

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.

There are six industrial TIF Districts, Kishwaukee-Harrison #1 and #2, Preston and Central, Rockford Global Trade Park #1, #2, #3.

2009 Accomplishments →

- Completed east lanes of Kishwaukee Street reconstruction project.
- Commenced reconstruction of Kishwaukee St. Bridge.
- Completed reconstruction of Harrison Ave. Bridge.
- Completed construction plans for Logistics Parkway extension.
- Completed construction plans for RockAero Park/Faith Center Church intersection/access road.
- Commenced implementation of Kishwaukee Corridor Study recommendations.
- Extended sanitary sewer to Gensler property.
- Extended water to Reload property.
- Completed final design and construction drawings for Rockford Global TradePark sign.
- Completed creation of Global TradePark TIF #3.
- Completed creation of Kishwaukee Harrison TIF #2.
- Initiated cooperative marketing plan for industrial TIFs with RAEDC.
- Continued evaluation of creating Global TradePark South Redevelopment Planning Area.
- Continued negotiations for annexation boundary & utility agreement with Village of Davis Junction.

Industrial Tax Increment Financing Districts

- Provide employee training activities for 17 companies in GTP & KH TIF districts.
- Demolition – three buildings in Barber Coleman complex.
- Zoning enforcement – continued compliance enforcement at 2501 Kishwaukee St., Northern IL Towing.
- Commenced construction of Wanxiang’s 40K s.f. solar panel manufacturing facility.
- Absolute Fire Protection: existing 15K s.f. manufacturing bldg.
- Thermo Fisher Scientific: 36K s.f. laboratory & office addition.
- Harrison Industrial LLC: rehabilitation of 362K s.f. light manufacturing/warehouse bldg.
- Whitney /Mega Fab: relocation of machine tool and 10 jobs from Hutchison, KS.
- Gunit Corporation: relocation of grinding equipment and 85 jobs from Ind.
- J&M Plating: relocation of machinery and 12 jobs from Chicago.
- Spider Co, Acument Global Technologies, Rockford Products, Haldex Hydraulics Corp, Rockford Drop Forge, Cellusuede Products Inc, Colorlab Custom Cosmetics, ABI, Inc, Testors.

2010 Goals & Objectives →

- Complete reconstruction of Kishwaukee Street project.
- Complete reconstruction of Kishwaukee Bridge project.
- Continue implementation of Kishwaukee Corridor Study recommendations.
- Begin construction of Logistics Parkway extension.
- Begin Construction of RockAero Park/Faith Center Church intersection/access road.
- Continue to coordinate Kishwaukee Corridor Empowerment Group.
- Construct new Rockford Global TradePark sign.
- Continue cooperative marketing plan for industrial TIFs with RAEDC.
- Expand boundary of Global TradePark TIF #1.
- Continue evaluation of creating Global TradePark South Redevelopment Planning Area.
- Initiate annexation of Gensler and Wolfenberger properties.

Industrial Tax Increment Financing Districts

- Complete negotiations for annexation boundary & utility agreement with Village of Davis Junction.
- Complete employee training activities for companies in GTP & KH TIF districts.
- Eliminate three sources of blight in industrial TIFs.
- Attract four 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 GLOBAL TRADE PARK TAX INCREMENT FINANCING DISTRICT					
APPROPRIATION	2008 <u>ACTUAL</u>	2009 <u>BUDGET</u>	2009 <u>ACTUAL</u>	2010 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
CONTRACTUAL	\$16,323	\$0	\$3,027	\$13,500	\$13,500
OTHER	1,740,371	1,707,048	1,684,058	750,463	(956,585)
TOTAL	<u>\$1,756,694</u>	<u>\$1,707,048</u>	<u>\$1,756,694</u>	<u>\$763,963</u>	<u>(\$943,085)</u>
FUNDING SOURCE	2009		2010		2010
PROPERTY TAXES	<u>AMOUNT</u>	<u>PERCENTAGE</u>	<u>AMOUNT</u>	<u>PERCENTAGE</u>	
TAX INCREMENT	\$1,775,620	100.0	\$884,887	100.0	
INTEREST INCOME	0	0.0	0	0.0	
TOTAL	<u>\$1,775,620</u>	<u>100.0</u>	<u>\$884,887</u>	<u>100.0</u>	

