

# Residential Tax Increment Financing Districts

## **MISSION STATEMENT**

It is the mission of the Community Development Tax Increment Financing District to conserve or improve areas, especially sections of the City that are neglected, through economic investment from both private and public sectors.

## **PRIMARY FUNCTIONS**

The primary function of the tax increment financing (TIF) district is to develop/redevelop the area in the TIF District and to make the area more viable. Improvements (upon meeting qualifications) can be financed through TIF district revenues. The collection of property taxes is on an increment basis and increases are based on increases in the assessed valuation of properties within the TIF District. The excess tax revenue collected can only be used to fund projects located within the TIF District.

The six residential TIFs include Lincolnwood #1 and #2, Hope 6, Garrison School, River Oaks (Thatcher Blake River Walk), and Jackson School.

## **OBJECTIVES FOR FISCAL YEAR 2014**

- Facilitate through marketing efforts and the provision of incentives, the continued build out of Garrison Lofts/Townhomes, Lincolnwood II, Springfield Corners Subdivision, and the Swedish American Foundation projects. Developers with lots and/or homes to sell are hopeful that the market will improve and the sale of properties and continued build out becomes feasible. Additionally, staff support will be provided to encourage and review TIF proposals.
- Sell and/or redevelop excess property owned by the City or available within a TIF.
- The Tax Incentive Program will continue to be offered to those with substantial redevelopment (including new construction) costs in Tax Increment Financing areas.
- Assist in identifying alternative uses for the last lot located within the Lincolnwood II subdivision.

## **BUDGET SUMMARIES**

### **LINCOLNWOOD #1 TAX INCREMENT FINANCING BUDGET SUMMARY**

<b>APPROPRIATION</b>	2011 <u>ACTUAL</u>	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2014 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
OTHER	\$44,688	\$68,688	\$91,688	\$88,688	<u>(\$3,000)</u>
TOTAL	\$44,688	\$68,688	\$91,688	\$88,688	<u>(\$3,000)</u>

<b>FUNDING SOURCE</b>	2011 <u>ACTUAL</u>	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2014 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
PROPERTY TAXES					
TAX INCREMENT	\$79,066	\$78,826	\$74,571	\$75,317	\$746
TRANSFER FROM CIP	8,082	0	0	0	0
INTEREST INCOME	<u>4,292</u>	<u>1,663</u>	<u>4,061</u>	<u>2,241</u>	<u>(1,820)</u>
TOTAL	\$91,440	\$80,489	\$78,632	\$77,558	<u>(\$1,074)</u>

# Residential Tax Increment Financing Districts

## LINCOLNWOOD #2 TAX INCREMENT FINANCING BUDGET SUMMARY

	2011	2012	2013	2014	INCREASE (DECREASE)
<b>APPROPRIATION</b>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	
OTHER	\$48,631	\$47,631	\$71,631	\$79,631	\$8,000
TOTAL	<u>\$48,631</u>	<u>\$47,631</u>	<u>\$71,631</u>	<u>\$79,631</u>	<u>\$8,000</u>

	2011	2012	2013	2014	INCREASE (DECREASE)
<b>FUNDING SOURCE</b>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	
PROPERTY TAXES					
TAX INCREMENT	\$51,294	\$49,862	\$46,504	\$46,969	\$465
TRANSFER FROM CIP	19,596	0	0	0	0
INTEREST INCOME	<u>2,591</u>	<u>782</u>	<u>1,959</u>	<u>828</u>	<u>(1,131)</u>
TOTAL	<u>\$73,481</u>	<u>\$50,644</u>	<u>\$48,463</u>	<u>\$47,797</u>	<u>(\$666)</u>

## RIVER OAKS TAX INCREMENT FINANCING BUDGET SUMMARY

	2011	2012	2013	2014	INCREASE (DECREASE)
<b>APPROPRIATION</b>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	
OTHER	\$310,140	\$284,994	\$321,073	\$310,896	(\$10,177)
TOTAL	<u>\$310,140</u>	<u>\$284,994</u>	<u>\$321,073</u>	<u>\$310,896</u>	<u>(\$10,177)</u>

