

Industrial 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.

Industrial TIF Districts include Kishwaukee and Harrison, Preston and Central, Rockford Global Trade Park 1, and Rockford Global Trade Park 2.

2008 Accomplishments →

- Completed west lanes of Kishwaukee Street reconstruction project.
- Initiated plans for Logistics Parkway extension.
- Complete Kishwaukee Corridor Study.
- Initiated development of a cooperative marketing plan for industrial TIFs with Rockford Area Economic Development Council.
- Created Kishwaukee Corridor Empowerment Group.
- Created Kishwaukee Harrison TIF #2.
- Completed design for new Rockford Global TradePark signage.
- Created Global TradePark TIF #3.
- Completed employee training activities for ten companies in the Global Trade Park and Kishwaukee-Harrison TIF districts.
- Completed demolition of 2235 Kishwaukee St., Mattison Foundry.
- Completed demolition of buildings 2-5 at the former J.I. Case Plant.
- Proceeded with zoning enforcement at 2501 Kishwaukee St., Northern Illinois Towing.
- Implemented new 70,000 square foot air cargo facility with Tandem Development Group.

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- Implemented new 23 acre, 54,000 square foot office and warehouse transload facility, Reload Inc.
- In final negotiations with Wanxiang American Co for a new 40,000 square foot solar panel manufacturing facility.
- Implemented project with existing 49,000 square foot fastener manufacturing facility at Acument Global Technology.
- Implemented project with existing 5,000 square foot educational facility at Embry-Riddle Aeronautical University.
- Implemented project with Rockford Automated Machining on existing 200,000 square foot metal finishing facility.
- Completed addition of a 49,000 square foot office, manufacturing, and warehouse addition at Bourn & Koch.
- Completed 260,000 square foot manufacturing addition at Anderson Packaging.
- Completed 24,000 square foot testing and research addition at Ingenium Technologies.
- Began construction of an 80,000 square foot steel processing/warehouse building for Liebovich Bros.
- Projects for Dasco Pro/Fiberglass Innovations, Spider Co., Elbow Furniture Mfg. Co., Rockford Drop Forge, Cellusuede Products Inc., Wisconsin Box Co., Aim Distribution Co. are all in process.

2009 Goals and Objectives →

- Complete east lanes of Kishwaukee Street reconstruction project.
- Begin construction of Logistics Parkway extension.
- Begin construction of RockAero Park/Faith Center Church intersection/access road.
- Begin implementation of Kishwaukee Corridor Study recommendations.
- Complete and implement cooperative marketing plan for industrial TIFs with Rockford Area Economic Development Council.
- Construct new Rockford Global TradePark sign.
- Expand Global TradePark TIF #1.

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- Create Kishwaukee Harrison TIF #3 and #4.
- Complete annexations of Gensler and Wolfenberger properties.
- Begin creation of Global TradePark South Redevelopment Planning Area.
- Complete an annexation boundary and utility agreement with Village of Davis Junction.
- Provide employee training activities for ten companies in Global Trade Park and Kishwaukee-Harrison TIF districts.
- Eliminate three sources of blight in industrial TIFs.
- Attract six new companies to industrial TIFs.
- Assist four existing companies to expand in industrial TIFs.
- Provide assistance to six existing companies in industrial TIFs.

Budget Summary

| COMMUNITY DEVELOPMENT KISHWAUKEE HARRISON TAX INCREMENT FINANCING DISTRICT | | | | | |
|---|------------------------|------------------------|----------------------------|------------------------|--------------------------------|
| APPROPRIATION | <u>2007 ACTUAL</u> | <u>2008 BUDGET</u> | <u>2008 ACTUAL</u> | <u>2009 BUDGET</u> | <u>INCREASE (DECREASE)</u> |
| CONTRACTUAL | \$0 | \$3,700 | \$0 | \$2,200 | (\$1,500) |
| OTHER | <u>46,458</u> | <u>28,054</u> | <u>30,786</u> | <u>45,111</u> | <u>17,057</u> |
| TOTAL | <u>\$46,458</u> | <u>\$31,754</u> | <u>\$30,786</u> | <u>\$47,311</u> | <u>\$15,557</u> |
| FUNDING SOURCE | | <u>2008 AMOUNT</u> | <u>2008 PERCENTAGE</u> | <u>2009 AMOUNT</u> | <u>2009 PERCENTAGE</u> |
| PROPERTY TAXES | | \$47,960 | 98.2 | \$53,072 | 100.0 |
| TAX INCREMENT | | 865 | 1.8 | 0 | 0.0 |
| INTEREST INCOME | | | | | |
| TOTAL | | <u>\$48,825</u> | <u>100.0</u> | <u>\$53,072</u> | <u>100.0</u> |

