

Redevelopment Fund

Mission Statement

It is the mission of the Community Development Redevelopment Fund to finance Metro Center Authority operating deficits, provide funds for redevelopment of the central city, and generate economic development.

Primary Functions → The fund is financed by a one-percent tax adopted in 1978 for a period of 20 years on motel and room charges, restaurant, lounge charges for food and liquor, and package liquor sales. This was renewed for additional ten-year periods in 1990, 1999, and 2007 with the tax to end in 2028. In addition to financing a portion of the Metro Center Authority's deficits, the Fund provides the necessary capital for development opportunities, public improvements, and economic development efforts.

2012 Accomplishments

- The Redevelopment Fund financed the Metro Center Authority operating deficits, provided funds for redevelopment activities, and assisted in financing economic development efforts.

2013 Goals and Objectives

- The Redevelopment Fund will finance the Metro Center Authority operating deficits, provide funds for redevelopment activities, and assist in financing economic development efforts.

Budget Summary

COMMUNITY DEVELOPMENT REDEVELOPMENT FUND					
APPROPRIATION	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
CONTRACTUAL	\$3,230	\$3,936	\$850	\$880	\$30
OTHER	<u>3,060,086</u>	<u>3,208,333</u>	<u>3,139,943</u>	<u>3,922,159</u>	<u>782,216</u>
TOTAL	<u>\$3,063,316</u>	<u>\$3,212,269</u>	<u>\$3,140,793</u>	<u>\$3,923,039</u>	<u>\$782,246</u>
FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
REDEVELOPMENT SALES TAX					
MOTEL	\$308,266	\$377,969	\$311,300	\$320,600	9,300
PACKAGE	492,768	526,815	525,200	540,000	14,800
RESTAURANT	<u>2,756,254</u>	<u>2,997,842</u>	<u>2,815,000</u>	<u>2,850,000</u>	<u>35,000</u>
SUBTOTAL	<u>\$3,557,288</u>	<u>\$3,902,626</u>	<u>\$3,651,500</u>	<u>3,710,600</u>	59,100
OTHER	0	0	0	<u>939,200</u>	<u>939,200</u>
TOTAL	<u>\$3,557,288</u>	<u>\$3,902,626</u>	<u>\$3,651,500</u>	<u>\$4,649,800</u>	998,300

Redevelopment Fund

Budget Analysis

- The budgeted subsidy for RAVE is \$1,345,000. With approval of a new operating agreement with RAVE in 2012, the City’s public support for the BMO Harris Center, Coronado, and Davis Park decreases \$410,100. Tourism Fund dollars totaling \$514,200, which were previously provided to RAVE, are now transferred to the Redevelopment Fund to provide financial support for debt service payments. RAVE will repay previous loans for operating support to the Coronado and BMO Harris Center, which are recognized as revenue in the Redevelopment Fund.
- Debt service payments total \$1,582,100, an increase of \$113,700 from the prior year’s budget. Debt service is budgeted for four bond issues. Bonds issued in 2000 associated with the construction of a 33,000 square foot supermarket in the South Rockford Tax Increment Finance District are budgeted at \$214,300. For the Coronado Theatre restoration, debt service is \$800,800. City support for the debt service for remodeling the BMO Harris Center and acquiring an AHL franchise totals \$5,800 for 2013, with much of the total payment of \$1.84 million payment being funded by a taxable refunding bond issue and Winnebago County. Finally, \$441,900 is budgeted for the 2009 \$8.065 million BMO Harris Center taxable refunding issue.
- The budgeted amount for the Rockford Area Economic Development Council (RAEDC) is \$200,000, the same as the prior year.
- The \$150,000 budgeted last year for Coronado Performing Art’s Center operating assistance has been eliminated since RAVE operates the facility.
- The amount transferred to the Public Works Property Division for staff services and other building related expenses declines \$326,800 to \$274,400. The purchase of service charge declines for the Coronado (\$343,000) and Festival Park (\$53,500) since RAVE operates these facilities.
- Tax revenue is budgeted at \$3,710,600 for 2013, an increase of 1.6% from the prior year’s budget.
- Other revenue includes a \$514,200 transfer from the Tourism Fund to support debt service payments and \$425,000 in repayments for structured debt from RAVE.

Five Year Financial Forecast

The 2014-2018 five-year forecast assumes growth in taxes – one percent for motels, three percent for packaged liquor, and two percent for restaurants – reflecting the past history. The refinancing and the structural changes made in 2009 and the change in the operating agreement with RAVE should insure the long term viability of this fund.

REDEVELOPMENT FUND 2014-2018 FINANCIAL FORECAST (IN 000'S)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues	\$4,650	\$4,743	\$4,838	\$4,935	\$5,034
Expenses	<u>3,923</u>	\$4,201	\$4,285	\$4,371	\$4,458
Excess (Deficit)	<u>727</u>	<u>542</u>	<u>728</u>	<u>564</u>	<u>576</u>
Beginning Balance	<u>(646)</u>	<u>34</u>	<u>576</u>	<u>1,304</u>	<u>1,868</u>
Ending Balance	<u>\$81</u>	<u>\$576</u>	<u>\$1,304</u>	<u>\$1,868</u>	<u>\$2,444</u>

**CITY OF ROCKFORD
NEXT YEAR/CURRENT YEAR BUDGET ANALYSIS
REDEVELOPMENT FUND**

	2011 ACTUAL	2012 BUDGET	6 MO ACTUAL	2013 BUDGET	BUDGET CHANGE 12-13
72212 Postage	2,952	-	1,268	-	-
72282 Auditing	984	850	-	880	30
72292 Consulting	-	-	-	-	-
TOTAL CONTRACTUAL	3,936	850	1,268	880	30
76709 Loans and Grants	425,000	150,000	99,500	100,000	(50,000)
76740 Transfers-Metro	356,445	450,000	116,666	1,345,000	895,000
76754 Comm Dev Projects	(1,304)	200,000	-	200,000	-
76790 Transfer to RACVB	-	100,000	-	-	(100,000)
77721 Transfer-Debt	1,302,760	1,462,773	731,387	1,582,061	119,288
77722 Transfer-Other Funds	19,571	23,500	11,750	24,210	710
77725 Transfer-GF	102,300	107,200	53,600	116,488	9,288
77733 Transfer Bldg Maint	780,767	685,780	342,890	274,400	(411,380)
78837 Installment Loan Interest	183,337	-	-	180,000	180,000
78787 Installment Loan Principal	39,457	-	-	40,000	40,000
78833 Interest Expense	-	45,320	-	60,000	14,680
TOTAL OTHER	3,208,333	3,224,573	1,355,793	3,922,159	697,586
TOTAL CD REDEVELOPMENT	3,212,269	3,225,423	1,357,061	3,923,039	697,616