

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 residential TIFs include Lincolnwood #1 and #2, Hope 6, Garrison, River Oaks, and Jackson School.

2012 Accomplishments →

- At Thatcher Blake River Walk, no additional units have been constructed above the 16 currently built out. There are two models to view and the prices have been reduced.
- One lot is left to sell at Lincolnwood II. This lot/home must be presold prior to the start of construction.
- Construction began on five lots at the Springfield Corners Subdivision. Two of the five homes were completed.
- The 8 lofts in Garrison School apartments became fully occupied.
- Garrison Gym apartments have four completed units which are leased.
- Garrison Town Homes were finished on John and Church Street; six beautiful units have been completely built out and five are leased and one has been sold. Three of those were completed in 2012. On-site property management was put in place in 2012 with the manager living in one of the leased units. Also, a successful vegetable garden along Court Street was created.
- 21XX Reed is available for sale through an open Request for Proposal process.
- The Swedish American Foundation realized delays due to the economy and an underestimation of redeveloped costs. Five properties have been purchased, one of which was demolished and one property is under construction.

2013 Goals and Objectives →

- Facilitate through marketing efforts and the provision of incentives, the continued build out of Garrison Lofts/Townhomes, Thatcher Blake River Walk, Lincolnwood II, Springfield Corners Subdivision, the Swedish American Foundation project, and 21xx Reed Avenue. The developers with lots/homes to sell are hopeful that the market will improve and they will sell additional units in the upcoming years.

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- The owners of the Garrison Townhomes are planning on building out either one of the largest units with the possibility of dividing it into two smaller units. The smaller units are in high demand. As long as the market for rentals continues to be high, it is their plan to continue building out one or two town homes at a time and then leasing them. They will sell the town homes if within the appropriate price points but currently the market is still more favorable to leases rather than sales.
- It is anticipated that selling 1126 N. Church Street which was originally going to be demolished so more townhomes could be built. Instead, 1126 N. Church was rehabilitated and converted into a single family residence.
- The lender of the Thatcher Blake River Walk has the individual units for sale and is marketing the site for redevelopment.
- The one remaining unit in Lincolnwood Estates II will be sold and this TIF project will be completed.
- The developer of Springfield Corners Subdivision will also continue to build out on the remaining lots once the housing market improves.
- The Swedish American Foundation will continue to acquire and redevelop property in the Jackson Oaks TIF according to their agreement.
- 21xx Reed will be sold in 2013 and the property will begin to be redeveloped.

Budget Summary

LINCOLNWOOD #1 TAX INCREMENT FINANCING BUDGET SUMMARY					
APPROPRIATION	2010	2011	2012	2013	INCREASE
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
OTHER	\$45,688	\$44,688	\$68,688	\$91,688	\$23,000
TOTAL	\$45,688	\$44,688	\$68,688	\$91,688	\$23,000
FUNDING SOURCE	2010	2011	2012	2013	INCREASE
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
TAX INCREMENT	\$76,782	\$79,066	\$79,857	\$80,656	\$799
TRANSFER FROM CIP	0	8,082	0	0	0
INTEREST INCOME	809	4,292	3,766	4,140	373
TOTAL	\$77,591	\$91,440	\$83,623	\$84,796	\$1,172

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LINCOLNWOOD #2 TAX INCREMENT FINANCING BUDGET SUMMARY					
APPROPRIATION	2010	2011	2012	2013	INCREASE
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
OTHER	<u>\$23,631</u>	<u>\$48,631</u>	<u>\$47,631</u>	<u>\$71,631</u>	<u>\$24,000</u>
TOTAL	<u>\$23,631</u>	<u>\$48,631</u>	<u>\$47,631</u>	<u>\$71,631</u>	<u>\$24,000</u>

FUNDING SOURCE	2010	2011	2012	2013	INCREASE
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
TAX INCREMENT	\$48,875	\$51,294	\$49,862	\$50,361	\$499
TRANSFER FROM CIP	0	19,596	0	0	0
INTEREST INCOME	307	2,591	1,883	1,986	103
TOTAL	<u>\$49,182</u>	<u>\$73,481</u>	<u>\$51,745</u>	<u>\$52,347</u>	<u>\$602</u>

HOPE SIX TAX INCREMENT FINANCING BUDGET SUMMARY					
APPROPRIATION	2010	2011	2012	2013	INCREASE
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
OTHER	<u>\$129,119</u>	<u>\$314,095</u>	<u>\$260,865</u>	<u>\$254,101</u>	<u>(\$6,765)</u>
TOTAL	<u>\$129,119</u>	<u>\$314,095</u>	<u>\$260,865</u>	<u>\$254,101</u>	<u>(\$6,765)</u>

