



Legislation Text

File #: 23-0686, **Version:** 1

TO: Mayor Richard C. Irvin

FROM: Trevor Dick, FAICP, LEED AP, Assistant Director of the Mayor's Office of Economic Development

DATE: August 17, 2023

SUBJECT:

An Ordinance Adopting Tax Increment Financing For The City Of Aurora Cross Street Tax Increment Financing District.

PURPOSE:

The Cross Street Tax Increment Financing District ("TIF District") is being created to support the JH Real Estate Development at 110 Cross Street. Staff has been working with our consultants, Ryan LLC, and Klein, Thorpe and Jenkins, Ltd (KTJ) to assist with the creation of the referenced TIF District. The Ordinance is the first one of three that will enable the City to create the TIF District that will support the mixed-use development at 110 Cross Street, as approved by the City Council in a previously approved Redevelopment Agreement in March 2023.

BACKGROUND:

The creation of this TIF District is part of an existing RDA approved with resolution R23-076 on March 14, 2023, between the City of Aurora and a private developer for the redevelopment of the long vacant real estate at 110 Cross Street.

110 Cross is a historic building purchased about 4 years ago by JH Real Estate.

Plans to renovate the building have been in the works since then including the recruitment of the well-regarded Foreign Exchange Brewing company.

DISCUSSION:

The creation of the Cross Street TIF District will be accomplished through a multi-step process that also entailed holding of a Public Hearing (August 8, 2023, City Council Meeting), and the adoption of three separate ordinances to create the Cross Street TIF District.

IMPACT STATEMENT:

The adoption of this ordinance will allow for the next steps in the creation of the Cross Street TIF District to be completed.

RECOMMENDATIONS:

Staff recommends the approval of the ordinance adopting Tax Increment Financing for the City of Aurora Cross Street Tax Increment Financing District.

ATTACHMENTS:

Exhibit A-1 Redevelopment Project Area Legal Description
Exhibit A-2: Street Location Map
Exhibit B - Aurora Cross Street TIF Redevelopment Plan

cc: Finance Committee:
Alderman Carl Franco, Chairperson
Alderman Sherman Jenkins, Vice Chairperson
Alderman Edward Bugg
Alderwoman Shweta Baid



CITY OF AURORA, ILLINOIS

ORDINANCE NO. _____
DATE OF PASSAGE _____

An Ordinance Adopting Tax Increment Financing For The City Of Aurora Cross Street Tax Increment Financing District.

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, pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq. ("TIF Act"), the City authorized a study in regard to designating a redevelopment project area for the City's Cross Street Tax Increment Financing District ("TIF District"); and

WHEREAS, on February 28, 2023, the City announced the availability of the redevelopment plan and project for the TIF District ("TIF Plan"), with said TIF Plan containing an eligibility report for the TIF District addressing the tax increment financing eligibility of the area proposed for designation as the redevelopment project area for said TIF District ("Redevelopment Project Area"); and

WHEREAS, a public hearing was held on August 8, 2023, in regard to the TIF Plan; and

WHEREAS, the Mayor and City Council of the City desire to adopt tax increment financing pursuant to the TIF Act; and

WHEREAS, the Mayor and City Council of the City have approved the TIF Plan and designated the Redevelopment Project Area pursuant to the provisions of the TIF Act, and have otherwise complied with all other conditions precedent required by the TIF Act;

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

SECTION 1: That tax increment financing is hereby adopted with respect to the TIF District, with the TIF Plan in relation thereto having been approved and adopted pursuant to an Ordinance adopted by the Mayor and City Council of the City on June 13, 2023; and the Redevelopment Project Area in relation thereto, described and depicted in EXHIBIT A-1 and EXHIBIT A-2 attached hereto and made a part hereof, having been approved, adopted and so designated pursuant to an Ordinance adopted by the Mayor and City Council of the City on June 13, 2023; with the initial equalized assessed valuation for said TIF District being the 2022 equalized assessed valuation of the Redevelopment Project Area.

SECTION 2: That the ad valorem taxes arising from the levies upon taxable real property in the Redevelopment Project Area by taxing districts, and tax rates determined in the manner provided in Section 5/11-74.4-9 of the TIF Act (65 ILCS 5/11-74.4-9), each year after the effective date of this Ordinance until redevelopment project costs and all municipal obligations financing redevelopment project costs have been paid, shall be divided as follows:

A. That portion of taxes levied upon each taxable lot, block, tract or parcel of real property which is attributable to the lower of the current equalized assessed value or the initial equalized assessed value (2022 equalized assessed valuation) of each such taxable lot, block, tract or parcel of real property in the Redevelopment Project Area shall be allocated to, and when collected shall be paid by the Kane County Collector to, the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing; and

B. That portion, if any, of such taxes which is attributable to the increase in the current equalized assessed valuation of each lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the initial equalized assessed valuation (2022 equalized assessed valuation) of each lot, block, tract or parcel of real property in the Redevelopment Project Area shall be allocated to, and when collected shall be paid by the Kane County Collector to, the City Treasurer who shall deposit said funds in a special fund called "The Special Cross Street Tax Increment Financing District Tax Increment Allocation Fund" of the City for the development and implementation of the TIF Plan.

SECTION 3: That the City shall obtain and utilize incremental taxes from the Redevelopment Project Area for the payment of redevelopment project costs and all City obligations financing redevelopment project costs in accordance with the provisions of the TIF Act and the TIF Plan.

SECTION 4: That this Ordinance shall be in full force and effect from and after its adoption, approval and publication in pamphlet form as provided by law.

SECTION 5: That if any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity thereof shall not affect any of the other provisions of this Ordinance.

SECTION 6: That all ordinances or parts of ordinances in conflict herewith are, to the extent of such conflict, hereby repealed.