

# **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.

## **2007 Accomplishments** →

- Completed the implementation of the infrastructure, roadway and rough grading for Logistics Park.
- Completed negotiations to receive the dedication of the additional right of way needed of the extension of Logistics Parkway from Milford Ave. to Samuelson Rd.
- Identified two developers interested in constructing a 150,000 square foot speculative industrial building in Logistics Park
- Identified and began the planning for a local company to develop a new 75,000 square foot plywood distribution facility on Airport property.
- Assisting Anderson Packaging Co. with the planning and development of a 260,000 square foot, \$14 million, 250 employee, building expansion and a pedestrian bridge to connect two existing buildings.
- Worked with Rock Valley College to continue the implementation of a training program for companies located in the Global Trade Park.
- Assisted the Chicago/Rockford International Airport with the attraction of Tandem Development Co. and planning for Phase I (70,000 square foot) speculative air cargo building on airport property. The five phased project will eventually total approximately 500,000 sq. ft.

## **2008 Goals and Objectives** →

- Complete implementation of the building expansion plan for Anderson Packaging Co.

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- Complete the planning and begin the implementation of Logistics Parkway extended.
- Complete negotiations and begin the construction of a 150,000 square foot speculative industrial building in Logistics Park
- 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.
- Complete negotiations and begin construction of the 75,000 square foot plywood distribution facility
- Complete the planning and begin construction for Phase I (70,000 square foot air cargo facility) of Tandem's overall development plan.
- 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.

## **Budget Summary**

<b>COMMUNITY DEVELOPMENT GLOBAL TRADE PARK TAX INCREMENT FINANCING DISTRICT</b>					
<b>APPROPRIATION</b>	2006 <u>ACTUAL</u>	2007 <u>BUDGET</u>	2007 <u>ACTUAL</u>	2008 <u>BUDGET</u>	INCREASE (DECREASE)
CONTRACTUAL	\$0	\$40,000	\$6,074	\$40,000	\$0
OTHER	<u>1,682,542</u>	<u>380,987</u>	<u>627,396</u>	<u>707,531</u>	<u>326,544</u>
TOTAL	<u>\$1,682,542</u>	<u>\$420,987</u>	<u>\$633,470</u>	<u>\$747,531</u>	<u>\$326,544</u>
<b>FUNDING SOURCE</b>		2007 <u>AMOUNT</u>	2007 <u>PERCENTAGE</u>	2008 <u>AMOUNT</u>	2008 <u>PERCENTAGE</u>
PROPERTY TAXES		\$486,700	100.0	\$500,000	100.0
TAX INCREMENT		0	0.0	0	0.0
INTEREST INCOME		0	0.0	0	0.0
TOTAL		<u>\$486,700</u>	<u>100.0</u>	<u>\$500,000</u>	<u>100.0</u>

## **Budget Analysis**

The 2008 budget is \$747,538 which pays \$99,900 for the transfer to the general fund for the staff assigned to develop the park, \$40,000 for training reimbursement for United Parcel Service, and \$493,968 for debt service for the 2004 \$3.0 million, the 2005 \$0.9 million, and the planned 2008 \$1.1 million, as well as interest expense and various operational expenses.

In 2007, the Global Trade Park TIF spent \$633,470 or 150.5% of the budgeted allocation. In the past few years, 75% to 156% of the budget has been spent.

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## 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 2009-2013 FINANCIAL FORECAST (IN 000'S)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues	\$741	\$756	\$771	\$786	\$802
Expenditures	<u>663</u>	<u>652</u>	<u>716</u>	<u>727</u>	<u>738</u>
Excess (Deficit)	78	104	55	59	64
Beginning Balance	<u>(350)</u>	<u>(272)</u>	<u>(168)</u>	<u>(113)</u>	<u>(54)</u>
Ending Balance	<u>(\$272)</u>	<u>(\$168)</u>	<u>(\$113)</u>	<u>(\$54)</u>	<u>\$10</u>