

MEMORANDUM

TO: Thomas J. Weisner, Mayor

FROM: Brian W. Caputo, Director of Finance/City Treasurer

DATE: August 1, 2008

SUBJECT: An Ordinance of the City of Aurora, Kane, DuPage, Kendall and Will Counties, Illinois, Providing for the Issuance of Tax Increment Revenue Bonds, Series 2008A in an Aggregate Principal Amount of \$\_\_\_\_\_, and Related Matters – Finance Committee Agenda Item – August 12, 2008 Meeting

**PURPOSE:**

To obtain the approval of the City Council of a proposed ordinance providing for the issuance of the City of Aurora Series 2008A Tax Increment Revenue Bonds.

**BACKGROUND:**

On April 24, 2007, the city created the East River Area Tax Increment Financing District (TIF District #6). The district consists of approximately 530 acres and is located just northeast of the city's downtown. It is generally bounded by the Fox River on the west; Spring Street on the south; Aurora Avenue, Lincoln Avenue, and Ohio Street (extended along the railroad right-of-way) on the east; and Mettel Road on the north. It also generally extends east to Ohio Street between Pierce Street and north of Delius Street, and east to Aurora Lane and Mitchell Road (south of Indian Trail). The district was established to attract residential, commercial, and other mixed-use projects to redevelop underutilized land. It will also provide significant open space. The district's TIF plan anticipated \$265 million of potential redevelopment project costs (in 2006 dollars).

**DISCUSSION:**

The 2008 City Budget provided for the issuance of \$15.0 million to pay redevelopment costs in TIF District #6. At this time, we have identified needs for only \$5.75 million (plus issuance costs and a debt service reserve). The redevelopment costs to be paid would include those associated with land acquisition, environmental remediation, and public park improvements. Approximately, \$2.2 million of bond proceeds would reimburse the city for monies previously advanced from the Gaming Tax Fund.

We intend to sell the 2008A Tax Increment Revenue Bonds on August 26, 2008. The bonds will have a maturity of approximately 20 years and will be sold through a negotiated sale. Until incremental property taxes generated by redevelopment projects are sufficient to pay the debt service on the bonds, the debt service will be paid by gaming tax revenues.

Attached is a draft bond ordinance. The final bond ordinance will be prepared after the bonds are sold and the exact interest costs are known.

**RECOMMENDATION:**

That the City Council approve the attached, proposed ordinance that would authorize the issuance of the city’s 2008A Tax Increment Revenue Bonds.

attachment

Forwarded to the Finance Committee for consideration

\_\_\_\_\_  
Mayor’s Office Initials & Date

- c: Robert J. O’Connor, Alderman
- Abby D. Schuler, Alderman
- Leroy V. Keith, Alderman
- Scheketa Hart-Burns, Alderman
- William A. Wiet, Chief of Staff
- Cheryl M. Vonhoff, City Clerk
- Alayne M. Weingartz, Corporation Counsel
- John C. Banbury, Assistant Corporation Counsel
- Sherman L. Jenkins, Director of Economic Development
- Stephane A. Phifer, Director of Planning

Filename: \Debt\TIF2008A\2008ATIFSale1