

7TH Street 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 7th Street 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 7th Street District.

2004 Accomplishments →

- Issued \$2,000,000 bond for funding nine projects in the sum of \$1,969,905. Funding was awarded to Suburban Patrol \$65,000, Moore Properties \$22,000, Patriot's Gateway Center \$240,000, 6th Street Properties \$160,000, Colorlab Custom Cosmetic \$432,905, Midtown Association \$650,000, and Zion Development for three different projects for a total of \$400,000.
- Continued to encourage development and improvement of properties within the 7th Street TIF District through the various programs offered through the Mid Town North-A Plan for the 2003-2007 focus area plan.
- Worked with local non-profits to help facilitate their concept plans for the 7th Street TIF area.

2005 Goals and Objectives →

- Monitor progress of the nine projects in the 7th Street TIF area.
- Create a façade program for commercial businesses in the 7th Street TIF District.
- Move to a fee for service based relationship with Mid-Town Associates.
- Acquire and demolish three substandard buildings using Tax Increment Financing.
- Assist with future redevelopment projects in the 7th Street TIF District.

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Budget Summary

COMMUNITY DEVELOPMENT SEVENTH STREET TAX INCREMENT FINANCING DISTRICT					
APPROPRIATION	2003 <u>ACTUAL</u>	2004 <u>BUDGET</u>	2004 <u>ACTUAL</u>	2005 <u>BUDGET</u>	INCREASE (DECREASE)
CONTRACTUAL	\$1,249	\$7,000	\$16,170	\$13,300	\$6,300
SUPPLIES	0	0	44	0	0
OTHER	814,942	3,073,899	1,233,366	1,420,698	(1,653,201)
CAPITAL	0	0	160,000	0	0
TOTAL	<u>\$816,191</u>	<u>\$3,080,899</u>	<u>\$1,409,580</u>	<u>\$1,433,998</u>	<u>(\$1,646,901)</u>

FUNDING SOURCE	2004 <u>AMOUNT</u>	2004 <u>PERCENTAGE</u>	2005 <u>AMOUNT</u>	2005 <u>PERCENTAGE</u>
PROPERTY TAXES				
TAX INCREMENT	\$866,060	29.9	835,000	92.5
BOND PROCEEDS	2,000,000	69.1	0	0.0
INTEREST INCOME	<u>26,500</u>	0.9	<u>68,100</u>	<u>7.5</u>
TOTAL	<u>\$2,892,560</u>	<u>100.0</u>	<u>\$903,100</u>	<u>100.0</u>

Budget Analysis

Of the \$1,433,998 7th Street TIF's 2005 budget, \$804,198 is allocated for debt service. The Charles Street relocation bond issues, which total \$6.0 million, result in debt service payments of \$275,236 to \$627,068 from 2000 to 2014, a payment of \$603,898 for 2005. The Seventh Street Revitalization Project bond issue for \$2.0 million requires a debt service payment of \$200,300 in 2005. The debt service payments will be \$200,300 to \$240,062 from 2004 to 2015. The tax rebates in 2005 are \$9,500. Expenditures include holiday banners of \$2,000, purchase of service for Community Development Department's Development Division of \$25,000, contractual/supplies for \$13,300, façade improvements of \$50,000, and operating activity cost for the 7th Street Area Development Council at \$30,000. In addition, \$300,000 is allocated to the community rehab rebate program and \$200,000 for other projects.

Five Year Financial Forecast

The 2006-2010 five-year forecast assumes no growth for property taxes. Since this is not a sales tax TIF, 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. The commitment is to continue public improvements and housing rehabilitation during this period.

7TH STREET 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	\$887	\$888	\$889	\$889	\$889
Expenditures	<u>857</u>	<u>864</u>	<u>880</u>	<u>894</u>	<u>895</u>
Excess (Deficit)	<u>30</u>	<u>24</u>	<u>9</u>	<u>(4)</u>	<u>(6)</u>
Beginning Balance	<u>1,745</u>	<u>1,776</u>	<u>1,799</u>	<u>1,808</u>	<u>1,804</u>
Ending Balance	<u>\$1,776</u>	<u>\$1,799</u>	<u>\$1,808</u>	<u>\$1,804</u>	<u>\$1,798</u>