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| COMMUNITY DEVELOPMENT PRESTON CENTRAL TAX INCREMENT FINANCING DISTRICT | | | | | |
|---|-----------------------|-----------------------|---------------------------|-----------------------|---------------------------|
| APPROPRIATION | 2007 <u>ACTUAL</u> | 2008 <u>BUDGET</u> | 2008 <u>ACTUAL</u> | 2009 <u>BUDGET</u> | INCREASE (DECREASE) |
| CONTRACTUAL | \$290,633 | \$1,297,700 | \$1,647,149 | \$0 | (\$1,297,700) |
| OTHER | <u>193,672</u> | <u>275,425</u> | <u>309,445</u> | <u>528,947</u> | <u>253,522</u> |
| TOTAL | <u>\$484,305</u> | <u>\$1,573,125</u> | <u>\$1,956,594</u> | <u>\$528,947</u> | <u>(\$1,044,178)</u> |
| FUNDING SOURCE | | 2008 <u>AMOUNT</u> | 2008 <u>PERCENTAGE</u> | 2009 <u>AMOUNT</u> | 2009 <u>PERCENTAGE</u> |
| PROPERTY TAXES | | | | | |
| TAX INCREMENT | | \$12,200 | 80.3 | \$20,906 | 16.9 |
| INTEREST INCOME | | <u>3,000</u> | <u>19.7</u> | <u>0</u> | <u>0.0</u> |
| TOTAL | | <u>\$15,200</u> | <u>100.0</u> | <u>\$20,906</u> | <u>16.9</u> |

| COMMUNITY DEVELOPMENT GLOBAL TRADE PARK TAX INCREMENT FINANCING DISTRICT | | | | | |
|---|-----------------------|-----------------------|---------------------------|-----------------------|---------------------------|
| APPROPRIATION | 2007 <u>ACTUAL</u> | 2008 <u>BUDGET</u> | 2008 <u>ACTUAL</u> | 2009 <u>BUDGET</u> | INCREASE (DECREASE) |
| CONTRACTUAL | \$6,073 | \$40,000 | \$16,323 | \$0 | (\$40,000) |
| OTHER | <u>698,096</u> | <u>707,531</u> | <u>1,742,714</u> | <u>757,048</u> | <u>49,517</u> |
| TOTAL | <u>\$704,169</u> | <u>\$747,531</u> | <u>\$1,759,037</u> | <u>\$757,048</u> | <u>\$9,517</u> |
| FUNDING SOURCE | | 2008 <u>AMOUNT</u> | 2008 <u>PERCENTAGE</u> | 2009 <u>AMOUNT</u> | 2009 <u>PERCENTAGE</u> |
| PROPERTY TAXES | | | | | |
| TAX INCREMENT | | \$497,519 | 100.0 | \$625,620 | 100.0 |
| INTEREST INCOME | | <u>0</u> | <u>0.0</u> | <u>0</u> | <u>0.0</u> |
| TOTAL | | <u>\$497,519</u> | <u>100.0</u> | <u>\$625,620</u> | <u>100.0</u> |

| COMM DEV GLOBAL TRADE PARK 2 TAX INCREMENT FINANCING DISTRICT | | | | | |
|--|-----------------------|-----------------------|---------------------------|-----------------------|---------------------------|
| APPROPRIATION | 2007 <u>ACTUAL</u> | 2008 <u>BUDGET</u> | 2008 <u>ACTUAL</u> | 2009 <u>BUDGET</u> | INCREASE (DECREASE) |
| CONTRACTUAL | \$0 | \$0 | \$0 | \$40,000 | \$40,000 |
| OTHER | <u>0</u> | <u>0</u> | <u>0</u> | <u>25,000</u> | <u>25,000</u> |
| TOTAL | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$65,000</u> | <u>\$65,000</u> |
| FUNDING SOURCE | | 2008 <u>AMOUNT</u> | 2008 <u>PERCENTAGE</u> | 2009 <u>AMOUNT</u> | 2009 <u>PERCENTAGE</u> |
| PROPERTY TAXES | | | | | |
| TAX INCREMENT | | \$7,980 | 0.0 | \$202,136 | 99.9 |
| INTEREST INCOME | | <u>0</u> | <u>0.0</u> | <u>279</u> | <u>0.1</u> |
| TOTAL | | <u>\$7,980</u> | <u>0.0</u> | <u>\$202,415</u> | <u>100.0</u> |

