the City and is desirable for the welfare of the City’s government and affairs; and

WHEREAS, funds are available to effectuate the purpose of such revision; and

WHEREAS, the Budget Director may not make such revision under the authority so delegated to the Budget Director pursuant to 65 ILCS 5/8-2-9.6 or Urbana City Code Section 2-133.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL AND THE MAYOR, BEING THE CORPORATE AUTHORITIES OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1.

The annual budget ordinance shall be and the same is hereby revised as set forth in the exhibit appended hereto and made a part hereof as if fully set forth herein.

Section 2.

This Ordinance shall be in full force and effect from and after its passage and publication in accordance with Section 1-2-4 of the Illinois Municipal Code (65 ILCS 5/1-2-4).

This Ordinance is hereby passed by the affirmative vote, the “ayes” and “nays” being called, of two-thirds of the corporate authorities then holding office (6 of 8 votes) of the City of Urbana, Illinois, at a duly noticed and convened meeting of the said corporate authorities.

PASSED BY THE CORPORATE AUTHORITIES this __ Day of _____, 20__.

AYES: _____

NAYS: _____

ABSTENTIONS: _____

Phyllis D. Clark, City Clerk

APPROVED BY THE MAYOR this __ Day of _____, 20__.

Diane Wolfe Marlin, Mayor

TIF 2 FUND (342)**Revenues**

342-40100	PROPERTY TAXES	1,694,222	734,186	(960,036)	TIF 2 porting - update estimate
342-45000	INVESTMENT INCOME	20,000	10,000	(10,000)	TIF 2 porting - update estimate

Total Revenues

1,714,222	744,186	(970,036)
------------------	----------------	------------------

Expenditures

34250501-50110	SALARY - REGULAR EMPLOYEES	59,690	20,545	(39,145)	TIF 2 porting - update estimate
34250501-50210	INSURANCE	3,375	1,939	(1,436)	TIF 2 porting - update estimate
34250501-50220	FICA AND MEDICARE	4,527	1,462	(3,065)	TIF 2 porting - update estimate
34250501-50251	IMRF & SURS	6,410	1,953	(4,457)	TIF 2 porting - update estimate
34250501-52101	LEGAL SERVICES	20,000	1,000	(19,000)	TIF 2 porting - update estimate
34250501-52105	PLANNING SERVICES	20,000	-	(20,000)	TIF 2 porting - update estimate
34250501-52410	DEVELOPMENT INCENTIVES	165,000	123,000	(42,000)	TIF 2 porting - update estimate
34250501-59344	TFR TO CENTRAL TIF	500,000	2,697,184	2,197,184	TIF 2 porting - transfer balance to Central TIF
34250504-50110	SALARY - REGULAR EMPLOYEES	49,843	8,440	(41,403)	TIF 2 porting - update estimate
34250504-50120	SALARY - TEMPORARY EMPLOYEES	12,000	181	(11,819)	TIF 2 porting - update estimate
34250504-50210	INSURANCE	9,634	815	(8,819)	TIF 2 porting - update estimate
34250504-50220	FICA AND MEDICARE	5,027	995	(4,032)	TIF 2 porting - update estimate
34250504-50251	IMRF & SURS	7,347	1,106	(6,241)	TIF 2 porting - update estimate

Total Expenditures

867,644	2,863,411	1,995,767
----------------	------------------	------------------

Ending Fund Balance (estimated)

2,965,803	(0)	(2,965,803)
------------------	------------	--------------------

CENTRAL TIF FUND (344)**Revenues**

344-49342	TFR FROM TIF 2	500,000	2,697,184	2,197,184	TIF 2 porting - transfer TIF 2 balance
-----------	----------------	---------	-----------	-----------	--

Total Revenues

6,491,746	8,688,930	2,197,184
------------------	------------------	------------------

Expenditures

34450501-50110	SALARY - REGULAR EMPLOYEES	-	80,548	80,548	transfer personnel line items from TIF 2
34450501-50120	SALARY - TEMPORARY EMPLOYEES	-	11,819	11,819	transfer personnel line items from TIF 2
34450501-50210	INSURANCE	-	8,819	8,819	transfer personnel line items from TIF 2
34450501-50220	FICA AND MEDICARE	-	7,097	7,097	transfer personnel line items from TIF 2
34450501-50251	IMRF & SURS	-	10,698	10,698	transfer personnel line items from TIF 2

Total Expenditures

6,784,861	6,903,842	118,981
------------------	------------------	----------------

Ending Fund Balance (estimated)

191,018	2,269,221	2,078,203
----------------	------------------	------------------



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Economic Development Division

m e m o r a n d u m

TO: Mayor Diane Wolfe Marlin and City Council Members

FROM: Carol Mitten, City Administrator
Stepheny McMahon, Economic Development Supervisor

DATE: December 8, 2022

SUBJECT: **AN ORDINANCE DISSOLVING THE SPECIAL TAX ALLOCATION FUND AND TERMINATING THE DESIGNATION OF THE CITY OF URBANA TAX INCREMENT REDEVELOPMENT PROJECT AREA (TIF 2)**

The purpose of this memorandum is to outline the basic facts related to TIF 2 and the process of closing the TIF district and distributing the remaining funds

HISTORY OF TIF 2

TIF 2 was established December 23, 1986, with an initial equalized assessed valuation (or “EAV”) of \$9,834,200. TIF 2 funds were instrumental in incentivizing many projects in Urbana including the 5 Points development of two commercial strip shopping centers and multiple outlot buildings after the successful relocation of the car dealership to north Cunningham Avenue. TIF 2 funds were also used to purchase and consolidate properties north of the City building, which led to the development of the 200 S. Vine Street townhomes. Other TIF 2 funds were used to incentivize the construction of the Patel Law office on University Avenue., as well as for multiple small business start-up grants. TIF 2 funds were used to pay off debt for improvements to Boneyard Creek, as well as support for the Urbana Arts & Culture program. In earlier years, TIF 2 along with TIF 1 was instrumental in the establishment of the Urbana Crossing/Schnuck’s shopping complex, the construction of the Five Points Commerce Center including Walgreens, renovations for Lincoln Square Village, and the creation of major streetscape enhancements in the downtown area.

