

# 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 six industrial TIF Districts, Kishwaukee-Harrison #1 and #2, Preston and Central, Rockford Global Trade Park #1, #2, #3.

## 2012 Accomplishments →

- Completed, submitted and awarded Public Works Program Grant of \$2.7million from Economic Development Agreement for Airport Drive and Airport entrance reconstruction (Anderson Packaging, Ring Container, etc).
- Continued cooperative marketing plan for industrial TIFs with RAEDC.
- Proposed creation of two new TIF Districts, Jefferson & North 3<sup>rd</sup> Street and East State & Mulford.
- Completed Annual Tax Increment Financing reporting.
- Negotiated with DeKalb Implement on the attraction of John Deere Dealership creating 17 new jobs and investing \$7.7 million.
- Worked with Ingenium Aerospace on the attraction of aerospace technology company that would create 2 new jobs, retain 11 jobs and invest \$100,000.
- Completed installation of 150 Wanxiang solar panels on Bell School Road water reservoir, in accordance with TIF development agreement.
- Completed construction of Rockford Solar Partners' 3.5MW solar farm.
- Dial Machine, Inc. committed to add 32,000 square feet, create 20 new jobs, retain 70 jobs and invested \$8.5 million.
- Rockford Register Star committed to rehab 33,000 square feet, create 60 new jobs, retain 10 jobs and invested \$410,000.
- Gothi Corporation committed to rehab 108,000 square feet, create 10 new jobs, retain 3 jobs and invested \$1.32 million.
- Brynolf Manufacturing committed to rehab 8, 000 square feet, create 2 new jobs, retain 28 jobs, and invested \$150,000.
- Gunit Corporation committed to renovate their facility, create 107 new jobs, retain 310 jobs and invested \$40 million.

# Industrial Tax Increment Financing Districts

- Provided assistance to Cellusuede Products Inc; Reload/Watco; Testors; B/E Aerospace; Rockford Products: W.A. Whitney; Amtech Precision Products; Dial Machine; Gunite; Aim Distribution; Rail Construction Equipment; Barns International; Anderson Packaging; Alacran Contracting; Robert Fletcher & Assoc.; ABI Inc.; Beavermatic; Freeway Rockford; Ingersoll Machine Tool; Liebovich Brothers; Barron Enterprises; Ingenium ITS Partners; Vision Financial; Rockford Precision Machine, Inc.

## 2013 Goals & Objectives →

- Initiate implementation of Economic Development Agreement for Public Works Program Grant for Airport Drive and Airport entrance reconstruction (Anderson Packaging, Ring Container, etc).
- Initiate Falcon Road reconstruction (Anderson Packaging) with Economic Development Program funds from IDOT.
- Initiate Seminary Street & Blackhawk Park Ave reconstruction (Gunite) with Economic Development Program funds from IDOT
- 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.

## Budget Summary

<b>GLOBAL TRADE PARK TAX INCREMENT FINANCING BUDGET SUMMARY</b>					
<b>APPROPRIATION</b>	2010 <u>ACTUAL</u>	2011 <u>ACTUAL</u>	2012 <u>BUDGET</u>	2013 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
CONTRACTUAL	\$2,691	\$35,553	\$10,000	\$10,000	\$0
OTHER	<u>754,988</u>	<u>832,983</u>	<u>814,488</u>	<u>823,513</u>	<u>9,025</u>
TOTAL	<u>\$757,679</u>	<u>\$868,536</u>	<u>\$824,488</u>	<u>\$833,513</u>	<u>\$9,025</u>
<b>FUNDING SOURCE</b>	2010 <u>ACTUAL</u>	2011 <u>ACTUAL</u>	2012 <u>BUDGET</u>	2013 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
PROPERTY TAXES					
TAX INCREMENT	\$758,836	\$766,972	\$758,483	\$766,100	\$7,617
TRANSFER FROM TIFS	150,000	300,000	300,000	0	(300,000)
INTEREST INCOME	<u>0</u>	<u>7,079</u>	<u>3,087</u>	<u>9,014</u>	<u>5,927</u>
TOTAL	<u>\$908,836</u>	<u>\$1,074,051</u>	<u>\$1,061,569</u>	<u>\$775,114</u>	<u>(\$286,456)</u>

