

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, Southeast Housing, and Jackson School.

2009 Accomplishments

Garrison School TIF

- Despite the economy and pressure it has placed on high end rental units, they are currently at 92% occupancy.
- Completed the shell of the main townhome building and Building F.
- Three weeks after placing one unit on the MLS, it was sold for the asking price.
- Acquired a two family home adjacent to the Garrison project and transformed the structure from a habitual problem to one of the more desirable residences in the area.
- Landscaping was completed
- New sidewalks were installed

River Oaks TIF

- Property is now in the ownership of Rockford Bank and Trust with Keller-Williams, as the listing Real Estate agent, marketing the units.
- Two units of the 16 constructed (3 buildings) were sold in 2009; a total of 6 altogether. 1 sale is pending and there are ongoing negotiations underway for additional sales.
- The sales price has been reestablished at \$129,900 and innovative financing made available to those buyers with a 10% downpayment.
- The City has made downpayment and closing cost assistance available to qualifying buyers through its Neighborhood Stabilization Program.

Lincolnwood II TIF

- One of the two remaining lots was redeveloped and sold to a homebuyer; a total of 17 over the redevelopment process.

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2010 Goals and Objectives

Garrison School TIF

- Complete two more townhome units to be used as sales models in the hope of selling both
- Maintain occupancy rates in excess of 90%
- Acquire additional residences for rehabilitation
- Propose and Create a Historic District
- Strengthen our relationship with the Signal Hill Neighborhood Association to foster continued improvements from the property owners in the area.

Emerson Subdivision (Springfield Corners TIF)

- The new owner plans to redevelop the land over time and make available a new First Time Homebuyer program.

River Oaks TIF

- The owner and Real Estate agent are proceeding cautiously with the redevelopment of the remaining land due to the economy.
- Real Estate agent is optimistic and anticipates 14 of the 16 units to be sold by the spring of 2010.

Lincolnwood II TIF

- The final lot of this 18 unit subdivision will be redeveloped and sold.

Budget Summary

COMMUNITY DEVELOPMENT LINCOLNWOOD TAX INCREMENT FINANCING DISTRICT #1					
APPROPRIATION	<u>2007 ACTUAL</u>	<u>2008 ACTUAL</u>	<u>2009 BUDGET</u>	<u>2010 BUDGET</u>	<u>INCREASE (DECREASE)</u>
OTHER	<u>\$21,688</u>	<u>\$21,688</u>	<u>\$96,688</u>	<u>\$45,688</u>	<u>(\$51,000)</u>
TOTAL	<u>\$21,688</u>	<u>\$21,688</u>	<u>\$96,688</u>	<u>\$45,688</u>	<u>(\$51,000)</u>
FUNDING SOURCE		<u>2009 AMOUNT</u>	<u>2008 PERCENTAGE</u>	<u>2010 AMOUNT</u>	<u>2010 PERCENTAGE</u>
PROPERTY TAXES		<u>\$77,000</u>	<u>96.3</u>	<u>\$75,500</u>	<u>96.2</u>
TAX INCREMENT		<u>3,000</u>	<u>3.7</u>	<u>3,000</u>	<u>3.8</u>
INTEREST INCOME		<u>\$80,000</u>	<u>100.0</u>	<u>\$78,500</u>	<u>100.0</u>
TOTAL		<u>\$80,000</u>	<u>100.0</u>	<u>\$78,500</u>	<u>100.0</u>

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COMMUNITY DEVELOPMENT LINCOLNWOOD TAX INCREMENT FINANCING DISTRICT #2					
APPROPRIATION	<u>2007 ACTUAL</u>	<u>2008 ACTUAL</u>	<u>2009 BUDGET</u>	<u>2010 BUDGET</u>	<u>INCREASE (DECREASE)</u>
OTHER	<u>\$26,525</u>	<u>\$26,431</u>	<u>\$25,239</u>	<u>\$23,631</u>	<u>(\$1,608)</u>
TOTAL	<u>\$26,525</u>	<u>\$26,431</u>	<u>\$25,239</u>	<u>\$23,631</u>	<u>(\$1,608)</u>
FUNDING SOURCE					
		<u>2009 AMOUNT</u>	<u>2009 PERCENTAGE</u>	<u>2010 AMOUNT</u>	<u>2010 PERCENTAGE</u>
PROPERTY TAXES					
TAX INCREMENT		<u>\$96,400</u>	<u>100.0</u>	<u>\$47,000</u>	<u>98.3</u>
INTEREST INCOME		<u>0</u>	<u>0.0</u>	<u>800</u>	<u>1.7</u>
TOTAL		<u>\$96,400</u>	<u>100.0</u>	<u>\$47,800</u>	<u>100.0</u>