The goal of any TIF is to increase the EAV of the property it encompasses in order to increase the property tax allocation to each taxing body. At the end of 2021, TIF 2’s EAV was calculated at \$19,376,810, an increase of 197% representing the success of the district.

The TIF 2 plan was amended and extended multiple times to allow for continued work within the redevelopment project area. Early in 2022, the City amended the Central TIF boundary making it contiguous with TIF 4 to allow for the porting of funds between the two remaining TIF districts once TIF 2 expires. A map of the TIF districts is attached (Exhibit B).

CLOSEOUT OF TIF 2

TIF 2 is set to expire December 31, 2022. The TIF 2 incremental EAV for Tax Year 2022 (payable 2023)

will become part of the rate-setting EAV for all affected taxing bodies. For purposes of PTELL, this added EAV is called “Recovered TIF EAV” and is treated the same as “New Property”. The taxing bodies will be able to account for the increase in the rate-setting EAV when preparing their levy requests for the 2022 tax year (payable 2023).

The remaining balance in TIF 2 is estimated to be \$2,697,184. In a budget amendment also being presented to Council at this December 12, 2022 Special Committee of the Whole, staff is proposing to transfer these remaining funds from TIF 2 to Central TIF.

As part of the process of terminating TIF 2, the City has sent notice of said termination to all the affected taxing bodies so each can plan their levy requests accordingly.

Prior to December 31, 2022, the City is asked to pass an ordinance dissolving the TIF fund and terminating the area designated as TIF 2 redevelopment project area No. 2.

Options

1. Approve the Ordinance as presented.
2. Approve the Ordinance with changes.
3. Deny the Ordinance.

Recommendation

Staff recommends that the City approve the ordinance to dissolve the TIF 2 redevelopment project area.

Attachments: Exhibit B – TIF map
Ordinance

ORDINANCE NO. _____

**AN ORDINANCE DISSOLVING THE SPECIAL TAX ALLOCATION FUND AND
TERMINATING THE DESIGNATION OF THE CITY OF URBANA TAX
INCREMENT REDEVELOPMENT PROJECT AREA (TIF 2)**

WHEREAS, in accordance with and pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.), as supplemented and amended (the “TIF Act”), including by the power and authority of the City of Urbana, Champaign County, Illinois (the “City”), the City Council of the City (the “Corporate Authorities”) adopted Ordinances 8687-45, 9394-101, 9394-99, 2002-06-064, 2004-12-156, 2005-03-032 (collectively, the “TIF Ordinances”); and

WHEREAS, under and pursuant to the TIF Act and the TIF Ordinances, the City designated the Urbana Tax Increment Redevelopment Project Area (the “Redevelopment Project Area”), approved the related redevelopment plan, including the redevelopment projects described in the Redevelopment Plan (collectively, the “Redevelopment Projects”), and established a special tax allocation fund (the “Fund”) in connection therewith; and

WHEREAS, the City has notified affected taxing districts of the pending termination of the Redevelopment Project Area, as a redevelopment project area, in accordance with the provisions of Section 11-74.4-8 of the TIF Act; and

WHEREAS, all redevelopment project costs have been or will be paid, all obligations relating thereto have been or will be paid and retired prior to December 31, 2022; and

WHEREAS, in accordance with the provisions of Section 11-74.4-8 of the Act, the City desires to dissolve the special tax allocation fund relating to the Redevelopment Project Area and to terminate the designation of the Redevelopment Project Area as a redevelopment project area.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Urbana, Illinois, as follows:

Section 1. Incorporation of Recitals. The foregoing recitals are incorporated into this Ordinance as the findings of the Corporate Authorities.

Section 2. Dissolution of Fund. The City Treasurer shall perform the final closing of the books and records of the Fund for the Redevelopment Project Area no later than December 31, 2022 and thereupon said Redevelopment Project Area is dissolved.

Section 3. Termination of Redevelopment Project Area. The designation of the Redevelopment Project Area as a redevelopment project area is hereby terminated as of December 31, 2022.

Section 4. Additional Real Estate Tax Increment. In the event that additional incremental real estate taxes attributable to the Redevelopment Project Area remain in the Fund, after the dissolution of the Fund, such monies shall be declared as surplus funds and sent back to the affected taxing bodies as prescribed in Section 11-74.4-8 of the TIF Act.

Section 5. Tax Objections Resulting in Reduced Real Estate Tax Increment. In the event incremental real estate taxes attributable to the Redevelopment Project Area received by the City are ordered refunded by the Champaign County Clerk as a result of final decisions in tax objections affecting real estate taxes payable prior to December 31, 2022, then the City will refund such incremental real estate taxes received solely from funds available in the Fund.

Section 6. Effective Date of Ordinance. This Ordinance shall be in full force and effect upon its passage and approval in the manner provided by law.

Section 7. Invalidity. If any section, paragraph, clause, or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause, or provision shall not affect any of the other provisions of this Ordinance.

Section 8. Conflicts. All ordinances, resolutions, or orders, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby superseded.

PASSED BY THE CITY COUNCIL this _____ day of _____, _____

AYES:

NAYS:

ABSTENTIONS:

Phyllis D. Clark, City Clerk

APPROVED BY THE MAYOR this this _____ day of _____, _____.

Diane Wolfe Marlin, Mayor