# Industrial Tax Increment Financing Districts

GLOBAL TRADE PARK 2 TAX INCREMENT FINANCING BUDGET SUMMARY					
APPROPRIATION	2010 <u>ACTUAL</u>	2011 <u>ACTUAL</u>	2012 <u>BUDGET</u>	2013 <u>BUDGET</u>	INCREASE (DECREASE)
CONTRACTUAL	\$1,787	\$775	\$0	\$0	\$0
OTHER	100,000	233,044	233,400	133,951	(99,449)
TOTAL	<u>\$101,787</u>	<u>\$233,819</u>	<u>\$233,400</u>	<u>\$133,951</u>	<u>(\$99,449)</u>
FUNDING SOURCE	2010 <u>ACTUAL</u>	2011 <u>ACTUAL</u>	2012 <u>BUDGET</u>	2013 <u>BUDGET</u>	INCREASE (DECREASE)
PROPERTY TAXES					
TAX INCREMENT	\$189,432	\$188,598	\$189,829	\$191,700	\$1,871
INTEREST INCOME	911	880	817	0	(817)
TOTAL	<u>\$190,625</u>	<u>\$190,626</u>	<u>\$190,627</u>	<u>\$190,628</u>	<u>\$1,053</u>

GLOBAL TRADE PARK 3 TAX INCREMENT FINANCING BUDGET SUMMARY					
APPROPRIATION	2010 <u>ACTUAL</u>	2011 <u>ACTUAL</u>	2012 <u>BUDGET</u>	2013 <u>BUDGET</u>	INCREASE (DECREASE)
CONTRACTUAL	\$0	\$0	\$0	\$0	\$0
OTHER	50,000	100,000	100,000	50,000	(50,000)
TOTAL	<u>\$50,000</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$50,000</u>	<u>(\$50,000)</u>
FUNDING SOURCE	2010 <u>ACTUAL</u>	2011 <u>ACTUAL</u>	2012 <u>BUDGET</u>	2013 <u>BUDGET</u>	INCREASE (DECREASE)
PROPERTY TAXES					
TAX INCREMENT	\$117,690	\$82,657	\$55,707	\$56,300	\$593
INTEREST INCOME	252	1,656	1,643	576	(1,066)
TOTAL	<u>\$117,942</u>	<u>\$84,313</u>	<u>\$57,350</u>	<u>\$56,876</u>	<u>(\$474)</u>

PRESTON CENTRAL TAX INCREMENT FINANCING BUDGET SUMMARY					
APPROPRIATION	2010 <u>ACTUAL</u>	2011 <u>ACTUAL</u>	2012 <u>BUDGET</u>	2013 <u>BUDGET</u>	INCREASE (DECREASE)
CONTRACTUAL	\$35,843	\$10,807	\$0	\$0	\$0
OTHER	108,497	125,190	122,881	124,642	1,761
TOTAL	<u>\$144,340</u>	<u>\$135,997</u>	<u>\$122,881</u>	<u>\$124,642</u>	<u>\$1,761</u>
FUNDING SOURCE	2010 <u>ACTUAL</u>	2011 <u>ACTUAL</u>	2012 <u>BUDGET</u>	2013 <u>BUDGET</u>	INCREASE (DECREASE)
PROPERTY TAXES					
TAX INCREMENT	\$31,518	\$33,941	\$81,531	\$82,300	\$769
LIEBOVICH REIMBURSEMEI	220,103	0	0	0	0
INTEREST INCOME	0	0	0	0	0
TOTAL	<u>\$251,621</u>	<u>\$33,941</u>	<u>\$81,531</u>	<u>\$82,300</u>	<u>\$769</u>

