

South Rockford 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 South Main 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 South Rockford TIF District.

2004 Accomplishments →

- Began development of the South Main Focus Neighborhood Revitalization Strategy Area Plan.
- The selection process for designating a master developer for Barber Colman Village project was completed in 2004 with a Memorandum of Agreement executed with the Hendricks Development Group of Beloit.

2005 Goals and Objectives →

- Develop the funding sources and undertake the first phase activities in the redevelopment of Barber Colman Village.
- Assist Mega Manufacturing through the extension of a HUD Section 108 loan.
- Assist in the creation of new retail and manufacturing growth in the district.
- Support private for-profit investments creating primary jobs and/or providing retail/service employment within the South Rockford TIF.
- Establish ethnic focused business clusters to serve the neighborhood needs.
- Assist in the removal of blighted and substandard structures in the district.
- Youthbuild will begin the new construction of three single-family homes on South Church Street.

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Budget Summary

COMMUNITY DEVELOPMENT SOUTH ROCKFORD TAX INCREMENT FINANCING DISTRICT					
APPROPRIATION	2003 <u>ACTUAL</u>	2004 <u>BUDGET</u>	2004 <u>ACTUAL</u>	2005 <u>BUDGET</u>	INCREASE (DECREASE)
CONTRACTUAL	\$0	\$1,000	\$1,018	\$1,000	\$0
SUPPLIES	0	0	0	0	0
OTHER	0	70,000	2,064	40,000	(30,000)
CAPITAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$0</u>	<u>\$71,000</u>	<u>\$3,082</u>	<u>\$41,000</u>	<u>(\$30,000)</u>
FUNDING SOURCE		2004 <u>AMOUNT</u>	2004 <u>PERCENTAGE</u>	2005 <u>AMOUNT</u>	2005 <u>PERCENTAGE</u>
PROPERTY TAXES					
TAX INCREMENT		\$112,860	98.3	\$85,000	95.2
INTEREST INCOME		<u>1,900</u>	1.7	<u>4,300</u>	4.8
TOTAL		<u>\$114,760</u>	<u>100.0</u>	<u>\$89,300</u>	<u>100.0</u>

Budget Analysis

The 2005 budget is \$41,000, which includes \$40,000 for miscellaneous projects in the South Main TIF District and \$1,000 for the contractual group. This is a decrease from the 2004 budget where \$70,000 was allocated to debt service.

The \$4.0 million bond debt service for the IGA Grocery Store will be paid from the Redevelopment Fund.

Five Year Financial Forecast

The 2006-2010 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.

SOUTH ROCKFORD TIF FUND 2006-2010 FINANCIAL FORECAST (IN 000'S)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Revenues	\$91	\$92	\$93	\$94	\$93
Expenditures	<u>59</u>	<u>60</u>	<u>61</u>	<u>102</u>	<u>103</u>
Excess (Deficit)	32	32	32	(8)	(10)
Beginning Balance	<u>192</u>	<u>224</u>	<u>255</u>	<u>287</u>	<u>279</u>
Ending Balance	<u>\$224</u>	<u>\$255</u>	<u>\$287</u>	<u>\$279</u>	<u>\$269</u>