

7TH Street Tax Increment Financing District

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 7th Street 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 7th Street District.

2007 Accomplishments →

- Continued to work with the Mid Town District Association to market the 7th Street TIF District.
- Assisted in the construction of the Lantow Lofts mixed use development on 7th Street. Seven completed condominium units should be available for sale by the end of calendar year 2007. Construction will commence shortly on the first floor of the Lantow Lofts building for the Katie's Cup Coffee Shop and Bookstore and administrative offices for Zion Development Corporation.
- Zion Development Corporation is renovating a storefront at 528 7th Street in order to open a restaurant at that location, which will be owned and operated by Zion Development Corporation.
- The Just Goods Fair Trade Store opened in late 2006, and rehabilitation of this building will continue during 2007 with renovation of the apartment units on the second floor.
- The Lung Fung Chinese restaurant opened in the closed Bagel shop space on 7th Street.
- Continued to market this TIF District at trade shows and to real estate brokers, site selectors, developers, and real estate buyers.

2008 Goals and Objectives →

- Provide assistance with redevelopment projects in the district.
- Market the 7th Street TIF District to developers, real estate agents, retailers, prospective homeowners, potential tenants, visitors, tourists, and customers.

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- Continue to work to create a new business association to replace the Midtown District Association, which ceased operations in November, 2007. The new organization would assist in the marketing of the 7th Street TIF District.
- Begin a retail and residential leakage study in this TIF district.

Budget Summary

COMMUNITY DEVELOPMENT SEVENTH STREET TAX INCREMENT FINANCING DISTRICT					
APPROPRIATION	2006 <u>ACTUAL</u>	2007 <u>BUDGET</u>	2007 <u>ACTUAL</u>	2008 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
CONTRACTUAL	\$2,759	\$10,300	\$1,995	\$177,000	\$166,700
OTHER	<u>1,487,682</u>	<u>1,023,851</u>	<u>1,256,582</u>	<u>1,790,781</u>	<u>766,930</u>
TOTAL	<u>\$1,490,441</u>	<u>\$1,034,151</u>	<u>\$1,258,577</u>	<u>\$1,967,781</u>	<u>\$933,630</u>
FUNDING SOURCE		2007 <u>AMOUNT</u>	2007 <u>PERCENTAGE</u>	2008 <u>AMOUNT</u>	2008 <u>PERCENTAGE</u>
PROPERTY TAXES					
TAX INCREMENT		\$994,000	100.0	\$1,128,200	96.1
INTEREST INCOME		<u>0</u>	<u>0.0</u>	<u>46,100</u>	<u>3.9</u>
TOTAL		<u>\$994,000</u>	<u>100.0</u>	<u>\$1,174,300</u>	<u>100.0</u>

Budget Analysis

Of the \$1,967,781 budget, \$848,445 is allocated for debt service. The Charles Street relocation bond issues, which total \$6.0 million, result in debt service payments of \$275,236 to \$627,068 from 2000 to 2014, a payment of \$620,635 for 2008. The Seventh Street Revitalization Project bond issue for \$2.0 million requires a debt service payment of \$227,810 in 2008. The debt service payments will be \$200,300 to \$240,062 from 2004 to 2015. The tax rebates in 2008 are \$8,500. Expenditures include purchase of service from Community Development Department's Development Division of \$25,000, contractual/supplies for \$12,000 and operating activity cost for the 7th Street Area Development Council at \$30,000. \$135,000 has been budgeted for consulting fees for the possible de-TIF and re-TIF of the 7th Street TIF district. \$30,000 is budgeted for the demolition of the Sparkle Cleaners building. For the Renaissance Pavilion development, \$50,543 is budgeted for 2008 for increment rebate, the final payment in this rebate agreement.

In 2007, the 7th Street TIF spent \$1,258,577 or 121.7% of its budgeted allocation. In the past several years, 46% to 122% of the budget has been spent.

Five Year Financial Forecast

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The 2009-2013 five-year forecast assumes no growth for property taxes. Since this is not a sales tax TIF, 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. The commitment is to continue public improvements and housing rehabilitation during this period. District authority ends in 2016.

7TH STREET TIF FUND 2009-2013 FINANCIAL FORECAST (IN 000'S)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues	\$1,143	\$1,140	\$1,137	\$1,135	\$1,134
Expenditures	<u>1,205</u>	<u>1,205</u>	<u>1,189</u>	<u>1,181</u>	<u>1,196</u>
Excess (Deficit)	<u>(63)</u>	<u>(65)</u>	<u>(52)</u>	<u>(46)</u>	<u>(62)</u>
Beginning Balance	<u>367</u>	<u>305</u>	<u>240</u>	<u>188</u>	<u>142</u>
Ending Balance	<u>\$305</u>	<u>\$240</u>	<u>\$188</u>	<u>\$142</u>	<u>\$80</u>