## Industrial Tax Increment Financing Districts

<b>KISHWAUKEE HARRISON #1 TAX INCREMENT FINANCING BUDGET SUMMARY</b>					
<b>APPROPRIATION</b>	2010 <u>ACTUAL</u>	2011 <u>ACTUAL</u>	2012 <u>BUDGET</u>	2013 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
CONTRACTUAL	\$0	\$0	\$0	\$0	\$0
OTHER	<u>33,273</u>	<u>35,618</u>	<u>45,562</u>	<u>46,018</u>	<u>456</u>
TOTAL	<u>\$33,273</u>	<u>\$35,618</u>	<u>\$45,562</u>	<u>\$46,018</u>	<u>\$456</u>
<b>FUNDING SOURCE</b>	2010 <u>ACTUAL</u>	2011 <u>ACTUAL</u>	2012 <u>BUDGET</u>	2013 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
PROPERTY TAXES					
TAX INCREMENT	\$53,852	\$54,958	\$53,603	\$54,139	\$536
INTEREST INCOME	<u>142</u>	<u>1,407</u>	<u>1,220</u>	<u>1,451</u>	<u>232</u>
TOTAL	<u>\$53,994</u>	<u>\$56,365</u>	<u>\$54,823</u>	<u>\$55,590</u>	<u>\$768</u>

<b>KISHWAUKEE HARRISON #2 TAX INCREMENT FINANCING BUDGET SUMMARY</b>					
<b>APPROPRIATION</b>	2010 <u>ACTUAL</u>	2011 <u>ACTUAL</u>	2012 <u>BUDGET</u>	2013 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
CONTRACTUAL	\$0	\$0	\$0	\$0	\$0
OTHER	<u>0</u>	<u>0</u>	<u>100</u>	<u>50</u>	<u>(50)</u>
TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$100</u>	<u>\$50</u>	<u>(\$50)</u>
<b>FUNDING SOURCE</b>	2010 <u>ACTUAL</u>	2011 <u>ACTUAL</u>	2012 <u>BUDGET</u>	2013 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
PROPERTY TAXES					
TAX INCREMENT	\$249	\$215	\$103	\$104	\$1
INTEREST INCOME	<u>0</u>	<u>10</u>	<u>0</u>	<u>13</u>	<u>13</u>
TOTAL	<u>\$249</u>	<u>\$225</u>	<u>\$103</u>	<u>\$117</u>	<u>\$14</u>

### **Budget Analysis**

- This six district group collectively runs a deficit for the entire period, a low of \$0.9 million in 2013 and 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.
- No long term financing is planned for 2013.

# Industrial Tax Increment Financing Districts

## Five Year Financial Forecasts

The 2014-2018 five-year forecasts assume no 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.

### GLOBAL TRADE PARK TIF #1 FUND 2014-2018 FINANCIAL FORECAST (IN 000'S)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues	\$781	\$787	\$796	\$799	\$805
Expenditures	<u>857</u>	<u>748</u>	<u>983</u>	<u>1,018</u>	<u>643</u>
Excess (Deficit)	<u>(76)</u>	<u>39</u>	<u>(187)</u>	<u>(219)</u>	<u>162</u>
Beginning Balance	<u>302</u>	<u>227</u>	<u>266</u>	<u>78</u>	<u>(141)</u>
Ending Balance	<u>\$226</u>	<u>\$266</u>	<u>\$79</u>	<u>(\$141)</u>	<u>\$21</u>

### GLOBAL TRADE PARK TIF #2 FUND 2014-2018 FINANCIAL FORECAST (IN 000'S)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues	\$195	\$198	\$201	\$203	\$205
Expenditures	<u>134</u>	<u>184</u>	<u>185</u>	<u>185</u>	<u>185</u>
Excess (Deficit)	<u>61</u>	<u>14</u>	<u>16</u>	<u>18</u>	<u>20</u>
Beginning Balance	<u>48</u>	<u>108</u>	<u>122</u>	<u>138</u>	<u>156</u>
Ending Balance	<u>\$109</u>	<u>\$122</u>	<u>\$138</u>	<u>\$156</u>	<u>\$176</u>

