

Industrial 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.

There are seven industrial TIF Districts, Kishwaukee-Harrison #1 and #2, Preston and Central, Rockford Global Trade Park #1, #2, #3, and Global Trade Park South.

OBJECTIVES FOR FISCAL YEAR 2014

- Initiate implementation of economic development agreement for Public Works Program Grant for Airport Drive and Airport entrance reconstruction (PCI Inc., Ring Container, etc).
- Begin Falcon Road reconstruction (PCI, Inc.) with Economic Development Program funds from IDOT and Economic Development Administration Funds from US Department of Commerce.
- Complete reconstruction of Seminary Street and Blackhawk Park Ave (Gunite) with Economic Development Program funds from IDOT.
- Apply for Economic Development Program funds from IDOT for the construction of Logistics Parkway Extension.
- Market remaining lots within Logistics Park for industrial users.
- Complete sanitary sewer and water extensions to Gensler Property.
- Initiate development plan for Global Trade Park South Redevelopment Planning Area and TIF.
- Construct new Rockford Global Trade Park sign.
- Continue cooperative marketing plan for industrial TIFs with RAEDC.
- Complete Annual Tax Increment Financing Report.
- Eliminate three sources of blight in industrial TIFs.
- Attract four new companies to industrial TIFs.
- Assist four existing companies to expand in industrial TIFs.
- Provide assistance to six existing companies in industrial TIFs.
- Initiate cooperative marketing plan for industrial sites in the proposed Auburn Street Corridor TIF.

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BUDGET SUMMARIES

KISHWAUKEE HARRISON #1 TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	<u>2012 ACTUAL</u>	<u>2013 BUDGET</u>	<u>2013 ESTIMATE</u>	<u>2014 BUDGET</u>	<u>INCREASE (DECREASE)</u>
OTHER	\$35,618	\$38,909	\$34,200	\$39,298	\$389
TOTAL	\$35,618	\$38,909	\$34,200	\$39,298	\$389

FUNDING SOURCE	<u>2011 ACTUAL</u>	<u>2012 ACTUAL</u>	<u>2013 BUDGET</u>	<u>2014 BUDGET</u>	<u>INCREASE (DECREASE)</u>
PROPERTY TAXES					
TAX INCREMENT	\$54,958	\$53,601	\$45,775	\$46,233	\$458
INTEREST INCOME	1,407	711	1,687	1,141	(546)
TOTAL	\$56,365	\$54,312	\$47,462	\$47,374	(\$88)

KISHWAUKEE HARRISON #2 TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	<u>2012 ACTUAL</u>	<u>2013 BUDGET</u>	<u>2013 ESTIMATE</u>	<u>2014 BUDGET</u>	<u>INCREASE (DECREASE)</u>
OTHER	\$100	\$50	\$0	\$89	\$39
TOTAL	\$100	\$50	\$0	\$89	\$39

FUNDING SOURCE	<u>2011 ACTUAL</u>	<u>2012 ACTUAL</u>	<u>2013 BUDGET</u>	<u>2014 BUDGET</u>	<u>INCREASE (DECREASE)</u>
PROPERTY TAXES					
TAX INCREMENT	\$215	\$103	\$104	\$105	\$1
INTEREST INCOME	10	6	15	8	(7)
TOTAL	\$225	\$109	\$119	\$113	(\$6)

PRESTON CENTRAL TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	<u>2012 ACTUAL</u>	<u>2013 BUDGET</u>	<u>2013 ESTIMATE</u>	<u>2014 BUDGET</u>	<u>INCREASE (DECREASE)</u>
CONTRACTUAL	\$14,255	\$0	\$0	\$0	\$0
OTHER	94,050	124,691	91,862	109,258	(15,433)
TOTAL	\$108,305	\$124,691	\$91,862	\$109,258	(\$15,433)

FUNDING SOURCE	<u>2011 ACTUAL</u>	<u>2012 ACTUAL</u>	<u>2013 BUDGET</u>	<u>2014 BUDGET</u>	<u>INCREASE (DECREASE)</u>
PROPERTY TAXES					
TAX INCREMENT	\$33,941	\$81,343	\$75,608	\$76,400	\$792
TOTAL	\$33,941	\$81,343	\$75,608	\$76,400	\$792

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GLOBAL TRADE PARK TAX INCREMENT FINANCING BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
CONTRACTUAL	\$1,956	\$10,000	\$1,702	\$10,000	\$0
OTHER	<u>937,181</u>	<u>823,513</u>	<u>914,733</u>	<u>846,872</u>	<u>23,359</u>
TOTAL	<u>\$939,137</u>	<u>\$833,513</u>	<u>\$916,435</u>	<u>\$856,872</u>	<u>\$23,359</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
TAX INCREMENT	\$758,836	\$758,483	\$766,100	\$737,600	<u>(\$28,500)</u>
TRANSFER FROM TIFS	150,000	200,000	0	0	0
INTEREST INCOME	<u>0</u>	<u>0</u>	<u>9,014</u>	<u>0</u>	<u>(9,014)</u>
TOTAL	<u>\$908,836</u>	<u>\$958,483</u>	<u>\$775,114</u>	<u>\$737,600</u>	<u>(\$37,514)</u>