COMMUNITY DEVELOPMENT HOPE SIX TAX INCREMENT FINANCING DISTRICT					
APPROPRIATION	<u>2007 ACTUAL</u>	<u>2008 ACTUAL</u>	<u>2009 BUDGET</u>	<u>2010 BUDGET</u>	<u>INCREASE (DECREASE)</u>
OTHER	<u>\$115,648</u>	<u>\$141,991</u>	<u>\$119,221</u>	<u>\$118,115</u>	<u>(\$1,106)</u>
TOTAL	<u>\$115,648</u>	<u>\$141,991</u>	<u>\$119,221</u>	<u>\$118,115</u>	<u>(\$1,106)</u>
FUNDING SOURCE					
		<u>2009 AMOUNT</u>	<u>2009 PERCENTAGE</u>	<u>2010 AMOUNT</u>	<u>2010 PERCENTAGE</u>
PROPERTY TAXES					
TAX INCREMENT		<u>\$177,674</u>	<u>100.0</u>	<u>\$182,990</u>	<u>100.0</u>
INTEREST INCOME		<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0.0</u>
TOTAL		<u>\$177,674</u>	<u>100.0</u>	<u>\$182,990</u>	<u>100.0</u>

COMMUNITY DEVELOPMENT GARRISON TAX INCREMENT FINANCING DISTRICT					
APPROPRIATION	<u>2007 ACTUAL</u>	<u>2008 ACTUAL</u>	<u>2009 BUDGET</u>	<u>2010 BUDGET</u>	<u>INCREASE (DECREASE)</u>
OTHER	<u>\$87,414</u>	<u>\$64,463</u>	<u>\$72,891</u>	<u>\$74,415</u>	<u>\$1,524</u>
TOTAL	<u>\$87,414</u>	<u>\$64,463</u>	<u>\$72,891</u>	<u>\$74,415</u>	<u>\$1,524</u>
FUNDING SOURCE					
		<u>2009 AMOUNT</u>	<u>2009 PERCENTAGE</u>	<u>2010 AMOUNT</u>	<u>2010 PERCENTAGE</u>
PROPERTY TAXES					
TAX INCREMENT		<u>\$30,124</u>	<u>100.0</u>	<u>\$51,800</u>	<u>100.0</u>
INTEREST INCOME		<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0.0</u>
TOTAL		<u>\$30,124</u>	<u>100.0</u>	<u>\$51,800</u>	<u>100.0</u>

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COMMUNITY DEVELOPMENT RIVER OAKS TAX INCREMENT FINANCING DISTRICT					
APPROPRIATION	<u>2007 ACTUAL</u>	<u>2008 ACTUAL</u>	<u>2009 BUDGET</u>	<u>2010 BUDGET</u>	<u>INCREASE (DECREASE)</u>
OTHER	\$134,653	\$101,588	\$191,550	\$317,706	\$126,156
TOTAL	<u>\$134,653</u>	<u>\$101,588</u>	<u>\$191,550</u>	<u>\$317,706</u>	<u>\$126,156</u>
FUNDING SOURCE					
		<u>2009 AMOUNT</u>	<u>2009 PERCENTAGE</u>	<u>2010 AMOUNT</u>	<u>2010 PERCENTAGE</u>
PROPERTY TAXES		\$69,501	100.0	\$71,300	100.0
TAX INCREMENT		<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0.0</u>
INTEREST INCOME		<u>\$69,501</u>	<u>100.0</u>	<u>\$71,300</u>	<u>100.0</u>
TOTAL					