### GLOBAL TRADE PARK TIF #3 FUND 2014-2018 FINANCIAL FORECAST (IN 000'S)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues	\$58	\$58	\$59	\$60	\$61
Expenditures	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>
Excess (Deficit)	<u>8</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>
Beginning Balance	<u>30</u>	<u>38</u>	<u>46</u>	<u>55</u>	<u>65</u>
Ending Balance	<u>\$38</u>	<u>\$46</u>	<u>\$55</u>	<u>\$65</u>	<u>\$76</u>

### PRESTON CENTRAL TIF FUND 2014-2018 FINANCIAL FORECAST (IN 000'S)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues	\$83	\$84	\$85	\$86	\$86
Expenditures	<u>123</u>	<u>122</u>	<u>121</u>	<u>120</u>	<u>118</u>
Excess (Deficit)	<u>(40)</u>	<u>(38)</u>	<u>(36)</u>	<u>(34)</u>	<u>(32)</u>
Beginning Balance	<u>(1,354)</u>	<u>(1,394)</u>	<u>(1,432)</u>	<u>(1,468)</u>	<u>(1,502)</u>
Ending Balance	<u>(\$1,394)</u>	<u>(\$1,432)</u>	<u>(\$1,468)</u>	<u>(\$1,502)</u>	<u>(\$1,534)</u>

### KISHWAUKEE HARRISON TIF #1 FUND 2014-2018 FINANCIAL FORECAST (IN 000'S)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues	\$56	\$57	\$58	\$59	\$60
Expenditures	<u>46</u>	<u>47</u>	<u>47</u>	<u>48</u>	<u>48</u>
Excess (Deficit)	<u>10</u>	<u>10</u>	<u>11</u>	<u>11</u>	<u>11</u>
Beginning Balance	<u>68</u>	<u>78</u>	<u>88</u>	<u>98</u>	<u>109</u>
Ending Balance	<u>\$78</u>	<u>\$88</u>	<u>\$98</u>	<u>\$109</u>	<u>\$120</u>

# Industrial Tax Increment Financing Districts

## KISHWAUKEE HARRISON TIF #2 FUND 2014-2018 FINANCIAL FORECAST (IN 000'S)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</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>0</u>	<u>0</u>
Ending Balance	<u>\$1</u>	<u>\$1</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**CITY OF ROCKFORD  
NEXT YEAR/CURRENT YEAR BUDGET ANALYSIS  
ROCKFORD GLOBAL TRADE PARK TIF DISTRICT**

	<b>2011 ACTUAL</b>	<b>2012 BUDGET</b>	<b>7 MO ACTUAL</b>	<b>2013 BUDGET</b>	<b>BUDGET CHANGE 12-13</b>
72211 Printing	-	10,000	57	10,000	10,000
72214 Travel	2,175	-	301	-	-
72216 Dues	1,450	-	1,050	-	-
72290 Education	-	-	180	-	-
72292 Consulting	31,928	-	-	-	-
<b>TOTAL CONTRACTUAL</b>	<b>35,553</b>	<b>10,000</b>	<b>1,588</b>	<b>10,000</b>	<b>10,000</b>
76709 Loans and Grants	-	-	40,000	-	-
76754 Comm Dev Project	66,448	40,000	54,812	40,000	-
77721 Transfer to Debt Svc	657,038	663,888	-	669,613	5,725
77725 Transfer to General Fund	107,400	110,600	-	113,900	3,300
78890 Comm Bank Interest	2,097	-	-	-	-
<b>TOTAL OTHER</b>	<b>832,983</b>	<b>814,488</b>	<b>54,812</b>	<b>823,513</b>	<b>9,025</b>
<b>TOTAL RKFD GLOBAL TRADE PARK TIF</b>	<b>868,536</b>	<b>824,488</b>	<b>56,400</b>	<b>833,513</b>	<b>19,025</b>

