



MEMORANDUM

TO: William "Bill" Ware, Chairperson
Economic and Community Development Committee

FROM: William J. Heniff, AICP, Director of Community Development *WJH*

DATE: February 2, 2011

SUBJECT: Status of Downtown TIF Funds

As requested at the January 5, 2011 ECDC meeting, staff has attached a spreadsheet outlining the revenues and expenditures as they relate to the Village's downtown TIF district for FY 10/11 and the projections FY 11/12. The spreadsheet provides details on the total revenue within the TIF District, the expenditures/obligations as approved by the Village Board of Trustees and the anticipated balance at the end of each fiscal year.

FY 10/11

For FY 10/11, the revenue generated within the TIF (property tax levy and increment interest) will be \$2,311,299. In addition, an additional \$952,481 is carried over from FY 09/10, for a total revenue of \$3,263,779. The Village has a commitment to pay out \$2,430,468. These commitments represent the current and potential future obligations approved by the Board of Trustees for items such as; grants, capital improvements, downtown art program, debt service and revenue sharing. These expenditures would leave a balance of **\$833,311 for FY 10/11**. Please note that it does not include other incidental costs typically funded by the TIF, such as landscaping services, consultant fees and TIF legal expenses. Furthermore, it does not include any future reimbursement to the general fund for the acquisition of the Hammerschmidt property. The potential reimbursement amount was \$750,000-\$800,000.

FY 11/12

For FY 11/12, the Village is anticipating a slight decrease in property tax levy. As a result, the revenue generated within the TIF is expected to be \$2,078,328. The balance from FY 10/11 (if not spent) may be carried over for a total revenue of \$3,123,616. The current budget shows a commitment of \$2,150,660 in expenditures for FY 11/12, leaving an approximate balance of **\$972,956** to be used for other various projects and programs. In addition, some TIF eligible expenditures, which were approved for FY 10/11, have not been approved by the Board of Trustees for FY 11/12. If the Board were to continue some of the programs, the available balance may be reduced significantly. Also, it does not include any future LTC funding as this is required as separate action by the Village Board. It should also be noted that if property values continue to decline, the generated increment will also decline, resulting in less available revenue.

SUMMARY

No action is required by the committee as this report is for information purposes only. As previously noted, property values have been declining which may reduce TIF revenues in the future. In addition, future obligations associated with the 2nd extension (new baseline in FY13/14), will also decrease future TIF revenue. Should these revenues continue to decrease, grants and other programs may need to be reconsidered in the context of the overall TIF budget. Staff will continue to monitor the funds and if further constraints are identified, staff will forward this information to the ECDC and Board of Trustees for their review and direction.

TIF FUNDS
FY 2009 - FY 2025

1/28/2011

	Fund #4400
	TIF Capital
	Projects Fund
	CC 7402
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REVENUE (FY 11/12)	
Property Tax (Levied December 2010)	2,078,328
Norwood Development Increment	211,978
Interest	0
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	2,290,306
Total Revenue Available	3,123,616
EXPENDITURES (FY 11/12)	
Personnel Expenses	57,470
Downtown Imp. & Renovation Grants	180,000
Downtown Art Program	30,000
Dues/III. Tax Increment Association	450
Charlotte Street Debt Service (7th year debt)	50,938
Train Station Camera Maintenance	7,030
ROW Beautification	15,000
Downtown Streetscape Improvements	25,000
Distribution of Surplus Revenue	1,457,536
Park District Agreement	211,978
Elmhurst Agreement	105,836
School District Agreement	9,423
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	2,150,660
Balance May 31, 2012	972,956
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TIF FUNDS
 FY 2009 - FY 2025

1/28/2011

	<u>Fund #4400</u>	
	TIF Capital	
	Projects Fund	
	CC 7402	
Balance May 31, 2010	952,481	
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REVENUE (FY 10/11)		
Property Tax (Levied December 2009)	2,099,321	
Norwood Development Increment	211,978	
Interest	0	
	2,311,299	
Total Revenue Available	3,263,779	
EXPENDITURES (FY 10/11)		
Reimburse General Fund - Hammerschmidt property	0	(\$500,000)
Personnel Expenses	54,860	
Winter Decorations	6,600	
Banners	7,500	
Lilac Time Art & Craft Show	2,190	
Cruise Nights	33,470	
OT Downtown Clean-up	6,800	
Barricade Rentals - Spooktacular	500	
Landscaping Maintenance	43,639	
0525 Train Station	65,750	
Lombard TownCentre	35,000	
1001 St. Charles Rd from Rt. 53 to Grace - LAPP - DE	79,680	
Downtown Imp. & Renovation Grants	100,000	
Downtown Art Program	30,000	
Landscape Plantings, per study	25,000	
RTA Planning Grant (20% Match)	20,000	
Dues/III. Tax Increment Association	450	
Train Station Camera Maintenance	6,760	
Charlotte Street Debt Service (6th year debt)	104,625	
ROW Beautification	15,000	
Distribution of Surplus Revenue	1,469,926	
Park District Agreement	211,978	
Elmhurst Agreement	101,765	
School District Agreement	8,974	
	2,430,468	
Balance May 31, 2011	833,311	