

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, and Jackson School.

2010 Accomplishments

- At Thatcher Blake RiverWalk, no additional units have been constructed above the 16 currently built out. There are two models to view and the prices have been reduced. Of the 16 units, 8 units have been sold and there are 2 pending sales.
- There is one lot left to sell at Lincolnwood II. This lot/home must be presold prior to the start of construction.
- Construction began on five lots at the Springfield Corners Subdivision. Two of the five homes are completed and occupied. The construction is stalled on the remaining three lots due to the sluggish market.
- Garrison Lofts (School & Gym) still enjoys very high occupancy rates on all completed units. The developer is about to begin construction on an additional unit as demand remains strong. The developer has also acquired several additional properties for rehab in the neighborhood. Their presence and positive affect grows each year despite the dismal realities of real estate in general.
- Garrison Town Homes has recently completed two additional model units and they have regular traffic. They had an October Fest themed open house to show off the models, the considerable work completed to the remaining shell units and the grounds. Items include; Additional stoops, garage spaces, blacktop, landscaping, lighting and general curb appeal. One town home has been sold.
- 21XX Reed is currently available for sale. There is an interested party but no contracts have been executed for the sale of the lot.

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2011 Goals and Objectives

- Facilitate through marketing efforts and the provision of incentives, the continued build out of the Springfield Corners Subdivision, Thatcher Blake RiverWalk, 21xx Reed Avenue, and the Garrison Lofts/Townhomes sites. The developers with lots/homes to sell are hopeful that the market will improve and they will sell additional units in 2011.
- The Garrison Townhome units are being listed as for sale or lease due to the high demand for upscale residential housing the development has experienced. While the long term strategy is to sell the townhomes, short term leases will provide the cash flow needed to justify the completion of additional units until the market fully recovers.
- Once the remaining units of Thatcher Blake Condos are sold (8 units), the developer intends to proceed with the new construction of additional units. This will be market driven.
- The one remaining unit in Lincolnwood Estates II will be sold and this TIF project will be completed.
- The developer at Springfield Estates will also continue to build out on the remaining lots once the housing market improves.

Budget Summary

| COMMUNITY DEVELOPMENT LINCOLNWOOD TAX INCREMENT FINANCING DISTRICT #1 | | | | | |
|---|----------------|----------------|----------------|----------------|------------------------|
| APPROPRIATION | 2009 ACTUAL | 2010 BUDGET | 2010 ACTUAL | 2011 BUDGET | INCREASE (DECREASE) |
| OTHER | \$96,688 | \$45,688 | \$45,688 | \$44,688 | (\$1,000) |
| TOTAL | \$96,688 | \$45,688 | \$45,688 | \$44,688 | (\$1,000) |
| FUNDING SOURCE | 2010 | | 2011 | | 2011 |
| PROPERTY TAXES | AMOUNT | PERCENTAGE | AMOUNT | PERCENTAGE | |
| TAX INCREMENT | \$75,500 | 96.2 | \$76,800 | 96.2 | |
| INTEREST INCOME | 3,000 | 3.8 | 3,000 | 3.8 | |
| TOTAL | \$78,500 | 100.0 | \$79,800 | 100.0 | |

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| COMMUNITY DEVELOPMENT LINCOLNWOOD TAX INCREMENT FINANCING DISTRICT #2 | | | | | |
|--|-----------------------|-----------------------|---------------------------|-----------------------|---------------------------|
| APPROPRIATION | 2009 <u>ACTUAL</u> | 2010 <u>BUDGET</u> | 2010 <u>ACTUAL</u> | 2011 <u>BUDGET</u> | INCREASE (DECREASE) |
| OTHER | \$25,239 | \$23,631 | \$23,631 | \$48,631 | \$25,000 |
| TOTAL | <u>\$25,239</u> | <u>\$23,631</u> | <u>\$23,631</u> | <u>\$48,631</u> | <u>\$25,000</u> |
| FUNDING SOURCE | | | | | |
| | | 2010 <u>AMOUNT</u> | 2010 <u>PERCENTAGE</u> | 2011 <u>AMOUNT</u> | 2011 <u>PERCENTAGE</u> |
| PROPERTY TAXES | | \$47,000 | 98.3 | \$54,600 | 97.7 |
| TAX INCREMENT | | 800 | 1.7 | 1,300 | 2.3 |
| INTEREST INCOME | | <u>\$47,800</u> | <u>100.0</u> | <u>\$55,900</u> | <u>100.0</u> |
| TOTAL | | | | | |

