



Legislation Text

File #: 19-0711, Version: 1

TO: Mayor Richard C. Irvin

FROM: Martin Lyons, Chief Financial Officer

DATE: August 12, 2019

SUBJECT:

A Resolution With Respect to the Potential Reimbursement of Eligible Costs in a Possible Tax Increment Finance District (TIF) and to Induce Development Interest within the subject area known as the former Copley Hospital property (now known as Avalon Heights).

PURPOSE:

Adoption of a Reimbursement Resolution is the first step following the approval of the Redevelopment Agreement (RDA) with Fox Valley Developers for the redevelopment of the former Copley Hospital property. This resolution will allow initial expenses to be reimbursed by the TIF once formed later in 2019 or 2020.

BACKGROUND:

The former Copley Hospital has remained vacant for decades. The City Council recently approved a RDA with Fox Valley Developers to clean up and redevelopment the entire building. Fox Valley Developers plans to use a variety of sources to fund this redevelopment including grants, loans, tax credits and TIF revenues paid solely from the development.

DISCUSSION:

The creation of the new TIF is critical to the redevelopment of the Avalon Heights site. As such the City will be moving transparently, yet expeditiously to form the new TIF through the same process used in creating TIF #9

IMPACT STATEMENT:

Adopting this resolution will allow for initial costs incurred during the setup of the new TIF to be reimbursed by TIF revenues at a later date.

RECOMMENDATIONS:

Staff recommends the City adopt this resolution.

ATTACHMENTS:

TIF Location Map

cc: Alderman Robert O'Connor, Chairperson
Alderman Edward J. Bugg, Vice Chairperson
Alderman Carl Franco

Alderman Scheketa Hart-Burns
Alderman Emmanuel Llamas



CITY OF AURORA, ILLINOIS

RESOLUTION NO. _____
DATE OF PASSAGE _____

A Resolution With Respect to the Potential Reimbursement of Eligible Costs in a Possible Tax Increment Finance District and to Induce Development Interest within the former Copley Hospital property (now known as a Avalon Heights).

WHEREAS, the City of Aurora has a population of more than 25,000 persons and is, therefore, a home rule unit under subsection (a) of Section 6 of Article VII of the Illinois Constitution of 1970; and

WHEREAS, subject to said Section, a home rule unit may exercise any power and perform any function pertaining to its government and affairs for the protection of the public health, safety, morals, and welfare; and

WHEREAS, the City hereby finds and determines that the financing intended herein will serve the public purposes of the City; and

WHEREAS, the City has been requested by the contract purchaser Fox Valley Developers ,(the "Developer") of certain real property (the "Property"), which is generally described as set forth in Exhibit A, attached hereto and incorporated herein, to consider adopting Tax Increment Financing on the Property; and

WHEREAS, the City and the Developer have entered into a Redevelopment Agreement for Phase I and plan to enter into a Second Redevelopment Agreement that requires the Adoption of a TIF District for final execution of the Agreement; and

WHEREAS, the Mayor of the City (the "Mayor") and the Aldermen of the City Council (the "City Council," and with the Mayor, the "Corporate Authorities") acknowledge that the Developer will not be able to complete the Project without economic assistance from the City; and

WHEREAS, the City desires to have the Property improved and redeveloped, and believes that it is not economically feasible to do so without public intervention, given the impediments to development which characterize the Property; and

WHEREAS, in reliance upon the City's commitment to explore the issue of creating a Tax Increment Finance District, the Developer is expending money with respect to the following expenses, including, but not limited to, engineering, legal, design, remediation, property acquisition and other expenses which could be reimbursed if a Tax Increment Finance District is created and as permitted by the Act

(the “Developer’s Potential Eligible Costs”); and

WHEREAS, the City will also expend funds in the investigation of a potential Tax Increment Financing District, including, but not limited to, legal, engineering, planning and other consultants which would be eligible to be paid as eligible redevelopment project costs in the event the Tax Increment Finance District is created and as permitted by the Act (the “City’s Potential Eligible Costs”); and

WHEREAS, this Resolution does not obligate the City to create a Tax Increment Finance District on the Property, or any portion thereof, but rather, it is intended to induce the Developer to pursue plans for redevelopment and to provide for the potential reimbursement of the City’s Potential Eligible Costs and the Developer’s Potential Eligible Costs in the event such a Tax Increment Finance District is created, the costs are legally permitted to be reimbursed, in accordance with the Redevelopment Agreement; and

WHEREAS, after the adoption of this Resolution, the City agrees to consider providing municipal and/or other governmental economic assistance including, but not limited to, tax increment financing, through the establishment and/or expansion of a redevelopment project area, to the extent that such assistance may lawfully and practically be available and in the best interests of the City)

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Aurora, Illinois, as follows:

Section One: Incorporation of Recitals

The recitals set forth above are incorporated into this Section as if fully set forth herein.

Section Two: Property Review

That City staff have examined the Property and its condition and circumstances and, at this time, the Corporate Authorities conclude that it is reasonable to believe that a tax increment financing plan can be adopted for said Property and expenditures of development costs in furtherance of the plan and potential development should be allowable “redevelopment project costs” under the plan, provided however, that this resolution is not a guarantee that any such plan will be adopted, but rather, is an expression of the intent of the City at this time.

Section Three: Inducement

That this Resolution is adopted for purposes of inducing the City and the Developer to proceed with the potential redevelopment of the Property and to incur costs pending the possible approval of the TIF and the Redevelopment Agreement.

Section Four: Reimbursement

In the event a Tax Increment Finance District is created over some or all of the Property, the City may make reimbursement for the Developer’s Potential Eligible Costs, according to the Redevelopment Agreement and the City’s Potential Eligible Costs to the extent approved by the City and authorized by law. In the event that no Tax Increment Finance District is created over some or all of the Property, the City shall in no way be obligated to reimburse the Developer for any of its costs or expenses.

Section Five: Authorization

That the Corporate Authorities hereby approve of and authorize the reimbursement to the Developer for the Developer's Potential Eligible Costs according to the Redevelopment Agreement, subject to the limitations provided in this Resolution. That the Corporate Authorities hereby authorize and direct the Mayor or his designee to draft and execute all necessary documents and perform all necessary tasks to effectuate the intent of this Resolution. That the Mayor or his designee, and the Corporation Counsel, or his designee, as may be required, are hereby authorized and directed to draft, execute, and complete any and all documents deemed necessary, to effectuate the intent of this Resolution, whether or not such other documents are attached hereto. That the City Clerk is hereby authorized and directed to attest to, countersign, and affix the seal of the City to all such documents as are deemed necessary.

Section Six: Other Actions Authorized

The officers and employees of the City shall take all actions reasonably required or necessary to carry out and give effect to the intent of this Resolution and otherwise take all actions necessary in conformity therewith including, without limitation, the execution and delivery of all documents required to be delivered in connection with the actions contemplated herein.

Section Seven: Acts Of City Officials

That all past, present, and future acts and doings of the officials of the City that are in conformity with the purpose and intent of this Resolution are hereby, in all respects, ratified, approved, authorized, and confirmed.

Section Eight: Severability

This Resolution and every provision thereof shall be considered severable, and the invalidity of any section, clause, paragraph, sentence or provision of this Resolution shall not affect the validity of any other portion of this Resolution.

Section Nine: Repealer

All resolutions, ordinances or parts of resolutions conflicting with any provision of this resolution, are hereby repealed.

Section Ten: Effective Date

This Resolution shall be in full force and effect after its passage, approval and publication in accordance with applicable law.