	2011	2012	2013	2014	INCREASE (DECREASE)
<b>FUNDING SOURCE</b>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	
PROPERTY TAXES					
TAX INCREMENT	\$58,704	\$49,090	\$41,469	\$41,884	\$415
TRANSFER FROM CIP	<u>173,318</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$232,022</u>	<u>\$49,090</u>	<u>\$41,469</u>	<u>\$41,884</u>	<u>\$415</u>

## GARRISON TAX INCREMENT FINANCING BUDGET SUMMARY

	2011	2012	2013	2014	INCREASE (DECREASE)
<b>APPROPRIATION</b>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	
OTHER	\$71,802	\$68,082	\$170,902	\$165,786	(\$5,116)
TOTAL	<u>\$71,802</u>	<u>\$68,082</u>	<u>\$170,902</u>	<u>\$165,786</u>	<u>(\$5,116)</u>

	2011	2012	2013	2014	INCREASE (DECREASE)
<b>FUNDING SOURCE</b>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	
PROPERTY TAXES					
TAX INCREMENT	\$80,193	\$92,873	\$73,609	\$74,345	\$736
TOTAL	<u>\$80,193</u>	<u>\$92,873</u>	<u>\$73,609</u>	<u>\$74,345</u>	<u>\$736</u>

# Residential Tax Increment Financing Districts

## HOPE SIX TAX INCREMENT FINANCING BUDGET SUMMARY

	2011	2012	2013	2014	INCREASE
<b>APPROPRIATION</b>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
OTHER	<u>\$313,330</u>	<u>\$255,375</u>	<u>\$251,938</u>	<u>\$271,752</u>	<u>\$19,815</u>
TOTAL	<u>\$313,330</u>	<u>\$255,375</u>	<u>\$251,938</u>	<u>\$271,752</u>	<u>\$19,815</u>

	2011	2012	2013	2014	INCREASE
<b>FUNDING SOURCE</b>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
TAX INCREMENT	\$174,636	\$165,825	\$160,167	\$178,467	\$18,300
TRANSFER FROM CIP	<u>149,480</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$324,116</u>	<u>\$165,825</u>	<u>\$160,167</u>	<u>\$178,467</u>	<u>\$18,300</u>

## JACKSON SCHOOL TAX INCREMENT FINANCING BUDGET SUMMARY

	2011	2012	2013	2014	INCREASE
<b>APPROPRIATION</b>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
OTHER	<u>115,104</u>	<u>121,398</u>	<u>116,173</u>	<u>115,733</u>	<u>(\$440)</u>
TOTAL	<u>\$115,104</u>	<u>\$121,398</u>	<u>\$116,173</u>	<u>\$115,733</u>	<u>(\$440)</u>

	2011	2012	2013	2014	INCREASE
<b>FUNDING SOURCE</b>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
TAX INCREMENT	\$105,861	\$92,672	\$56,532	\$57,100	\$568
INTEREST INCOME	<u>1,997</u>	<u>371</u>	<u>795</u>	<u>0</u>	<u>(795)</u>
TOTAL	<u>\$107,858</u>	<u>\$93,043</u>	<u>\$57,327</u>	<u>\$57,100</u>	<u>(\$227)</u>

## BUDGET HIGHLIGHTS

- This six district group collectively has a deficit of \$2,388,606 for 2014 and runs a deficit until 2028.
- The deficit generators are Hope 6, a high deficit year (2023) of \$1,035,138, Garrison, a high deficit year (2023) of \$929,663 never turning positive, and River Oaks, a high deficit year (2023) of \$3.08 million never turning positive.
- No long term financing is planned for 2014.

# Residential Tax Increment Financing Districts

## RESIDENTIAL TAX INCREMENT FINANCING DISTRICT FIVE YEAR FORECAST

The 2015-2019 five-year forecasts assume 1% growth for property taxes and that state and local sales tax will not be received. These funds are project, rather than service, oriented and are susceptible to considerable variance in direction and dollars. An ending balance schedule for all TIF districts for all years is also included.

