



Agenda Item: Consider for Approval an Ordinance Terminating the Designation of the Cary Station Tax Increment Financing Redevelopment Project Area (Cary TIF District #2), as Created by Cary Ordinance Number O06-09-08, Adopted September 5, 2006, as a Tax Increment Financing Redevelopment Project Area and Dissolving the Cary Station Special Tax Allocation Fund

Type: Consent Agenda

Report From: Community Development

Motion: I will entertain a motion to approve an ordinance terminating the designation of the Cary Station Tax Increment Financing Redevelopment Project Area (Cary TIF District #2), as created by Cary ordinance number O06-09-08, adopted September 5, 2006, as a tax increment financing redevelopment project area and dissolving the Cary Station Special Tax Allocation Fund.

Introduction

On September 5, 2006, the Village of Cary established the Cary Station Tax Increment Financing District (TIF District #2) to assist with the development of the subject redevelopment area. The properties which currently comprise TIF District #2 are being considered for inclusion within the proposed Central Cary Tax Increment Financing District (TIF District #3). Per Illinois State Statute, properties cannot be included within multiple active TIF districts. Therefore, the Village of Cary is seeking to terminate TIF District #2 prior to the potential adoption of the proposed TIF District #3. In order to properly close TIF District #2, the Village needs to adopt an ordinance dissolving the special tax allocation fund and terminating the TIF District. The attached ordinance will officially close out the Cary Station TIF #2 within the Village of Cary.

Since its inception, TIF #2 has generated approximately \$280,000 in property tax increment revenue with a current fund balance of \$209,612. Primary expenses incurred by TIF #2 included auditing and professional services related its creation and operation (\$27,305), and engineering expenses for improvements to the intersection of First Street and Park Avenue (\$42,937). When TIF #2 was created, it was contemplated to assist with a planned redevelopment of properties along Crystal Street/Route 14, which did not occur due to the onset of the recession in 2008. Due to the recession, overall EAVs within TIF #2 significantly decreased, which limited the ability for the TIF to generate positive increment.

Upon termination of TIF #2 the surplus funds of \$209,612 will be returned to McHenry County to be distributed to the various taxing bodies which have jurisdiction within the TIF #2 boundary.

Staff Analysis

Staff recommends that the Village Board approve an ordinance dissolving the special tax allocation fund and terminating the Cary Station Tax Increment Financing District (TIF District #2).

Exhibits

[A - Ordinance](#)



ORDINANCE NO. #O23-08-__

AN ORDINANCE TERMINATING THE DESIGNATION OF THE CARY STATION TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA (CARY TIF DISTRICT #2), AS CREATED BY CARY ORDINANCE NUMBER O06-09-08, ADOPTED SEPTEMBER 5, 2006, AS A TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA AND DISSOLVING THE CARY STATION SPECIAL TAX ALLOCATION FUND

Published in pamphlet form by authority of the Mayor and Board of Trustees of the Village of Cary, McHenry County, Illinois this 1st day of August 2023.

WHEREAS, the Village of Cary, McHenry County, Illinois (the "Village") did, on September 5, 2006, approve Ordinance Numbers O06-09-07, O06-09-08 and O06-09-12, approving a redevelopment plan and project, designating a redevelopment project area, and adopting tax increment financing, respectively, for the Cary Station Tax Increment Financing District ("TIF District #2"); and

WHEREAS, notwithstanding the proposed twenty-three (23) year life of TIF District #2, pursuant to 65 ILCS 5/11-74.4-8, the Village intends to dissolve the special tax allocation fund for TIF District #2 (the "TIF District #2 Special Tax Allocation Fund"), terminate the designation of the TIF District #2 redevelopment project area, and terminate the use of tax increment financing for the TIF District #2 redevelopment project area effective August 12, 2023.

NOW, THEREFORE, Be It Ordained by the Mayor and Board of Trustees of the Village of Cary, McHenry County, Illinois, as follows:

SECTION 1: Effective August 12, 2023, the Village hereby terminates the TIF District #2 redevelopment project area established by Ordinance Number O06-09-08, adopted September 5, 2006, with 2022 incremental real estate taxes for the TIF District #2 redevelopment project area, collected during 2023, being the last incremental real estate taxes collected in regard to TIF District #2.

SECTION 2: The Village hereby dissolves the TIF District #2 Special Tax Allocation Fund, into which the incremental real estate taxes for the TIF District #2 redevelopment project area have been paid, effective August 12, 2023. Any monies remaining in the TIF District #2 Special Tax Allocation Fund at its dissolution are hereby designated surplus, and shall be paid to the McHenry County Treasurer/Collector for payment to the taxing districts impacted by the TIF District #2 redevelopment project area, in the same manner and proportion as the most recent distribution by the McHenry County Treasurer/Collector, to those taxing districts, of real estate taxes from real property in the TIF District #2 redevelopment project area, in accordance with 65 ILCS 5/11-74.4-8.

SECTION 3: In the event that additional incremental real estate taxes attributable to the TIF District #2 redevelopment project area shall be received by the Village from late payment of real estate taxes or any other reason, after the dissolution of the TIF District #2 Special Tax Allocation Fund, such monies shall be segregated by the Finance Department, declared surplus funds, and sent to the McHenry County Treasurer/Collector for distribution in the same manner as provided for in Section 2, above.

SECTION 4: In the event that additional real estate taxes attributable to the TIF District #2 redevelopment project area shall be received by the McHenry County Treasurer/Collector after the dissolution of the TIF District #2 Special Tax Allocation Fund, such monies are hereby declared to be surplus funds, and the McHenry County Treasurer/Collector is hereby authorized to distribute said funds in the same manner as provided for in Section 2 above.

SECTION 5: After the termination of the TIF District #2 redevelopment project area, the rates of the taxing districts shall be extended and taxes levied, collected and distributed in the manner applicable in the absence of the adoption of tax increment financing.

SECTION 6: That, pursuant to 65 ILCS 5/11-74.4-8, a copy of this Ordinance shall be forwarded, by the Deputy Village Clerk, to each taxing district impacted by TIF District #2, and copies of this Ordinance shall also be forwarded, by the Deputy Village Clerk, to the McHenry County Clerk, and to the McHenry County Treasurer/Collector, all prior to November 1, 2023.

SECTION 7: If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity thereof shall not affect the other provisions of this Ordinance.

SECTION 8: All ordinances in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 9: This Ordinance shall be in full force and effect from and after its adoption, approval and publication in pamphlet form as provided by law.

PASSED THIS 1st DAY OF AUGUST 2023

AYES: _____

NAYS: _____

ABSTAIN: _____

ABSENT: _____

APPROVED THIS 1st DAY OF AUGUST 2023

Mark Kownick, Mayor

ATTEST:

Susan Greene, Deputy Village Clerk