COMM DEV GLOBAL TRADE PARK 2 TAX INCREMENT FINANCING DISTRICT					
APPROPRIATION	2008 <u>ACTUAL</u>	2009 <u>BUDGET</u>	2009 <u>ACTUAL</u>	2010 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
CONTRACTUAL	\$0	\$40,000	\$6,688	\$0	(\$40,000)
OTHER	812	158,044	215,169	133,700	(24,344)
TOTAL	<u>\$812</u>	<u>\$198,044</u>	<u>\$221,857</u>	<u>\$133,700</u>	<u>(\$64,344)</u>
FUNDING SOURCE	2009		2010		2010
PROPERTY TAXES	<u>AMOUNT</u>	<u>PERCENTAGE</u>	<u>AMOUNT</u>	<u>PERCENTAGE</u>	
TAX INCREMENT	\$7,980	0.0	\$211,200	99.8	
INTEREST INCOME	0	0.0	403	0.2	
TOTAL	<u>\$7,980</u>	<u>0.0</u>	<u>\$211,603</u>	<u>100.0</u>	

Industrial Tax Increment Financing Districts

COMM DEV GLOBAL TRADE PARK 3 TAX INCREMENT FINANCING DISTRICT					
APPROPRIATION	2008 <u>ACTUAL</u>	2009 <u>BUDGET</u>	2009 <u>ACTUAL</u>	2010 <u>BUDGET</u>	INCREASE (DECREASE)
CONTRACTUAL	\$0	\$0	\$0	\$0	\$0
OTHER	<u>0</u>	<u>75,000</u>	<u>75,000</u>	<u>50,000</u>	<u>(25,000)</u>
TOTAL	<u>\$0</u>	<u>\$75,000</u>	<u>\$75,000</u>	<u>\$50,000</u>	<u>(\$25,000)</u>

FUNDING SOURCE	2009		2010	
	<u>AMOUNT</u>	<u>PERCENTAGE</u>	<u>AMOUNT</u>	<u>PERCENTAGE</u>
PROPERTY TAXES				
TAX INCREMENT	\$7,980	0.0	\$135,100	99.8
INTEREST INCOME	<u>0</u>	<u>0.0</u>	<u>312</u>	<u>0.2</u>
TOTAL	<u>\$7,980</u>	<u>0.0</u>	<u>\$135,412</u>	<u>100.0</u>

COMMUNITY DEVELOPMENT PRESTON CENTRAL TAX INCREMENT FINANCING DISTRICT					
APPROPRIATION	2008 <u>ACTUAL</u>	2009 <u>BUDGET</u>	2009 <u>ACTUAL</u>	2010 <u>BUDGET</u>	INCREASE (DECREASE)
CONTRACTUAL	\$1,647,149	\$0	\$0	\$0	\$0
OTHER	<u>316,456</u>	<u>105,267</u>	<u>105,267</u>	<u>142,702</u>	<u>37,435</u>
TOTAL	<u>\$1,963,605</u>	<u>\$105,267</u>	<u>\$1,956,594</u>	<u>\$142,702</u>	<u>\$37,435</u>

FUNDING SOURCE	2009		2010	
	<u>AMOUNT</u>	<u>PERCENTAGE</u>	<u>AMOUNT</u>	<u>PERCENTAGE</u>
PROPERTY TAXES				
TAX INCREMENT	\$20,900	20.7	\$20,900	7.0
INTEREST INCOME	<u>0</u>	<u>79.3</u>	<u>0</u>	<u>0.0</u>
TOTAL	<u>\$20,900</u>	<u>100.0</u>	<u>\$20,900</u>	<u>7.0</u>

COMMUNITY DEVELOPMENT KISHWAUKEE HARRISON TAX INCREMENT FINANCING DISTRICT					
APPROPRIATION	2008 <u>ACTUAL</u>	2009 <u>BUDGET</u>	2009 <u>ACTUAL</u>	2010 <u>BUDGET</u>	INCREASE (DECREASE)
CONTRACTUAL	\$0	\$2,200	\$0	\$0	(\$2,200)
OTHER	<u>30,786</u>	<u>45,111</u>	<u>29,796</u>	<u>45,050</u>	<u>(61)</u>
TOTAL	<u>\$30,786</u>	<u>\$47,311</u>	<u>\$29,796</u>	<u>\$45,050</u>	<u>(\$2,261)</u>

FUNDING SOURCE	2009		2010	
	<u>AMOUNT</u>	<u>PERCENTAGE</u>	<u>AMOUNT</u>	<u>PERCENTAGE</u>
PROPERTY TAXES				
TAX INCREMENT	\$53,072	95.5	\$53,000	97.6
INTEREST INCOME	<u>2,526</u>	<u>4.5</u>	<u>1,327</u>	<u>2.4</u>
TOTAL	<u>\$55,598</u>	<u>100.0</u>	<u>\$54,327</u>	<u>100.0</u>

Industrial Tax Increment Financing Districts

COMMUNITY DEVELOPMENT KISHWAUKEE HARRISON TAX INCREMENT FINANCING DISTRICT					
APPROPRIATION	2008 <u>ACTUAL</u>	2009 <u>BUDGET</u>	2009 <u>ACTUAL</u>	2010 <u>BUDGET</u>	INCREASE (DECREASE)
CONTRACTUAL	\$0	\$0	\$0	\$0	\$0
OTHER	<u>0</u>	<u>0</u>	<u>0</u>	<u>100</u>	<u>100</u>
TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$30,786</u>	<u>\$100</u>	<u>\$100</u>