**CITY OF ROCKFORD  
NEXT YEAR/CURRENT YEAR BUDGET ANALYSIS  
ROCKFORD GLOBAL TRADE PARK 2 TIF DISTRICT**

	<b>2011 ACTUAL</b>	<b>2012 BUDGET</b>	<b>7 MO ACTUAL</b>	<b>2013 BUDGET</b>	<b>BUDGET CHANGE 12-13</b>
72203 Wireless	-	-	240	-	-
72213 Telephone	775	-	180	-	-
<b>TOTAL CONTRACTUAL</b>	<b>775</b>	<b>-</b>	<b>180</b>	<b>-</b>	<b>-</b>
76754 Comm Dev Project	33,044	33,400	65,582	133,951	100,551
77748 Transfer to GTP1	200,000	200,000	-	-	(200,000)
<b>TOTAL OTHER</b>	<b>233,044</b>	<b>233,400</b>	<b>65,582</b>	<b>133,951</b>	<b>(99,449)</b>
<b>TOTAL RKFD GLOBAL TRADE PARK 2 TIF</b>	<b>233,819</b>	<b>233,400</b>	<b>65,762</b>	<b>133,951</b>	<b>(99,449)</b>

**CITY OF ROCKFORD  
NEXT YEAR/CURRENT YEAR BUDGET ANALYSIS  
ROCKFORD GLOBAL TRADE PARK 3 TIF DISTRICT**

	<b>2011 ACTUAL</b>	<b>2012 BUDGET</b>	<b>7 MO ACTUAL</b>	<b>2013 BUDGET</b>	<b>BUDGET CHANGE 12-13</b>
76754 Comm Dev Project	100,000	100,000	-	50,000	(50,000)
<b>TOTAL OTHER</b>	100,000	100,000	-	50,000	(50,000)
<b>TOTAL RKFD GLOBAL TRADE PARK 3 TIF</b>	<b>100,000</b>	<b>100,000</b>	<b>-</b>	<b>50,000</b>	<b>(50,000)</b>

**CITY OF ROCKFORD  
NEXT YEAR/CURRENT YEAR BUDGET ANALYSIS  
PRESTON AND CENTRAL TIF DISTRICT**

	2011 ACTUAL	2012 BUDGET	7 MO ACTUAL	2013 BUDGET	BUDGET CHANGE 12-13
72261 Demolition	-	-	-	-	-
<b>TOTAL CONTRACTUAL</b>	-	-	-	-	-
76754 Community Development	10,807	-	-	-	-
77721 Debt Service	96,175	94,050	-	91,863	(2,187)
78890 Interest Expense	29,015	28,831	-	32,779	3,948
<b>TOTAL OTHER</b>	135,997	122,881	-	124,642	1,761
<b>TOTAL PRESTON AND CENTRAL TIF</b>	<b>135,997</b>	<b>122,881</b>	-	<b>124,642</b>	<b>1,761</b>

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

	<b>2011 ACTUAL</b>	<b>2012 BUDGET</b>	<b>7 MO ACTUAL</b>	<b>2013 BUDGET</b>	<b>BUDGET CHANGE 12-13</b>
76754 Community Development Proj	35,618	45,562	-	46,018	456
<b>TOTAL OTHER</b>	<b>35,618</b>	<b>45,562</b>	<b>-</b>	<b>46,018</b>	<b>456</b>
<b>TOTAL KISHWAUKEE/HARRISON TIF #1</b>	<b>35,618</b>	<b>45,562</b>	<b>-</b>	<b>46,018</b>	<b>456</b>

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

	<b>2011 ACTUAL</b>	<b>2012 BUDGET</b>	<b>7 MO ACTUAL</b>	<b>2013 BUDGET</b>	<b>BUDGET CHANGE 12-13</b>
76754 Community Development Proj	-	100	-	50	(50)
<b>TOTAL OTHER</b>	-	100	-	50	(50)
<b>TOTAL KISHWAUKEE/HARRISON TIF #2</b>	-	<b>100</b>	-	<b>50</b>	<b>(50)</b>