

CITY OF WARRENVILLE
MEMO

To: Community Development Committee
Cc: Cristina White, City Administrator
From: Kevin Dahlstrand, Finance Director 
Subject: INTERFUND LOAN TO TIF #3
Date: July 9, 2025

In 2019, the City Council approved Ordinance O2019-52, which authorized interfund loans from the General Fund to Tax Increment Financing District #3, in an amount not-to-exceed \$4,350,000, with a corresponding interest rate of 1.554%, which is updated annually and applied to the end of the fiscal year loan balance.

Through the end of FY 2024 the amount the TIF #3 fund owed to the General Fund totaled \$3,766,960.

It is currently projected that when the FY 2025 audit is finalized the amount the TIF#3 fund will owe to the General Fund will total \$4,928,252, which is \$578,525 in excess of the current authorized loan not-to-exceed amount of \$4,350,000. Additionally, based upon the City's FY 2025, the average investment return as of April 30, 2025, is projected at 2.65%.

Given that the actual and projected fund balance exceeds the previously authorized amount, a draft ordinance has been prepared for Committee consideration, to increase the interfund loan authorization to a not-to-exceed total of \$5,000,000.

However, it should be noted that the budgeted FY 2026 expenditures are significantly less than previous years and will result in a projected payback to the General fund for FY 2026 of just short of \$500,000.

It is currently projected that the interfund loan from the General Fund to the TIF #3 fund will be fully repaid in FY 2035. However, that projection does not include any revenue resulting from the development of Old Town Redevelopment Site #2 (OTRS #2), which would shorten that repayment window.

ORDINANCE NO. _____

**AN ORDINANCE AMENDING ORDINANCE NO. O2019-52,
ADOPTED OCTOBER 7, 2019, AUTHORIZING A LOAN FROM
THE CITY OF WARRENVILLE GENERAL FUND TO
THE CITY OF WARRENVILLE SPECIAL OLD TOWN/CIVIC CENTER
TAX INCREMENT ALLOCATION FUND (TIF DISTRICT #3)**

WHEREAS, the City of Warrenville (the "City") is a home rule unit of government in accordance with Article VII, Section 6 of the Constitution of the State of Illinois, 1970; and

WHEREAS, the City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, *et seq.*, as amended (the "TIF Act"), to finance redevelopment in accordance with the conditions and requirements set forth in the Act; and

WHEREAS, pursuant to Ordinance Numbers 2780, 2781 and 2782, adopted June 3, 2013, the City approved a tax increment redevelopment plan and project (the "TIF Plan"), designated the tax increment redevelopment project area (the "Redevelopment Project Area"), and adopted tax increment financing relative to the City's Old Town/Civic Center Tax Increment Financing District [TIF #3] (the "TIF District"); and

WHEREAS, the City has expended, and anticipates expending, funds for certain tax increment financing ("TIF") eligible redevelopment project costs, and has proceeded with, and desires to proceed with, certain TIF eligible redevelopment projects, as contemplated by, and in furtherance of, the TIF Plan (the "TIF Eligible Expenses and Projects"), notwithstanding the fact that the TIF District has not yet generated sufficient TIF incremental real estate tax revenues (the "TIF Revenues") to cover the costs associated with the TIF Eligible Expenses and Projects; and

WHEREAS, in order to pay the costs associated with the TIF Eligible Expenses and Projects, until such time as TIF Revenues are generated by the TIF District, in an amount sufficient to pay the costs associated with the TIF Eligible Expenses and Projects, the City Council, pursuant to Ordinance No. O2019-52, adopted October 7, 2019, amending Ordinance O2017-31 (the "Original Ordinance"), approved a loan from the

City's General Fund, to the City's Special Old Town/Civic Center Tax Increment Allocation Fund, to cover the costs of the TIF Eligible Expenses and Projects; and

WHEREAS, as a result of changing interest rates and additional costs that are anticipated to be incurred relative to TIF Eligible Expenses and Projects, it is necessary to revise certain provisions of the Original Ordinance relative to the loan as provided for therein;

NOW, THEREFORE, BE IT ORDAINED, by the City Council of the City of Warrenville, DuPage County, Illinois, as follows:

SECTION 1: That the recitals set forth above are incorporated herein by reference, as if set forth in this Section 1.

SECTION 2: That Section 2 of the Original Ordinance is amended by revising the reference therein to "Four Million Three Hundred Fifty Thousand and No/100 Dollars (\$4,350,000.00)" to read "Five Million and No/100 Dollars (\$5,000,000.00)".

SECTION 3: That Section 3 of the Original Ordinance is amended to read in its entirety as follows:

"The principal amount of said TIF Loan, as may be outstanding from time to time, shall accrue interest at the rate of one and five hundred fifty-four thousandths percent (1.554%) per annum, until said principal amount is paid in full (the "TIF Loan Interest"); provided, however, that on May 1st of each year, the rate at which interest accrues against the TIF Loan shall be adjusted to a rate which is equal to the average annualized rate of return achieved by the City for City investments during the most recently concluded fiscal year of the City (May 1st to April 30th)."

SECTION 4: That all other provisions of the Original Ordinance, not amended hereby, shall remain in full force and effect as if set forth herein in their entirety.

SECTION 5: 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 6: 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.

ADOPTED this ___ day of _____, 2025, pursuant to a roll call vote as follows:

AYES: _____

NAYS: _____

ABSENT: _____

ABSTAIN: _____

APPROVED by me this ___ day of _____, 2025.

Andrew Johnson, Mayor

ATTEST:

Julie Clark, City Clerk

Published by me in pamphlet form this ___ day of _____, 2025.

Julie Clark, City Clerk