CD SOUTHEAST AREA TIF FUND BUDGET SUMMARY					
APPROPRIATION	<u>2007 ACTUAL</u>	<u>2008 ACTUAL</u>	<u>2009 BUDGET</u>	<u>2010 BUDGET</u>	<u>INCREASE (DECREASE)</u>
OTHER	\$0	\$0	\$0	\$400,000	\$400,000
DEVELOPER ASSISTANCE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$400,000</u>	<u>\$0</u>
FUNDING SOURCE					
		<u>2009 AMOUNT</u>	<u>2009 PERCENTAGE</u>	<u>2010 AMOUNT</u>	<u>2010 PERCENTAGE</u>
PROPERTY TAXES		\$119,600	92.3	\$0	0.0
TAX INCREMENT		<u>10,000</u>	<u>7.7</u>	<u>5,000</u>	<u>100.0</u>
INTEREST INCOME		<u>\$129,600</u>	<u>92.3</u>	<u>\$5,000</u>	<u>0.0</u>
TOTAL					

COMMUNITY DEVELOPMENT JACKSON SCHOOL TAX INCREMENT FINANCING DISTRICT					
APPROPRIATION	<u>2007 ACTUAL</u>	<u>2008 ACTUAL</u>	<u>2009 BUDGET</u>	<u>2010 BUDGET</u>	<u>INCREASE (DECREASE)</u>
CONTRACTUAL	\$2,343	\$0	\$0	\$0	\$0
OTHER	58,965	213,240	37,000	137,000	\$100,000
TOTAL	<u>\$61,308</u>	<u>\$213,240</u>	<u>\$37,000</u>	<u>\$137,000</u>	<u>\$100,000</u>
FUNDING SOURCE					
		<u>2009 AMOUNT</u>	<u>2009 PERCENTAGE</u>	<u>2010 AMOUNT</u>	<u>2010 PERCENTAGE</u>
PROPERTY TAXES		\$115,313	99.9	\$121,400	96.3
TAX INCREMENT		<u>100</u>	<u>0.1</u>	<u>4,700</u>	<u>3.7</u>
INTEREST INCOME		<u>\$115,413</u>	<u>100.0</u>	<u>\$126,100</u>	<u>100.0</u>
TOTAL					

Budget Analysis

This 7 district group collectively runs a deficit until 2026 ranging from \$160,000 in 2009 to \$2.7 million in 2019. The deficit generators are Hope 6, a high deficit year (2023) of \$0.8 million before turning positive in 2027, Garrison, a high deficit year (2023) of \$0.65 million before turning

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positive in 2027, and River Oaks, a high deficit year (2019) of \$1.8 million before turning positive in 2025.

It is difficult to estimate revenue growth which is property tax increment, generated by new construction and projects as well as inflationary growth of existing equalized assessed valuation, for several decades. These projections are based upon the most conservative assumptions possible.

Long term financing activity in 2009 included a spring \$2.6 million sale which financed a \$350,000 residential renovation in River North, a \$1.3 million renovation of Rock River Towers in Main Whitman, and subsidized \$950,000 of the Tandem Development project in Global Trade Park #1. The \$1.7 million fall sale includes \$1.35 million for the start of the Renaissance project in Springfield Corners and \$350,000 for residential renovation in East River.

Five Year Financial Forecast

The 2011-2015 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 2011-2015 FINANCIAL FORECAST (IN 000'S)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues	\$79	\$80	\$81	\$80	\$80
Expenditures	<u>45</u>	<u>69</u>	<u>92</u>	<u>89</u>	<u>86</u>
Excess (Deficit)	<u>34</u>	<u>11</u>	<u>(11)</u>	<u>(9)</u>	<u>(6)</u>
Beginning Balance	<u>107</u>	<u>141</u>	<u>152</u>	<u>141</u>	<u>132</u>
Ending Balance	<u>\$141</u>	<u>\$152</u>	<u>\$141</u>	<u>\$132</u>	<u>\$126</u>

LINCOLNWOOD TIF FUND #2 2011-2015 FINANCIAL FORECAST (IN 000'S)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues	55	55	55	55	54
Expenditures	<u>49</u>	<u>48</u>	<u>72</u>	<u>80</u>	<u>67</u>
Excess (Deficit)	<u>6</u>	<u>7</u>	<u>(17)</u>	<u>(25)</u>	<u>(13)</u>
Beginning Balance	<u>48</u>	<u>54</u>	<u>61</u>	<u>44</u>	<u>19</u>
Ending Balance	<u>54</u>	<u>61</u>	<u>44</u>	<u>19</u>	<u>6</u>

