

Rockford Global Trade Park 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 Rockford Global Trade Park 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 Rockford Global Trade Park TIF District.

2006 Accomplishments →

- Completed the implementation of the infrastructure, roadway and rough grading for Logistics Park.
- Assisted with the retention and expansion of four companies located within the TIF District, including UPS, MNP Precision Parts, Emery Air Inc., and Insight Communications.
- Assisting Anderson Packaging Co. with the planning and development of a 200,000 square foot, 150 employee, building expansion and a pedestrian bridge to connect two existing buildings.
- Worked with Rock Valley College to create and implement a training program for companies located in the Global Trade Park.
- Assisted with the development and participated in the implementation with the Chicago/Rockford International Airport's major marketing effort at the International Air Cargo Forum and Expo in Calgary, Canada.

2007 Goals and Objectives →

- Complete and implement the building expansion plan for Anderson Packaging Co.
- Complete at least two additional expansion plans with existing Global Trade Park companies.
- Successfully market and sell the first parcel of land in Logistics Park.
- Develop and implement a cooperative marketing plan for the Global Trade Park with the Rockford Economic Development Council and the Chicago/Rockford International Airport staff.

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Budget Summary

COMMUNITY DEVELOPMENT GLOBAL TRADE PARK TAX INCREMENT FINANCING DISTRICT						
APPROPRIATION	<u>2005</u> <u>ACTUAL</u>	<u>2006</u> <u>BUDGET</u>	<u>2006</u> <u>ACTUAL</u>	<u>2007</u> <u>BUDGET</u>	<u>INCREASE</u> <u>(DECREASE)</u>	
CONTRACTUAL	315	0	0	40,000	40,000	
OTHER	<u>238,832</u>	<u>1,078,194</u>	<u>1,682,542</u>	<u>379,934</u>	<u>(698,260)</u>	
TOTAL	<u>\$239,147</u>	<u>\$1,078,194</u>	<u>\$1,682,542</u>	<u>\$419,934</u>	<u>(\$658,260)</u>	
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FUNDING SOURCE			<u>2006</u> <u>AMOUNT</u>	<u>2006</u> <u>PERCENTAGE</u>	<u>2007</u> <u>AMOUNT</u>	<u>2007</u> <u>PERCENTAGE</u>
PROPERTY TAXES			\$388,700	0.0	\$486,700	100.0
TAX INCREMENT			<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0.0</u>
INTEREST INCOME			<u>\$388,700</u>	<u>0.0</u>	<u>\$486,700</u>	<u>100.0</u>
TOTAL						

Budget Analysis

The 2007 budget is \$419,934 which pays \$97,000 for the transfer to Community Development for the staff assigned to develop the park, \$40,000 for training reimbursement for United Parcel Service, and \$226,988 for debt service for the 2004 \$3.0 million and the 2005 \$0.9 million, as well as interest expense and various operational expenses.

In 2006, the Global Trade Park TIF spent \$1,682,542 or 156.1% of the budgeted allocation. Of that, \$900,000, funded from a 2005 bond sale, was for a UPS freight facility expansion and \$350,000 was assistance to retain a manufacturing facility. In the past few years, 75% to 156% of the budget has been spent

Five Year Financial Forecast

A portion of the increment of this TIF district will be used to pay debt service for two existing bond issues and a one planned in 2008. Direct staff costs will also be reimbursed. District authority ends in 2026.

ROCKFORD GLOBAL TRADE PARK TIF FUND 2008-2012 FINANCIAL FORECAST (IN 000'S)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues	\$497	\$506	\$786	\$802	\$818
Expenditures	690	717	713	750	786
Excess (Deficit)	<u>(193)</u>	<u>(211)</u>	<u>73</u>	<u>51</u>	<u>32</u>
Beginning Balance	<u>(439)</u>	<u>(506)</u>	<u>(439)</u>	<u>(632)</u>	<u>(843)</u>
Ending Balance	<u>(\$632)</u>	<u>(\$717)</u>	<u>(\$366)</u>	<u>(\$581)</u>	<u>(\$811)</u>