

Fund: <b>TAX INCREMENT FUND</b>
Department: <b>GENERAL GOVERNMENT</b>
Division: <b>TIF DISTRICT #2</b>
Division No.: <b>41501</b>

***FUNCTION:***

The Tax Increment Fund (TIF), accounts for the financial transactions related to the City's Illinois-University Corridor TIF #2. Property tax increment created within the project area is deposited into the fund to pay eligible public and private redevelopment costs as defined by State statutes. Eligible project costs are reimbursed to private developers through redevelopment agreements that are approved by City Council.

***PROGRAM HIGHLIGHTS:***

The Illinois-University Corridor TIF #2 was adopted in December of 2012. The area includes over 180 real estate parcels that encompass over 134 acres downtown. The general area of TIF #2 includes the property between Illinois and University Avenues from Willow Street to Grand Avenue.

In FY 2016, the Economic Development Division negotiated 3 redevelopment agreements that were approved by the City Council. These agreements include property at 700 S. Illinois Avenue where the developer, Tartan Realty Group, completed a 5-story mixed-use project that consists of 6,000 square feet of commercial space with residential space for 359 tenants. Tartan will be reimbursed for land acquisition, demolition, and a portion of the interest attributed to project financing. A second redevelopment agreement was approved for a project by Vern Cornell at 400 S. Illinois Ave. The developer completed exterior façade improvements that he is entitled to be reimbursed for. The third TIF agreement was for a property at 211/213 W. Main Street and is for acquisition costs of the property. These projects have resulted in \$20,300,000 of private investment, the creation or retention of 20 jobs, and substantial progress towards revitalization of the City's downtown.

Based on the interest that continues to be generated in the area of TIF #2, the Economic Development Division expects additional redevelopment agreements to be executed in FY 2017.

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EXPENDITURE CLASSIFICATION	AUTHORIZED		ESTIMATED	
	ACTUAL FY2015	BUDGET FY2016	ACTUAL FY2016	BUDGET FY2017
<b>DIRECT OPERATING CHARGES &amp; SERVICES</b>				
200 Professional & Consulting Fees	8,615	120,000	145,937	5,000
210 Publishing and Filing Fees	66	0	0	0
222 Communications-Postage	2,334	2	0	2
252 Repairs, Maintenance & Other Improvements	0	65,500	0	15,000
271 Other Outside Services	11,679	0	0	0
272 Office Supplies	127	0	3	5
273 Operating Supplies & Materials	1,589	0	0	0
TOTAL DIR OPER. CHRGS. & SRVCS.	24,410	185,502	145,940	20,007
<b>NON-OPERATING CHARGES</b>				
440 Program Grants	0	0	38,809	14,000
500 Land and Improvements	0	0	100,278	0
TOTAL NON-OPERATING CHARGES	0	0	139,087	14,000
<b>CAPITAL IMPROVEMENTS PROGRAM</b>				
531 CIP DESIGN-ENG.-CONTRACTUAL	0	9,500	0	0
TOTAL CAPITAL IMPROVEMENTS PROGRAM	0	9,500	0	0
<b>TOTAL EXPENDITURES</b>	24,410	195,002	285,027	34,007
<b>TOTAL SPECIAL TAX ALLOCATION FUND</b>	24,410	195,002	285,027	34,007