Budget Analysis

Major changes for 2009 for the industrial TIF districts include the following:

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Preston Central TIF: With demolition and site preparation complete at the City Yards, debt service payments will continue through until 2026. Payments range from \$54,627 to \$104,850.

Global Trade Park 2 TIF: The district was created.

Other TIFs will continue activity as planned from previous budget years, and work to achieve the 2009 goals listed above.

Five Year Financial Forecasts

KISHWAUKEE HARRISON TIF FUND 2010-2014 FINANCIAL FORECAST (IN 000'S)

| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|-------------------|-------------|-------------|-------------|-------------|-------------|
| Revenues | \$55 | \$56 | \$58 | \$59 | \$60 |
| Expenditures | <u>46</u> | <u>47</u> | <u>48</u> | <u>49</u> | <u>50</u> |
| Excess (Deficit) | <u>9</u> | <u>9</u> | <u>10</u> | <u>10</u> | <u>11</u> |
| Beginning Balance | <u>16</u> | <u>25</u> | <u>34</u> | <u>43</u> | <u>54</u> |
| Ending Balance | <u>\$25</u> | <u>\$34</u> | <u>\$43</u> | <u>\$54</u> | <u>\$64</u> |

PRESTON CENTRAL TIF FUND 2010-2014 FINANCIAL FORECAST (IN 000'S)

| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|-------------------|------------------|------------------|------------------|------------------|------------------|
| Revenues | \$72 | \$72 | \$74 | \$75 | \$77 |
| Expenditures | <u>143</u> | <u>143</u> | <u>144</u> | <u>144</u> | <u>144</u> |
| Excess (Deficit) | <u>(71)</u> | <u>(71)</u> | <u>(70)</u> | <u>(69)</u> | <u>(67)</u> |
| Beginning Balance | <u>(1,288)</u> | <u>(1,359)</u> | <u>(1,430)</u> | <u>(1,500)</u> | <u>(1,569)</u> |
| Ending Balance | <u>(\$1,359)</u> | <u>(\$1,430)</u> | <u>(\$1,500)</u> | <u>(\$1,569)</u> | <u>(\$1,636)</u> |

GLOBAL TRADE PARK TIF FUND 2010-2014 FINANCIAL FORECAST (IN 000'S)

| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|-------------------|------------------|------------------|------------------|------------------|------------------|
| Revenues | \$738 | \$753 | \$768 | \$784 | \$799 |
| Expenditures | <u>809</u> | <u>875</u> | <u>890</u> | <u>903</u> | <u>930</u> |
| Excess (Deficit) | <u>(71)</u> | <u>(122)</u> | <u>(122)</u> | <u>(119)</u> | <u>(131)</u> |
| Beginning Balance | <u>(1,567)</u> | <u>(1,638)</u> | <u>(1,760)</u> | <u>(1,882)</u> | <u>(2,001)</u> |
| Ending Balance | <u>(\$1,638)</u> | <u>(\$1,760)</u> | <u>(\$1,882)</u> | <u>(\$2,001)</u> | <u>(\$2,132)</u> |

GLOBAL TRADE PARK 2 TIF FUND 2010-2014 FINANCIAL FORECAST (IN 000'S)

| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|-------------------|--------------|--------------|--------------|----------------|----------------|
| Revenues | \$236 | \$248 | \$261 | \$274 | \$287 |
| Expenditures | <u>26</u> | <u>26</u> | <u>27</u> | <u>27</u> | <u>28</u> |
| Excess (Deficit) | <u>210</u> | <u>222</u> | <u>234</u> | <u>247</u> | <u>259</u> |
| Beginning Balance | <u>145</u> | <u>356</u> | <u>578</u> | <u>813</u> | <u>1,059</u> |
| Ending Balance | <u>\$355</u> | <u>\$578</u> | <u>\$812</u> | <u>\$1,060</u> | <u>\$1,318</u> |