HOPE SIX TIF FUND 2011-2015 FINANCIAL FORECAST (IN 000'S)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues	\$179	\$179	\$186	\$192	\$200
Expenditures	<u>118</u>	<u>266</u>	<u>263</u>	<u>259</u>	<u>280</u>
Excess (Deficit)	<u>61</u>	<u>(87)</u>	<u>(77)</u>	<u>(67)</u>	<u>(80)</u>
Beginning Balance	<u>(182)</u>	<u>(121)</u>	<u>(209)</u>	<u>(286)</u>	<u>(352)</u>
Ending Balance	<u>(\$121)</u>	<u>(\$209)</u>	<u>(\$286)</u>	<u>(\$352)</u>	<u>(\$432)</u>

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GARRISON TIF FUND 2011-2015 FINANCIAL FORECAST (IN 000'S)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues	\$53	\$144	\$139	\$142	\$145
Expenditures	<u>75</u>	<u>76</u>	<u>174</u>	<u>171</u>	<u>168</u>
Excess (Deficit)	<u>(22)</u>	<u>68</u>	<u>(35)</u>	<u>(29)</u>	<u>(23)</u>
Beginning Balance	<u>(307)</u>	<u>(329)</u>	<u>(261)</u>	<u>(296)</u>	<u>(325)</u>
Ending Balance	<u>(\$329)</u>	<u>(\$261)</u>	<u>(\$296)</u>	<u>(\$325)</u>	<u>(\$348)</u>

RIVER OAKS TIF FUND 2011-2015 FINANCIAL FORECAST (IN 000'S)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues	\$73	\$75	\$77	\$79	\$345
Expenditures	<u>318</u>	<u>319</u>	<u>344</u>	<u>345</u>	<u>345</u>
Excess (Deficit)	<u>(245)</u>	<u>(244)</u>	<u>(267)</u>	<u>(266)</u>	<u>0</u>
Beginning Balance	<u>(793)</u>	<u>(1,038)</u>	<u>(1,282)</u>	<u>(1,549)</u>	<u>(1,815)</u>
Ending Balance	<u>(1,038)</u>	<u>(1,282)</u>	<u>(1,549)</u>	<u>(1,815)</u>	<u>(1,815)</u>

JACKSON SCHOOL TIF FUND 2011-2015 FINANCIAL FORECAST (IN 000'S)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues	\$150	\$153	\$155	\$157	\$160
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficit)	<u>150</u>	<u>153</u>	<u>155</u>	<u>157</u>	<u>160</u>
Beginning Balance	<u>146</u>	<u>146</u>	<u>154</u>	<u>140</u>	<u>129</u>
Ending Balance	<u>\$296</u>	<u>\$299</u>	<u>\$309</u>	<u>\$297</u>	<u>\$289</u>

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

	2008 BUDGET	2008 ACTUAL	2009 BUDGET	9 MO ACTUAL	2009 ACTUAL ESTIMATE	2010 BUDGET	BUDGET CHANGE 09-10
76754 Other/Available	0	0	45,274	-	-	-	(45,274)
77721 Transfer to Debt Svc	21,688	21,688	51,414	35,016	46,688	45,688	(5,726)
78890 Comm Bank Interest	-	-	-	-	-	-	-
TOTAL OTHER	21,688	21,688	96,688	35,016	46,688	45,688	(51,000)
TOTAL LINCOLNWOOD TIF #1	21,688	21,688	96,688	35,016	46,688	45,688	(51,000)

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

	2008 BUDGET	2008 ACTUAL	2009 BUDGET	9 MO ACTUAL	2009 ACTUAL ESTIMATE	2010 BUDGET	CHANGE 09-10
76754 Comm Dev Project	-	2,800	-	-	-	-	-
77721 Transfer to Debt Svc	0	23,631	23,631	17,723	23,631	23,631	-
77725 Transfer to General Fund	-	-	-	-	-	-	-
78890 Comm Bank Interest	25,070	-	1,608	-	-	-	(1,608)
TOTAL OTHER	25,070	26,431	25,239	17,723	23,631	23,631	(1,608)
TOTAL LINCOLNWOOD TIF #2	25,070	26,431	25,239	17,723	23,631	23,631	(1,608)

