

# **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 has 8 units and 6 are occupied. The Gym has 7 units and 4 are occupied. The shells were completed for 10 of the townhome units. One townhome has been completed and sold. Two others are in the process of being completed and will be finished in mid April. There has been consistent interest for the product, however the high price relative to the rest of the market and the depressed economy has slowed the absorption rate. Landscaping and sidewalks were also installed. Acquired and began the rehab of a 2-family adjacent to the school as well as other properties in the area.
- Steadily working towards completion of Lincolnwood II, an 18 unit single family housing subdivision. 1 home left to construct. All homes are presold prior to the start of construction.
- 16 units have been constructed in Thatcher Blake RiverWalk. 8 units have been sold.
- Assisted in the transition of Emerson to Petry Development for the remaining residential lots at Springfield.

## **2010 Goals and Objectives**

- Facilitate continued build out of Petry's Subdivision at the Emerson Estates site on Springfield, Thatcher Blake Riverwalk, 21XX Reed Avenue, and the Garrison Lofts/Townhomes sites.

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## Budget Summary

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

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

<b>COMMUNITY DEVELOPMENT HOPE SIX TAX INCREMENT FINANCING DISTRICT</b>					
<b>APPROPRIATION</b>	2008 <u>ACTUAL</u>	2009 <u>BUDGET</u>	2009 <u>ACTUAL</u>	2010 <u>BUDGET</u>	INCREASE (DECREASE)
OTHER	\$141,991	\$119,221	\$127,638	\$118,115	(\$1,106)
TOTAL	\$141,991	\$119,221	\$127,638	\$118,115	(\$1,106)
<b>FUNDING SOURCE</b>	2009		2010		2010
PROPERTY TAXES	<u>AMOUNT</u>	<u>PERCENTAGE</u>	<u>AMOUNT</u>	<u>PERCENTAGE</u>	
TAX INCREMENT	\$177,674	100.0	\$182,990	100.0	
INTEREST INCOME	0	0.0	0	0.0	
TOTAL	\$177,674	100.0	\$182,990	100.0	

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<b>COMMUNITY DEVELOPMENT GARRISON TAX INCREMENT FINANCING DISTRICT</b>					
<b>APPROPRIATION</b>	2008 <u>ACTUAL</u>	2009 <u>BUDGET</u>	2009 <u>ACTUAL</u>	2010 <u>BUDGET</u>	INCREASE (DECREASE)
OTHER	\$64,463	\$72,891	\$72,891	\$74,415	\$1,524
TOTAL	\$64,463	\$72,891	\$72,891	\$74,415	\$1,524

  

<b>FUNDING SOURCE</b>	2009 <u>AMOUNT</u>	2009 <u>PERCENTAGE</u>	2010 <u>AMOUNT</u>	2010 <u>PERCENTAGE</u>
PROPERTY TAXES				
TAX INCREMENT	\$30,124	100.0	\$51,800	100.0
INTEREST INCOME	0	0.0	0	0.0
TOTAL	\$30,124	100.0	\$51,800	100.0

<b>COMMUNITY DEVELOPMENT RIVER OAKS TAX INCREMENT FINANCING DISTRICT</b>					
<b>APPROPRIATION</b>	2008 <u>ACTUAL</u>	2009 <u>BUDGET</u>	2009 <u>ACTUAL</u>	2010 <u>BUDGET</u>	INCREASE (DECREASE)
OTHER	\$101,588	\$191,550	\$191,550	\$317,706	\$126,156
TOTAL	\$101,588	\$191,550	\$191,550	\$317,706	\$126,156

  

<b>FUNDING SOURCE</b>	2009 <u>AMOUNT</u>	2009 <u>PERCENTAGE</u>	2010 <u>AMOUNT</u>	2010 <u>PERCENTAGE</u>
PROPERTY TAXES				
TAX INCREMENT	\$69,501	100.0	\$71,300	100.0
INTEREST INCOME	0	0.0	0	0.0
TOTAL	\$69,501	100.0	\$71,300	100.0

<b>CD SOUTHEAST AREA TIF FUND BUDGET SUMMARY</b>					
<b>APPROPRIATION</b>	2006 <u>ACTUAL</u>	2007 <u>BUDGET</u>	2007 <u>ACTUAL</u>	2008 <u>BUDGET</u>	INCREASE (DECREASE)
CONTRACTUAL	\$0	\$0		\$0	0
DEVELOPER ASSISTANCE	120,890	119,600		0	(119,600)
TOTAL	\$120,890	\$119,600	\$0	\$0	(\$119,600)

  

<b>FUNDING SOURCE</b>	2007 <u>AMOUNT</u>	2007 <u>PERCENTAGE</u>	2008 <u>AMOUNT</u>	2008 <u>PERCENTAGE</u>
PROPERTY TAXES				
TAX INCREMENT	\$126,000	100.0	\$0	100.0
TOTAL	\$126,000	100.0	\$0	100.0

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<b>COMMUNITY DEVELOPMENT JACKSON SCHOOL TAX INCREMENT FINANCING DISTRICT</b>					
<b>APPROPRIATION</b>	2008 <u>ACTUAL</u>	2009 <u>BUDGET</u>	2009 <u>ACTUAL</u>	2010 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
CONTRACTUAL	\$0	\$0	\$0	\$0	\$0
OTHER	<u>213,240</u>	<u>37,000</u>	<u>22,000</u>	<u>137,000</u>	<u>100,000</u>
TOTAL	<u>\$213,240</u>	<u>\$37,000</u>	<u>\$22,000</u>	<u>\$137,000</u>	<u>\$100,000</u>

  

<b>FUNDING SOURCE</b>	2009 <u>AMOUNT</u>	2009 <u>PERCENTAGE</u>	2010 <u>AMOUNT</u>	2010 <u>PERCENTAGE</u>
PROPERTY TAXES				
TAX INCREMENT	\$115,313	99.9	\$121,400	96.3
INTEREST INCOME	<u>100</u>	<u>0.1</u>	<u>4,700</u>	<u>3.7</u>
TOTAL	<u>\$115,413</u>	<u>100.0</u>	<u>\$126,100</u>	<u>100.0</u>

## Budget Analysis

This seven 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 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>

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## 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	49	48	72	80	67
Excess (Deficit)	6	7	(17)	(25)	(13)
Beginning Balance	48	54	61	44	19
Ending Balance	54	61	44	19	6

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenues	\$179	\$186	\$192	\$200	\$207
Expenditures	266	263	259	280	275
Excess (Deficit)	(87)	(77)	(67)	(80)	(68)
Beginning Balance	(125)	(125)	(213)	(290)	(357)
Ending Balance	(\$213)	(\$203)	(\$279)	(\$371)	(\$425)

## 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	75	76	174	171	168
Excess (Deficit)	(22)	68	(35)	(29)	(23)
Beginning Balance	(307)	(329)	(261)	(296)	(325)
Ending Balance	(\$329)	(\$261)	(\$296)	(\$325)	(\$348)

## 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	318	319	344	345	345
Excess (Deficit)	(245)	(244)	(267)	(266)	0
Beginning Balance	(793)	(1,038)	(1,282)	(1,549)	(1,815)
Ending Balance	(1,038)	(1,282)	(1,549)	(1,815)	(1,815)

## 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	\$151	\$154	\$156	\$158	\$160
Expenditures	0	0	0	0	0
Excess (Deficit)	151	154	156	158	160
Beginning Balance	161	161	169	156	146
Ending Balance	\$312	\$315	\$325	\$314	\$306