| COMMUNITY DEVELOPMENT HOPE SIX TAX INCREMENT FINANCING DISTRICT | | | | | |
|--|-----------------------|-----------------------|---------------------------|-----------------------|---------------------------|
| APPROPRIATION | 2009 <u>ACTUAL</u> | 2010 <u>BUDGET</u> | 2010 <u>ACTUAL</u> | 2011 <u>BUDGET</u> | INCREASE (DECREASE) |
| OTHER | \$127,638 | \$118,115 | \$129,119 | \$265,808 | \$147,693 |
| TOTAL | <u>\$127,638</u> | <u>\$118,115</u> | <u>\$129,119</u> | <u>\$265,808</u> | <u>\$147,693</u> |
| FUNDING SOURCE | | | | | |
| | | 2010 <u>AMOUNT</u> | 2010 <u>PERCENTAGE</u> | 2011 <u>AMOUNT</u> | 2011 <u>PERCENTAGE</u> |
| PROPERTY TAXES | | \$182,990 | 100.0 | \$181,530 | 100.0 |
| TAX INCREMENT | | 0 | 0.0 | 0 | 0.0 |
| INTEREST INCOME | | <u>\$182,990</u> | <u>100.0</u> | <u>\$181,530</u> | <u>100.0</u> |
| TOTAL | | | | | |

| COMMUNITY DEVELOPMENT GARRISON TAX INCREMENT FINANCING DISTRICT | | | | | |
|--|-----------------------|-----------------------|---------------------------|-----------------------|---------------------------|
| APPROPRIATION | 2009 <u>ACTUAL</u> | 2010 <u>BUDGET</u> | 2010 <u>ACTUAL</u> | 2011 <u>BUDGET</u> | INCREASE (DECREASE) |
| OTHER | \$72,891 | \$74,415 | \$64,463 | \$71,802 | (\$2,613) |
| TOTAL | <u>\$72,891</u> | <u>\$74,415</u> | <u>\$64,463</u> | <u>\$71,802</u> | <u>(\$2,613)</u> |
| FUNDING SOURCE | | | | | |
| | | 2010 <u>AMOUNT</u> | 2010 <u>PERCENTAGE</u> | 2011 <u>AMOUNT</u> | 2011 <u>PERCENTAGE</u> |
| PROPERTY TAXES | | \$51,800 | 100.0 | \$53,000 | 100.0 |
| TAX INCREMENT | | 0 | 0.0 | 0 | 0.0 |
| INTEREST INCOME | | <u>\$51,800</u> | <u>100.0</u> | <u>\$53,000</u> | <u>100.0</u> |
| TOTAL | | | | | |

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| COMMUNITY DEVELOPMENT RIVER OAKS TAX INCREMENT FINANCING DISTRICT | | | | | |
|--|-----------------------|-----------------------|---------------------------|-----------------------|---------------------------|
| APPROPRIATION | 2009 <u>ACTUAL</u> | 2010 <u>BUDGET</u> | 2010 <u>ACTUAL</u> | 2011 <u>BUDGET</u> | INCREASE (DECREASE) |
| OTHER | \$191,550 | \$317,706 | \$298,588 | \$309,844 | (\$7,862) |
| TOTAL | <u>\$191,550</u> | <u>\$317,706</u> | <u>\$298,588</u> | <u>\$309,844</u> | (\$7,862) |
| FUNDING SOURCE | | | | | |
| | | 2010 <u>AMOUNT</u> | 2010 <u>PERCENTAGE</u> | 2011 <u>AMOUNT</u> | 2011 <u>PERCENTAGE</u> |
| PROPERTY TAXES | | \$71,300 | 100.0 | \$73,000 | 100.0 |
| TAX INCREMENT | | <u>0</u> | <u>0.0</u> | <u>0</u> | <u>0.0</u> |
| INTEREST INCOME | | <u>\$71,300</u> | <u>100.0</u> | <u>\$73,000</u> | <u>100.0</u> |
| TOTAL | | | | | |

| COMMUNITY DEVELOPMENT JACKSON SCHOOL TAX INCREMENT FINANCING DISTRICT | | | | | |
|--|-----------------------|-----------------------|---------------------------|-----------------------|---------------------------|
| APPROPRIATION | 2009 <u>ACTUAL</u> | 2010 <u>BUDGET</u> | 2010 <u>ACTUAL</u> | 2011 <u>BUDGET</u> | INCREASE (DECREASE) |
| CONTRACTUAL | \$0 | \$0 | \$0 | \$75,000 | \$75,000 |
| OTHER | 22,000 | 212,000 | 206,063 | 67,735 | (144,265) |
| TOTAL | <u>\$22,000</u> | <u>\$212,000</u> | <u>\$206,063</u> | <u>\$142,735</u> | (\$69,265) |
| FUNDING SOURCE | | | | | |
| | | 2010 <u>AMOUNT</u> | 2010 <u>PERCENTAGE</u> | 2011 <u>AMOUNT</u> | 2011 <u>PERCENTAGE</u> |
| PROPERTY TAXES | | \$121,400 | 96.3 | \$143,385 | 98.7 |
| TAX INCREMENT | | 4,700 | 3.7 | 1,900 | 1.3 |
| INTEREST INCOME | | <u>\$126,100</u> | <u>100.0</u> | <u>\$145,285</u> | <u>100.0</u> |
| TOTAL | | | | | |