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

	2008 BUDGET	2008 ACTUAL	2009 BUDGET	9 MO ACTUAL	2009 ACTUAL ESTIMATE	2010 BUDGET	BUDGET CHANGE 09-10
72217 Advertising	-	-	-	-	-	-	-
TOTAL CONTRACTUAL	-	-	-	-	-	-	-
76709 Loans and Grants	-	29,216	-	-	-	-	-
76754 Comm Dev Project	-	1,025	-	11,083	13,300	-	-
77721 Transfer to Debt Svc	111,750	111,750	111,750	83,813	100,576	111,750	-
77725 Transfer to General Fund	-	-	-	-	-	-	-
79980 Comm Bank Interest	10,300	-	7,471	-	-	6,365	(1,106)
TOTAL OTHER	122,050	141,991	119,221	94,896	113,875	118,115	(1,106)
TOTAL HOPE SIX TIF	122,050	141,991	119,221	94,896	113,875	118,115	(1,106)

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

	2008 BUDGET	2008 ACTUAL	2009 BUDGET	9 MO ACTUAL	2009 ACTUAL ESTIMATE	2010 BUDGET	BUDGET CHANGE 09-10
77721 Transfer to Debt Svc	64,463	64,463	64,463	48,347	64,463	64,463	-
77725 Transfer to General Fund	-	-	-	-	-	-	-
78890 Comm Bank Interest	5,210	-	8,428	-	-	9,952	1,524
TOTAL OTHER	69,673	64,463	72,891	48,347	64,463	74,415	1,524
TOTAL GARRISON TIF	69,673	64,463	72,891	48,347	64,463	74,415	1,524

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

	2008 BUDGET	2008 ACTUAL	2009 BUDGET	9 MO ACTUAL	2009 ACTUAL ESTIMATE	2010 BUDGET	BUDGET CHANGE 09-10
77721 Transfer to Debt Svc	101,588	101,588	176,588	132,441	158,929	298,588	122,000
77725 Transfer to General Fund	-	-	-	-	-	-	-
78890 Comm Bank Interest	13,230	-	14,962	-	-	19,118	4,156
TOTAL OTHER	114,818	101,588	191,550	132,441	158,929	317,706	126,156
TOTAL RIVER OAKS TIF	114,818	101,588	191,550	132,441	158,929	317,706	126,156

**CITY OF ROCKFORD
NEXT YEAR/CURRENT YEAR BUDGET ANALYSIS
SOUTHEAST AREA TIF DISTRICT**

	2008 BUDGET	2008 ACTUAL	2009 BUDGET	9 MO ACTUAL	2010 BUDGET	CHANGE 09-10
76601 Developer Assistance	126,000	0	-	-	400,000	400,000
TOTAL OTHER	126,000	-	-	-	400,000	400,000
TOTAL SOUTHEAST AREA TIF	126,000	-	-	-	400,000	400,000

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

	2008 BUDGET	2008 ACTUAL	2009 BUDGET	9 MO ACTUAL	2009 ACTUAL ESTIMATE	2010 BUDGET	BUDGET CHANGE 09-10
72217 Advertising	10,000	-	-	-	-	-	-
72292 Consulting Fee	-	-	-	-	-	-	-
TOTAL CONTRACTUAL	10,000	-	-	-	-	-	-
76709 Loans and Grants	-	200,000	-	-	-	-	-
76754 Comm Dev Project	45,000	-	15,000	-	-	90,000	75,000
77721 Transfer to Debt Service	9,819	-	7,000	5,250	6,300	32,000	25,000
77725 Transfer to General Fund	-	-	-	11,250	13,500	-	-
77727 Transfer to CD	-	11,356	15,000	-	-	15,000	-
78758 Note/Bond Issue Cost	-	1,884	-	-	-	-	-
78890 Interest Expense	670	-	-	-	-	-	-
TOTAL OTHER	55,489	213,240	37,000	16,500	19,800	137,000	100,000
TOTAL JACKSON SCHOOL TIF	65,489	213,240	37,000	16,500	19,800	137,000	100,000