

Community Development Redevelopment Fund

Mission Statement

It is the mission of the Community Development Redevelopment Fund to finance Metro Centre 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 and 1999 with the tax to end in 2018. In addition to financing a portion of the Metro Centre Authority's deficits, the Fund provides the necessary capital for development opportunities, public improvements, and economic development efforts.

2007 Accomplishments

- The Redevelopment Fund financed the Metro Centre Authority operating deficits, provided funds for redevelopment activities, and assisted in financing economic development efforts.
- The Redevelopment Fund provided \$150,000 as the City share for the Coronado Theatre box office project and began providing a \$350,000 loan to the new governing board.

2008 Goals and Objectives

- The Redevelopment Fund will finance the Metro Centre Authority bond issue, provide funds for redevelopment activities, and assist in financing economic development efforts.

Budget Summary

COMMUNITY DEVELOPMENT REDEVELOPMENT FUND					
APPROPRIATION	2006 ACTUAL	2007 BUDGET	2007 ACTUAL	2008 BUDGET	INCREASE (DECREASE)
CONTRACTUAL	\$3,391	\$11,600	\$4,040	\$11,700	\$100
OTHER	5,407,138	6,624,510	6,636,162	3,590,571	(3,033,939)
TOTAL	\$5,410,529	\$6,636,110	\$6,640,202	\$3,602,271	(\$3,033,839)
FUNDING SOURCE	2007		2008		2008
REDEVELOPMENT SALES TAX	AMOUNT	PERCENTAGE	AMOUNT	PERCENTAGE	
MOTEL	\$356,800	10.1	\$370,700	10.2	
PACKAGE	440,700	12.4	470,200	12.9	
RESTAURANT	2,746,400	77.5	2,802,200	76.9	
SUBTOTAL	3,543,900	100.0	3,643,100	100.0	
INTEREST INCOME	0	0.0	0	0.0	
TOTAL	\$3,543,900	100.0	\$3,643,100	100.0	

Community Development Redevelopment Fund

Redevelopment Fund Expenses

Expenses can be broken down into three groups as follows:

- Fixed costs – \$1,807,600 (2007 - \$2,305,100)
- Variable costs – \$252,500 (2007 - \$307,500)
- Variable project costs – \$1,542,200 (2007 - \$3,027,660)

Fixed Costs

- \$250,000 to the Council of 100 to continue economic development efforts and industrial park marketing.
- \$30,000 to the Rockford Local Development Council.
- \$55,200 is transferred to the general fund to pay for a portion of the costs associated with the economic development staff.
- \$62,000 is transferred to the Public Works Property and Equipment Division for staff services for building maintenance at Festival Park.
- \$135,000 is provided to the Rockford Convention and Visitors Bureau. The County and City levy a tax on motel accommodations, three percent by the County and six percent by the City. The County passes the entire amount to the Bureau while the City keeps one percent for redevelopment efforts. The remaining five-percent is sent to the Bureau. With the annexation of four motels into the City in 1988, the City agreed to transfer the other one percent (for these four motels only) from the Redevelopment Fund to the Bureau.
- \$81,000 for the maintenance of Barber Colman Village buildings (\$26,000), and the Armory (\$55,000). The maintenance expense of the above indicated buildings is partially offset by revenue generated from leasing out building space.
- \$410,000 is allocated to the Coronado Theatre to pay for operating expenses.
- \$21,200 will be reimbursed to the Public Works Water Division for the Millennium Fountain maintenance.

Direct Fund Expenses

- \$11,700 is budgeted for contractual expenses.
- \$515,000 is for reimbursement of police, fire, and public works costs incurred during festivals.
- \$87,800 is for tax collection cost reimbursement.
- \$148,700 is for interest expense.

Variable Costs

- \$2,500 for the City's share of assistance to Anderson Gardens.
- \$50,000 payment to SWIFTT (Southwest Ideas for Today and Tomorrow) for operating assistance.
- \$200,000 for loan assistance to the Coronado Performing Arts Center for startup expenses.