FUNDING SOURCE	2010	2011	2012	2013	INCREASE
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
TAX INCREMENT	\$183,946	\$174,636	\$168,173	\$174,892	\$6,719
TRANSFER FROM CIP	0	149,480	0	0	0
INTEREST INCOME	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$183,946</u>	<u>\$324,116</u>	<u>\$168,173</u>	<u>\$174,892</u>	<u>\$6,719</u>

GARRISON TAX INCREMENT FINANCING BUDGET SUMMARY					
APPROPRIATION	2010	2011	2012	2013	INCREASE
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
OTHER	<u>\$64,463</u>	<u>\$71,802</u>	<u>\$71,505</u>	<u>\$170,987</u>	<u>\$99,482</u>
TOTAL	<u>\$64,463</u>	<u>\$71,802</u>	<u>\$71,505</u>	<u>\$170,987</u>	<u>\$99,482</u>

FUNDING SOURCE	2010	2011	2012	2013	INCREASE
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
TAX INCREMENT	\$52,766	\$80,193	\$92,890	\$93,818	\$929
INTEREST INCOME	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$52,766</u>	<u>\$80,193</u>	<u>\$92,890</u>	<u>\$93,818</u>	<u>\$929</u>

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RIVER OAKS TAX INCREMENT FINANCING BUDGET SUMMARY					
APPROPRIATION	2010 <u>ACTUAL</u>	2011 <u>ACTUAL</u>	2012 <u>BUDGET</u>	2013 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
OTHER	\$298,588	\$290,588	\$307,881	\$310,559	\$2,678
TOTAL	\$298,588	\$290,588	\$307,881	\$310,559	\$2,678

FUNDING SOURCE	2010 <u>ACTUAL</u>	2011 <u>ACTUAL</u>	2012 <u>BUDGET</u>	2013 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
PROPERTY TAXES					
TAX INCREMENT	\$72,355	\$58,704	\$49,090	\$49,581	\$491
TRANSFER FROM CIP	0	173,318	0	0	0
INTEREST INCOME	0	0	0	0	0
TOTAL	\$72,355	\$232,022	\$49,090	\$49,581	\$491

JACKSON SCHOOL TAX INCREMENT FINANCING BUDGET SUMMARY					
APPROPRIATION	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	206,063	115,105	116,985	116,173	(\$812)
TOTAL	\$206,063	\$115,105	\$116,985	\$116,173	(\$812)

FUNDING SOURCE	2010 <u>ACTUAL</u>	2011 <u>ACTUAL</u>	2012 <u>BUDGET</u>	2013 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
PROPERTY TAXES					
TAX INCREMENT	\$119,336	\$105,861	\$93,551	\$94,500	\$949
INTEREST INCOME	2,374	1,997	1,455	905	(549)
TOTAL	\$121,710	\$107,858	\$95,006	\$95,405	\$399

Budget Analysis

- This six district group collectively has a deficit of \$1,752,650 for 2013 and runs a deficit until 2026.
- The deficit generators are Hope 6, a high deficit year (2023) of \$1,095,300 never turning positive, Garrison, a high deficit year (2023) of \$899,300 never turning positive, and River Oaks, a high deficit year (2019) of \$2.9 million never turning positive.
- No long term financing is planned for 2013.

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Five Year Financial Forecast

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.

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues	\$85	\$86	\$87	\$88	\$87
Expenditures	<u>89</u>	<u>86</u>	<u>83</u>	<u>159</u>	<u>100</u>
Excess (Deficit)	(4)	0	4	(71)	(13)
Beginning Balance	<u>159</u>	<u>155</u>	<u>156</u>	<u>160</u>	<u>89</u>
Ending Balance	<u>\$155</u>	<u>\$155</u>	<u>\$160</u>	<u>\$89</u>	<u>\$76</u>

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues	52	52	52	53	53
Expenditures	<u>80</u>	<u>67</u>	<u>65</u>	<u>63</u>	<u>61</u>
Excess (Deficit)	(28)	(15)	(13)	(10)	(8)
Beginning Balance	<u>60</u>	<u>33</u>	<u>18</u>	<u>5</u>	<u>(6)</u>
Ending Balance	<u>32</u>	<u>18</u>	<u>5</u>	<u>(5)</u>	<u>(14)</u>

HOPE SIX 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	\$178	\$182	\$186	\$189	\$193
Expenditures	<u>275</u>	<u>269</u>	<u>263</u>	<u>282</u>	<u>276</u>
Excess (Deficit)	(97)	(87)	(77)	(93)	(83)
Beginning Balance	(291)	(387)	(474)	(551)	(644)
Ending Balance	<u>(\$387)</u>	<u>(\$474)</u>	<u>(\$551)</u>	<u>(\$644)</u>	<u>(\$727)</u>