### LINCOLNWOOD #1 TIF FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$78	\$79	\$79	\$78	\$79
Expenditures	<u>86</u>	<u>133</u>	<u>159</u>	<u>100</u>	<u>100</u>
Excess (Deficit)	<u>(8)</u>	<u>(54)</u>	<u>(80)</u>	<u>(22)</u>	<u>(21)</u>
Beginning Balance	<u>138</u>	<u>131</u>	<u>77</u>	<u>(4)</u>	<u>(26)</u>
Ending Balance	<u>\$130</u>	<u>\$77</u>	<u>(\$3)</u>	<u>(\$26)</u>	<u>(\$47)</u>

### LINCOLNWOOD #2 TIF FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	48	48	48	49	49
Expenditures	<u>67</u>	<u>65</u>	<u>63</u>	<u>61</u>	<u>59</u>
Excess (Deficit)	<u>(19)</u>	<u>(17)</u>	<u>(15)</u>	<u>(12)</u>	<u>(10)</u>
Beginning Balance	<u>23</u>	<u>4</u>	<u>(13)</u>	<u>(28)</u>	<u>(41)</u>
Ending Balance	<u>4</u>	<u>(13)</u>	<u>(28)</u>	<u>(40)</u>	<u>(51)</u>

### HOPE SIX TIF FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$182	\$186	\$189	\$193	\$197
Expenditures	<u>265</u>	<u>259</u>	<u>277</u>	<u>269</u>	<u>261</u>
Excess (Deficit)	<u>(83)</u>	<u>(73)</u>	<u>(88)</u>	<u>(76)</u>	<u>(64)</u>
Beginning Balance	<u>(393)</u>	<u>(477)</u>	<u>(550)</u>	<u>(637)</u>	<u>(713)</u>
Ending Balance	<u>(\$476)</u>	<u>(\$550)</u>	<u>(\$637)</u>	<u>(\$713)</u>	<u>(\$777)</u>

### GARRISON TIF FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$74	\$75	\$76	\$150	\$152
Expenditures	<u>166</u>	<u>163</u>	<u>160</u>	<u>157</u>	<u>153</u>
Excess (Deficit)	<u>(92)</u>	<u>(88)</u>	<u>(84)</u>	<u>(7)</u>	<u>(1)</u>
Beginning Balance	<u>(355)</u>	<u>(446)</u>	<u>(534)</u>	<u>(619)</u>	<u>(626)</u>
Ending Balance	<u>(\$447)</u>	<u>(\$534)</u>	<u>(\$618)</u>	<u>(\$626)</u>	<u>(\$627)</u>

# Residential Tax Increment Financing Districts

## RIVER OAKS TIF FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$42	\$43	\$43	\$44	\$44
Expenditures	<u>306</u>	<u>326</u>	<u>339</u>	<u>342</u>	<u>355</u>
Excess (Deficit)	<u>(264)</u>	<u>(283)</u>	<u>(296)</u>	<u>(298)</u>	<u>(311)</u>
Beginning Balance	<u>(1,623)</u>	<u>(1,886)</u>	<u>(2,170)</u>	<u>(2,466)</u>	<u>(2,765)</u>
Ending Balance	<u>(1,887)</u>	<u>(2,169)</u>	<u>(2,466)</u>	<u>(2,764)</u>	<u>(3,076)</u>

## JACKSON SCHOOL TIF FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$58	\$58	\$59	\$60	\$60
Expenditures	<u>116</u>	<u>116</u>	<u>66</u>	<u>40</u>	<u>39</u>
Excess (Deficit)	<u>(58)</u>	<u>(58)</u>	<u>(7)</u>	<u>20</u>	<u>21</u>
Beginning Balance	<u>(88)</u>	<u>(146)</u>	<u>(203)</u>	<u>(210)</u>	<u>(190)</u>
Ending Balance	<u>(\$146)</u>	<u>(\$204)</u>	<u>(\$210)</u>	<u>(\$190)</u>	<u>(\$169)</u>

**CITY OF ROCKFORD  
NEXT YEAR/CURRENT YEAR BUDGET ANALYSIS  
LINCOLNWOOD TIF DISTRICT #1**

	<b>2012 ACTUAL</b>	<b>2013 BUDGET</b>	<b>2014 BUDGET</b>	<b>BUDGET CHANGE 13-14</b>
77721 Transfer to Debt Svc	68,688	91,688	88,688	(3,000)
<b>TOTAL OTHER</b>	<b>68,688</b>	<b>91,688</b>	<b>88,688</b>	<b>(3,000)</b>
<b>TOTAL LINCOLNWOOD TIF #1</b>	<b>68,688</b>	<b>91,688</b>	<b>88,688</b>	<b>(3,000)</b>