Community Development Redevelopment Fund

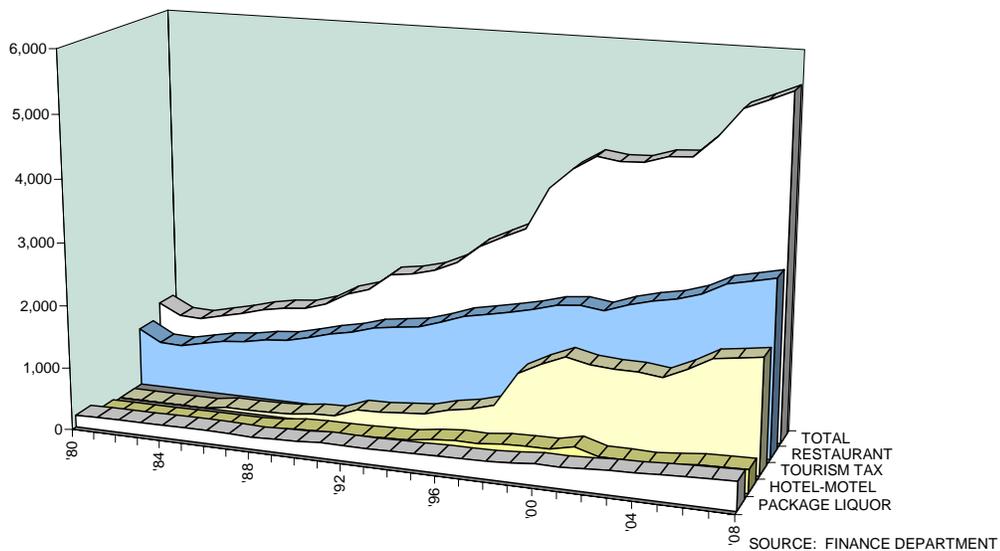
Variable Project Costs

- \$148,043 for debt service (2000 \$4.0 million and 2004 \$3.07 million refunding bond issue) on fund improvements associated with the construction of a 33,000 square foot supermarket in the South Rockford Tax Increment Finance District. The initial phase included property acquisition, demolition of existing structures, site work on ten acres, construction, equipment, and tenant improvements. Debt service from 2007 to 2019 will range from \$336,018 to \$380,513 (Redevelopment share \$236,018 to \$251,993, with the balance paid from South Rockford TIF).
- \$502,187 for debt service on the Coronado. In 1999, the City issued \$7,000,000 in bonds for the Coronado Theatre restoration. City financing sources included the Tourism (1999-2003) and Redevelopment Funds as well as amusement and parking taxes at the Coronado Theatre. The Redevelopment Fund will pay the balance of the debt service due after the application of the two taxes. Debt service from 2007 to 2017 will range from \$545,075 to \$988,880.
- \$891,941 for debt service on the Metro Centre. In 2007, the City issued \$23 million in bonds for remodeling the Metro Centre and acquiring an NHL franchise. Financing for debt repayment includes assistance from the Winnebago County Board, the Redevelopment Fund, and Metro Centre revenues. The City's share will remain constant.

Budget Analysis

2006 tax revenue, budgeted at \$3,184,600, was \$3,440,693 at year's end, an increase of \$256,100 (8.0%) from the budget and \$170,900 (7.8%) from the 2005 actual. Tax revenue for 2007, budgeted at \$3,543,900, is \$3,516,164, a loss of \$27,736 (.01%) for 2007, an increase of \$331,564 (10.4%) from the 2006 budget of \$3,184,600 and an increase of \$75,471 (2.2%) from 2006's actual.

**CITY OF ROCKFORD, ILLINOIS REDEVELOPMENT/TOURISM SOURCES OF REVENUE
1980-2008**



Community Development Redevelopment Fund

Assumptions for revenue growth are 3% for motels (10.1%), 3% for package liquor (12.8%), and 3% for restaurants (77.1%) for a total of 1.7%. Growth in the last five years has ranged as follows: motels, -3.3% to 13.7%, package liquor, 2.3% to 6.9%, restaurants, 3.0% to 7.7%, and the three combined, 2.3% to 7.8%. 2008 income is estimated to be \$3,643,100, an increase of \$96,200 (2.7%) from the 2007 budget and an increase of \$126,936 (3.6%) from the 2007 actual.

While Redevelopment Fund expenses have fluctuated from year to year, this has changed in the last several years. With the 1990 commitment to service part of the City Hall renovation project debt from 1998-2007, the 1999 Coronado commitment from 1999-2017, the 2000 South Main grocery store commitment from 2000-2019, and the 2007 Metro Centre renovation commitment from 2007-2026, the portion available for discretionary economic development spending has decreased.

In 2007, the Redevelopment Fund spent \$6,640,202 or 100.1% of the budgeted allocation. In the past several years, 94% to 131% of the budget has been spent.

Five Year Financial Forecast

The 2009-2013 five-year forecast assumes growth in taxes – one percent for motels, one-half of one percent for packaged liquor, and two percent for restaurants – reflecting the past history and the slowing economy. This plan calls for continuing support for the Block Grant, Metro Centre, Visitors Bureau, the Council of 100, and the Local Development Corporation. The impact of the variable project group was discussed above.

REDEVELOPMENT FUND 2009-2013 FINANCIAL FORECAST (IN 000'S)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues	\$3,752	\$3,865	\$3,981	\$4,101	\$4,224
Expenses	<u>3,454</u>	<u>3,586</u>	<u>3,692</u>	<u>3,832</u>	<u>3,957</u>
Excess (Deficit)	<u>298</u>	<u>279</u>	<u>289</u>	<u>269</u>	<u>267</u>
Beginning Balance	<u>(4,917)</u>	<u>(4,619)</u>	<u>(4,340)</u>	<u>(4,051)</u>	<u>(3,782)</u>
Ending Balance	<u>(\$4,619)</u>	<u>(\$4,340)</u>	<u>(\$4,051)</u>	<u>(\$3,782)</u>	<u>(\$3,516)</u>