

West Side 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 West TIF District and to make the area more viable. Such 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 West Side District.

2004 Accomplishments →

- Provided \$140,000 to assist in the redevelopment of the Richardson building located at 201 West State Street into market rate housing and retail.
- Financial assistance provided to the River District Association for the update of the River District Framework Plan and operations.
- The City purchased several properties where the new Federal Courthouse will be located. The City has been working with the Federal government on building design.
- Several projects received development tax rebates, which included the Brown Building, Morrissey Group Realty, First Rockford Group's Kinko's, Quizno's, and Waterworks LLC.

2005 Goals and Objectives →

- The City will continue to work with the River District to refine their Framework Plan and pursue development possibilities as they occur.
- Assist in the stabilization and growth of market rate housing. Also, provide assistance in the reduction of vacant commercial space.
- Continue to work with the Federal government in developing the area around the proposed new Federal Courthouse site by purchasing property, clearing buildings, and then providing the property to the Federal government for the Courthouse project.

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Budget Summary

COMMUNITY DEVELOPMENT WESTSIDE TAX INCREMENT FINANCING DISTRICT					
APPROPRIATION	2003 <u>ACTUAL</u>	2004 <u>BUDGET</u>	2004 <u>ACTUAL</u>	2005 <u>BUDGET</u>	INCREASE (DECREASE)
CONTRACTUAL	\$5,013	\$11,900	\$890	\$22,000	\$10,100
SUPPLIES	0	0	0	0	0
OTHER	1,145,565	860,748	1,875,343	365,548	(495,200)
CAPITAL	0	0	0	0	0
TOTAL	<u>\$1,150,578</u>	<u>\$872,648</u>	<u>\$1,876,232</u>	<u>\$387,548</u>	<u>(\$485,100)</u>
FUNDING SOURCE		2004 <u>AMOUNT</u>	2004 <u>PERCENTAGE</u>	2005 <u>AMOUNT</u>	2005 <u>PERCENTAGE</u>
PROPERTY TAXES					
TAX INCREMENT		\$979,110	100.0	538,000	100.0
INTEREST INCOME		0	0.0	0	0.0
TOTAL		<u>\$979,110</u>	<u>100.0</u>	<u>\$538,000</u>	<u>100.0</u>

Budget Analysis

The 2005 budget is \$339,648, which is a reduction of \$533,000 from the previous year. The majority of this decrease is the final payment on the Brown Building and payment for the Richardson Building.

The West Side budget consists of five development tax rebates totaling \$136,455 in 2005. The Community Development Department's Development Division receives \$25,000 for purchase of services, \$15,900 for interest expense, and \$22,000 for planning and marketing activities. In addition, \$10,000 for the River District for planning and marketing purposes, \$5,000 for the River District Framework Study, and \$2,500 for outdoor Christmas lighting.

The Ingersoll building was purchased in 2002 with a bond issue of \$2,500,000, resulting in a debt payment in 2005 of \$62,793. Debt service payments, lasting until 2011, range from \$62,793 to \$249,713. The \$60,000 interest expense is allocated for possible financing of Federal Courthouse property acquisitions.

The 2004 actual amount is \$1.0 million higher than the budgeted amount because of the purchase of the Gupta parking deck and Chick Hotel for \$758,300 and for the acquisition of property for the Federal Courthouse of \$437,200.

Five Year Financial Forecast

The 2006-2010 five-year forecast assumes 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. Property tax revenue has been reduced as a result of the Metro Center no longer paying property taxes in this TIF.

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WEST SIDE 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	\$534	\$530	\$526	\$522	\$518
Expenditures	<u>538</u>	<u>539</u>	<u>478</u>	<u>476</u>	<u>473</u>
Excess (Deficit)	<u>(4)</u>	<u>(9)</u>	<u>48</u>	<u>46</u>	<u>45</u>
Beginning Balance	<u>(1,286)</u>	<u>(1,290)</u>	<u>(1,299)</u>	<u>(1,251)</u>	<u>(1,205)</u>
Ending Balance	<u>(\$1,290)</u>	<u>(\$1,299)</u>	<u>(\$1,251)</u>	<u>(\$1,205)</u>	<u>(\$1,160)</u>