FUNDING SOURCE	2009 <u>AMOUNT</u>	2009 <u>PERCENTAGE</u>	2010 <u>AMOUNT</u>	2010 <u>PERCENTAGE</u>
PROPERTY TAXES				
TAX INCREMENT	\$155	100.0	\$245	100.0
INTEREST INCOME	<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0.0</u>
TOTAL	<u>\$155</u>	<u>100.0</u>	<u>\$245</u>	<u>100.0</u>

Budget Analysis

This six district group collectively runs a deficit for the entire period, a low of \$0.9 million in 2012 and a high of \$2.7 million in 2031. This is entirely due to the Preston and Central TIF District which has had not only cost overruns during site preparation but also delays in the project being initiated. Given the most optimistic outlook, this project could have several phases and change the current financial estimate.

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 Forecasts

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.

Industrial Tax Increment Financing Districts

GLOBAL TRADE PARK TIF #1 FUND 2011-2015 FINANCIAL FORECAST (IN 000'S)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues	\$1,050	\$1,066	\$790	\$804	\$818
Expenditures	<u>821</u>	<u>824</u>	<u>834</u>	<u>857</u>	<u>748</u>
Excess (Deficit)	<u>229</u>	<u>242</u>	<u>(44)</u>	<u>(53)</u>	<u>70</u>
Beginning Balance	<u>(177)</u>	<u>52</u>	<u>294</u>	<u>250</u>	<u>198</u>
Ending Balance	<u>\$52</u>	<u>\$294</u>	<u>\$250</u>	<u>\$197</u>	<u>\$268</u>

GLOBAL TRADE PARK TIF #2 FUND 2011-2015 FINANCIAL FORECAST (IN 000'S)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues	\$217	\$220	\$223	\$230	\$233
Expenditures	<u>200</u>	<u>200</u>	<u>100</u>	<u>200</u>	<u>200</u>
Excess (Deficit)	<u>17</u>	<u>20</u>	<u>123</u>	<u>30</u>	<u>33</u>
Beginning Balance	<u>99</u>	<u>116</u>	<u>136</u>	<u>259</u>	<u>289</u>
Ending Balance	<u>\$116</u>	<u>\$119</u>	<u>\$239</u>	<u>\$166</u>	<u>\$292</u>

GLOBAL TRADE PARK TIF #3 FUND 2011-2015 FINANCIAL FORECAST (IN 000'S)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues	\$167	\$172	\$176	\$179	\$182
Expenditures	<u>100</u>	<u>100</u>	<u>150</u>	<u>150</u>	<u>200</u>
Excess (Deficit)	<u>67</u>	<u>72</u>	<u>26</u>	<u>29</u>	<u>(18)</u>
Beginning Balance	<u>101</u>	<u>169</u>	<u>240</u>	<u>266</u>	<u>295</u>
Ending Balance	<u>\$168</u>	<u>\$241</u>	<u>\$266</u>	<u>\$295</u>	<u>\$277</u>

PRESTON CENTRAL 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	\$37	\$38	\$70	\$72	\$74
Expenditures	<u>135</u>	<u>137</u>	<u>138</u>	<u>138</u>	<u>138</u>
Excess (Deficit)	<u>(98)</u>	<u>(99)</u>	<u>(68)</u>	<u>(66)</u>	<u>(64)</u>
Beginning Balance	<u>(1,120)</u>	<u>(1,218)</u>	<u>(1,317)</u>	<u>(1,385)</u>	<u>(1,451)</u>
Ending Balance	<u>(\$1,218)</u>	<u>(\$1,317)</u>	<u>(\$1,385)</u>	<u>(\$1,451)</u>	<u>(\$1,515)</u>

KISHWAUKEE HARRISON TIF #1 FUND 2011-2015 FINANCIAL FORECAST (IN 000'S)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues	\$55	\$56	\$57	\$58	\$59
Expenditures	<u>46</u>	<u>46</u>	<u>46</u>	<u>47</u>	<u>47</u>
Excess (Deficit)	<u>10</u>	<u>10</u>	<u>11</u>	<u>11</u>	<u>12</u>
Beginning Balance	<u>49</u>	<u>59</u>	<u>69</u>	<u>80</u>	<u>91</u>
Ending Balance	<u>\$59</u>	<u>\$60</u>	<u>\$70</u>	<u>\$80</u>	<u>\$91</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues	\$0	\$0	\$0	\$0	\$0
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Beginning Balance	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>1</u>
Ending Balance	<u>\$0</u>	<u>\$1</u>	<u>\$1</u>	<u>\$1</u>	<u>\$1</u>