**CITY OF ROCKFORD  
NEXT YEAR/CURRENT YEAR BUDGET ANALYSIS  
LINCOLNWOOD TIF DISTRICT #2**

	<b>2012 ACTUAL</b>	<b>2013 BUDGET</b>	<b>2014 BUDGET</b>	<b>CHANGE 13-14</b>
77721 Transfer to Debt Svc	47,631	71,631	79,631	8,000
<b>TOTAL OTHER</b>	<b>47,631</b>	<b>71,631</b>	<b>79,631</b>	<b>8,000</b>
<b>TOTAL LINCOLNWOOD TIF #2</b>	<b>47,631</b>	<b>71,631</b>	<b>79,631</b>	<b>8,000</b>

**CITY OF ROCKFORD  
NEXT YEAR/CURRENT YEAR BUDGET ANALYSIS  
RIVER OAKS TIF**

	<b>2012 ACTUAL</b>	<b>2013 BUDGET</b>	<b>2014 BUDGET</b>	<b>BUDGET CHANGE 13-14</b>
77721 Transfer to Debt Svc	272,588	299,588	290,588	(9,000)
78890 Comm Bank Interest	12,406	21,485	20,308	(1,177)
<b>TOTAL OTHER</b>	<b>284,994</b>	<b>321,073</b>	<b>310,896</b>	<b>(10,177)</b>
<b>TOTAL RIVER OAKS TIF</b>	<b>284,994</b>	<b>321,073</b>	<b>310,896</b>	<b>(10,177)</b>

**CITY OF ROCKFORD  
NEXT YEAR/CURRENT YEAR BUDGET ANALYSIS  
GARRISON TIF**

	<b>2012 ACTUAL</b>	<b>2013 BUDGET</b>	<b>2014 BUDGET</b>	<b>BUDGET CHANGE 13-14</b>
77721 Transfer to Debt Svc	64,463	164,463	160,463	(4,000)
78890 Comm Bank Interest	3,619	6,439	5,323	(1,116)
<b>TOTAL OTHER</b>	<b>68,082</b>	<b>170,902</b>	<b>165,786</b>	<b>(5,116)</b>
<b>TOTAL GARRISON TIF</b>	<b>68,082</b>	<b>170,902</b>	<b>165,786</b>	<b>(5,116)</b>

**CITY OF ROCKFORD  
NEXT YEAR/CURRENT YEAR BUDGET ANALYSIS  
HOPE SIX TIF DISTRICT**

	<b>2012 ACTUAL</b>	<b>2013 BUDGET</b>	<b>2014 BUDGET</b>	<b>BUDGET CHANGE 13-14</b>
76754 Comm Dev Project	-	-	-	-
77721 Transfer to Debt Svc	255,375	248,813	267,250	18,437
79980 Comm Bank Interest	-	3,125	4,502	1,377
<b>TOTAL OTHER</b>	<b>255,375</b>	<b>251,938</b>	<b>271,752</b>	<b>19,814</b>
<b>TOTAL HOPE SIX TIF</b>	<b>255,375</b>	<b>251,938</b>	<b>271,752</b>	<b>19,814</b>

**CITY OF ROCKFORD  
NEXT YEAR/CURRENT YEAR BUDGET ANALYSIS  
JACKSON SCHOOL TIF DISTRICT**

	<b>2012 ACTUAL</b>	<b>2013 BUDGET</b>	<b>2014 BUDGET</b>	<b>BUDGET CHANGE 13-14</b>
76754 Comm Dev Project	25,898	21,485	21,485	-
77721 Transfer to Debt Service	30,500	29,688	28,813	(875)
77725 Transfer to TIF	50,000	50,000	50,000	
77727 Transfer to CD	15,000	15,000	15,000	
78890 Interest	-	-	435	435
<b>TOTAL OTHER</b>	<b>121,398</b>	<b>116,173</b>	<b>115,733</b>	<b>(440)</b>
<b>TOTAL JACKSON SCHOOL TIF</b>	<b>121,398</b>	<b>116,173</b>	<b>115,733</b>	<b>(440)</b>