Budget Analysis

This six district group collectively runs a deficit until 2026 ranging from \$1.2 million in 2011 to \$2.7 million in 2019. The deficit generators are Hope 6, a high deficit year (2023) of \$820,000 before turning positive in 2027, Garrison, a high deficit year (2023) of \$650,000 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.

No long term financing is planned for 2011.

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Five Year Financial Forecast

The 2012-2016 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 2012-2016 FINANCIAL FORECAST (IN 000'S)

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|-------------------|--------------|--------------|--------------|--------------|--------------|
| Revenues | \$82 | \$82 | \$82 | \$82 | \$82 |
| Expenditures | 69 | 92 | 89 | 86 | 83 |
| Excess (Deficit) | 13 | (10) | (7) | (4) | (1) |
| Beginning Balance | 144 | 157 | 148 | 141 | 137 |
| Ending Balance | <u>\$157</u> | <u>\$147</u> | <u>\$141</u> | <u>\$137</u> | <u>\$136</u> |

LINCOLNWOOD TIF FUND #2 2012-2016 FINANCIAL FORECAST (IN 000'S)

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|-------------------|-------------|-------------|-------------|-------------|-------------|
| Revenues | 55 | 55 | 55 | 54 | 53 |
| Expenditures | 48 | 72 | 80 | 67 | 65 |
| Excess (Deficit) | 7 | (17) | (25) | (13) | (12) |
| Beginning Balance | 56 | 63 | 47 | 22 | 9 |
| Ending Balance | <u>63</u> | <u>46</u> | <u>22</u> | <u>9</u> | <u>(3)</u> |

HOPE SIX TIF FUND 2012-2016 FINANCIAL FORECAST (IN 000'S)

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|-------------------|----------------|----------------|----------------|----------------|----------------|
| Revenues | \$186 | \$193 | \$199 | \$207 | \$214 |
| Expenditures | 262 | 259 | 279 | 274 | 269 |
| Excess (Deficit) | (76) | (66) | (80) | (67) | (55) |
| Beginning Balance | (203) | (280) | (346) | (426) | (494) |
| Ending Balance | <u>(\$280)</u> | <u>(\$347)</u> | <u>(\$426)</u> | <u>(\$493)</u> | <u>(\$549)</u> |

GARRISON TIF FUND 2012-2016 FINANCIAL FORECAST (IN 000'S)

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|-------------------|----------------|----------------|----------------|----------------|----------------|
| Revenues | \$144 | \$139 | \$142 | \$145 | \$148 |
| Expenditures | 76 | 174 | 171 | 168 | 164 |
| Excess (Deficit) | 68 | (35) | (29) | (23) | (16) |
| Beginning Balance | (327) | (259) | (294) | (323) | (345) |
| Ending Balance | <u>(\$259)</u> | <u>(\$294)</u> | <u>(\$323)</u> | <u>(\$346)</u> | <u>(\$361)</u> |

RIVER OAKS TIF FUND 2012-2016 FINANCIAL FORECAST (IN 000'S)

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|-------------------|----------------|----------------|----------------|----------------|----------------|
| Revenues | \$75 | \$77 | \$79 | \$345 | \$353 |
| Expenditures | 319 | 344 | 345 | 345 | 361 |
| Excess (Deficit) | (244) | (267) | (266) | 0 | (8) |
| Beginning Balance | (1,037) | (1,281) | (1,548) | (1,814) | (1,814) |
| Ending Balance | <u>(1,281)</u> | <u>(1,548)</u> | <u>(1,814)</u> | <u>(1,814)</u> | <u>(1,822)</u> |

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JACKSON SCHOOL TIF FUND 2012-2016 FINANCIAL FORECAST (IN 000'S)

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|-------------------|--------------|--------------|--------------|--------------|--------------|
| Revenues | \$153 | \$155 | \$157 | \$159 | \$162 |
| Expenditures | <u>167</u> | <u>166</u> | <u>165</u> | <u>164</u> | <u>163</u> |
| Excess (Deficit) | (14) | (11) | (8) | (5) | (1) |
| Beginning Balance | <u>168</u> | <u>154</u> | <u>143</u> | <u>135</u> | <u>130</u> |
| Ending Balance | <u>\$154</u> | <u>\$143</u> | <u>\$135</u> | <u>\$130</u> | <u>\$129</u> |