GARRISON 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	\$94	\$95	\$96	\$97	\$150
Expenditures	<u>169</u>	<u>167</u>	<u>164</u>	<u>162</u>	<u>158</u>
Excess (Deficit)	(75)	(72)	(68)	(65)	(8)
Beginning Balance	(338)	(412)	(483)	(551)	(563)
Ending Balance	<u>(\$413)</u>	<u>(\$484)</u>	<u>(\$551)</u>	<u>(\$616)</u>	<u>(\$571)</u>

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RIVER OAKS 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	\$50	\$51	\$51	\$52	\$52
Expenditures	<u>304</u>	<u>298</u>	<u>316</u>	<u>328</u>	<u>329</u>
Excess (Deficit)	<u>(254)</u>	<u>(247)</u>	<u>(265)</u>	<u>(276)</u>	<u>(277)</u>
Beginning Balance	<u>(1,358)</u>	<u>(1,612)</u>	<u>(1,859)</u>	<u>(2,124)</u>	<u>(2,401)</u>
Ending Balance	<u>(1,612)</u>	<u>(1,859)</u>	<u>(2,124)</u>	<u>(2,400)</u>	<u>(2,678)</u>

JACKSON SCHOOL 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	\$96	\$96	\$97	\$98	\$99
Expenditures	<u>115</u>	<u>115</u>	<u>114</u>	<u>63</u>	<u>137</u>
Excess (Deficit)	<u>(19)</u>	<u>(19)</u>	<u>(17)</u>	<u>35</u>	<u>(38)</u>
Beginning Balance	<u>15</u>	<u>(4)</u>	<u>(22)</u>	<u>(39)</u>	<u>(4)</u>
Ending Balance	<u>(\$4)</u>	<u>(\$23)</u>	<u>(\$39)</u>	<u>(\$4)</u>	<u>(\$42)</u>

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

	2011 ACTUAL	2012 BUDGET	7 MO ACTUAL	2013 BUDGET	BUDGET CHANGE 12-13
77721 Transfer to Debt Svc	44,688	68,688	-	91,688	23,000
TOTAL OTHER	44,688	68,688	-	91,688	23,000
TOTAL LINCOLNWOOD TIF #1	44,688	68,688	-	91,688	23,000

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

	2011 ACTUAL	2012 BUDGET	6 MO ACTUAL	2013 BUDGET	CHANGE 12-13
77721 Transfer to Debt Svc	48,631	47,631	-	71,631	24,000
TOTAL OTHER	48,631	47,631	-	71,631	24,000
TOTAL LINCOLNWOOD TIF #2	48,631	47,631	-	71,631	24,000

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

	2011 ACTUAL	2012 BUDGET	7 MO ACTUAL	2013 BUDGET	BUDGET CHANGE 12-13
76754 Comm Dev Project	51,527	-	-	-	-
77721 Transfer to Debt Svc	262,568	255,375	-	248,813	(6,562)
79980 Comm Bank Interest	-	5,490	-	5,288	(202)
TOTAL OTHER	314,095	260,865	-	254,101	(6,764)
TOTAL HOPE SIX TIF	314,095	260,865	-	254,101	(6,764)

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

	2011 ACTUAL	2012 BUDGET	7 MO ACTUAL	2013 BUDGET	BUDGET CHANGE 12-13
77721 Transfer to Debt Svc	64,463	64,463	-	164,463	100,000
78890 Comm Bank Interest	7,339	7,042	-	6,524	(518)
TOTAL OTHER	71,802	71,505	-	170,987	99,482
TOTAL GARRISON TIF	71,802	71,505	-	170,987	99,482

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

	2011 ACTUAL	2012 BUDGET	7 MO ACTUAL	2013 BUDGET	BUDGET CHANGE 12-13
77721 Transfer to Debt Svc	290,588	282,588	-	299,588	17,000
78890 Comm Bank Interest	-	25,293	-	10,971	(14,322)
TOTAL OTHER	290,588	307,881	-	310,559	2,678
TOTAL RIVER OAKS TIF	290,588	307,881	-	310,559	2,678

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

	2011 ACTUAL	2012 BUDGET	7 MO ACTUAL	2013 BUDGET	BUDGET CHANGE 12-13
76754 Comm Dev Project	18,855	21,485	-	21,485	-
77721 Transfer to Debt Service	31,250	30,500	-	29,688	(812)
77725 Transfer to TIF	50,000	50,000	-	50,000	
77727 Transfer to CD	15,000	15,000	-	15,000	-
TOTAL OTHER	115,105	116,985	-	116,173	(812)
TOTAL JACKSON SCHOOL TIF	115,105	116,985	-	116,173	(812)