GLOBAL TRADE PARK 2 TAX INCREMENT FINANCING BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
CONTRACTUAL	\$720	\$0	\$776	\$0	\$0
OTHER	<u>195,703</u>	<u>196,700</u>	<u>25,648</u>	<u>197,700</u>	<u>1,000</u>
TOTAL	<u>\$196,423</u>	<u>\$196,700</u>	<u>\$26,424</u>	<u>\$197,700</u>	<u>\$1,000</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
TAX INCREMENT	\$188,598	\$189,829	\$179,180	\$181,000	\$1,820
INTEREST INCOME	<u>880</u>	<u>880</u>	<u>673</u>	<u>146</u>	<u>(527)</u>
TOTAL	<u>\$189,478</u>	<u>\$190,709</u>	<u>\$179,853</u>	<u>\$181,146</u>	<u>\$1,293</u>

GLOBAL TRADE PARK 3 TAX INCREMENT FINANCING BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
OTHER	<u>\$100,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL	<u>\$100,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
TAX INCREMENT	\$82,657	\$55,518	\$24,710	\$25,000	\$290
INTEREST INCOME	<u>1,656</u>	<u>303</u>	<u>538</u>	<u>702</u>	<u>164</u>
TOTAL	<u>\$84,313</u>	<u>\$55,821</u>	<u>\$25,248</u>	<u>\$25,702</u>	<u>\$454</u>

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GLOBAL TRADE PARK SOUTH TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2013 <u>ESTIMATE</u>	2014 <u>BUDGET</u>	INCREASE (DECREASE)
CONTRACTUAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FUNDING SOURCE	2011 <u>ACTUAL</u>	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2014 <u>BUDGET</u>	INCREASE (DECREASE)
PROPERTY TAXES					
TAX INCREMENT	\$0	\$2,357	\$4,990	\$5,040	\$50
INTEREST INCOME	<u>0</u>	<u>18</u>	<u>60</u>	<u>111</u>	<u>51</u>
TOTAL	<u>\$0</u>	<u>\$2,375</u>	<u>\$5,050</u>	<u>\$5,151</u>	<u>\$101</u>

BUDGET HIGHLIGHTS

- This seven district group collectively runs a deficit for the entire period, with a high of \$1.9 million in 2030. This is entirely due to the Preston and Central TIF District which not only had cost overruns during site preparation but also delays in the project being initiated. Trade Park South was created in 2012.
- No long term financing is planned for 2014.

INDUSTRIAL TAX INCREMENT FINANCING 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.

KISHWAUKEE HARRISON TIF #1 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	\$49	\$49	\$50	\$50
Expenditures	<u>40</u>	<u>40</u>	<u>40</u>	<u>41</u>	<u>41</u>
Excess (Deficit)	<u>8</u>	<u>8</u>	<u>9</u>	<u>9</u>	<u>9</u>
Beginning Balance	<u>84</u>	<u>92</u>	<u>101</u>	<u>110</u>	<u>118</u>
Ending Balance	<u>\$92</u>	<u>\$101</u>	<u>\$110</u>	<u>\$118</u>	<u>\$127</u>

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$0	\$0	\$0	\$0	\$0
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Beginning Balance	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Ending Balance	<u>\$1</u>	<u>\$1</u>	<u>\$1</u>	<u>\$1</u>	<u>\$1</u>

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PRESTON CENTRAL 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	\$77	\$78	\$79	\$80	\$80
Expenditures	<u>108</u>	<u>106</u>	<u>104</u>	<u>102</u>	<u>100</u>
Excess (Deficit)	(31)	(28)	(25)	(22)	(20)
Beginning Balance	(1,343)	(1,373)	(1,401)	(1,426)	(1,448)
Ending Balance	(\$1,374)	(\$1,401)	(\$1,426)	(\$1,448)	(\$1,468)

GLOBAL TRADE PARK TIF #1 FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$745	\$753	\$760	\$768	\$775
Expenditures	<u>750</u>	<u>986</u>	<u>1,024</u>	<u>649</u>	<u>781</u>
Excess (Deficit)	(5)	(233)	(264)	119	(6)
Beginning Balance	(143)	(149)	(382)	(646)	(527)
Ending Balance	(\$148)	(\$382)	(\$646)	(\$527)	(\$533)

GLOBAL TRADE PARK TIF #2 FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$183	\$185	\$186	\$188	\$190
Expenditures	<u>199</u>	<u>200</u>	<u>201</u>	<u>202</u>	<u>204</u>
Excess (Deficit)	(16)	(15)	(15)	(14)	(14)
Beginning Balance	(7)	(23)	(38)	(53)	(67)
Ending Balance	(\$23)	(\$38)	(\$53)	(\$67)	(\$81)

GLOBAL TRADE PARK TIF #3 FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$26	\$27	\$28	\$29	\$29
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>25</u>	<u>25</u>
Excess (Deficit)	<u>26</u>	<u>27</u>	<u>28</u>	4	4
Beginning Balance	<u>72</u>	<u>99</u>	<u>126</u>	<u>154</u>	<u>157</u>
Ending Balance	<u>\$98</u>	<u>\$126</u>	<u>\$154</u>	<u>\$158</u>	<u>\$161</u>

GLOBAL TRADE PARK SOUTH 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	\$5	\$5	\$6	\$6	\$6
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficit)	<u>5</u>	<u>5</u>	<u>6</u>	<u>6</u>	<u>6</u>
Beginning Balance	<u>13</u>	<u>18</u>	<u>23</u>	<u>29</u>	<u>34</u>
Ending Balance	<u>\$18</u>	<u>\$23</u>	<u>\$29</u>	<u>\$35</u>	<u>\$40</u>