

## **SPECIAL REVENUE FUNDS**

### **TAX INCREMENT FINANCING (TIF) FUND - CEDAR DEVELOPMENT**

#### **GENERAL INFORMATION:**

In January, 2004, the City entered into an agreement with Cedar Development L.L.C. for their planned development in the northeast area of the City. The development agreement provides for a rebate of 50% of the incremental taxes from this area for a 10-year period up to a maximum total of \$4,719,000. Under the provisions of the agreement, the Developer could choose when this rebate would begin. Cedar Development filed the appropriate notification to the City in the fall of 2008 to “trigger” this rebate to begin in 2009/2010.

The incremental taxes from this property for 2009/2010 were \$292,401 and the rebate \$146,201. The incremental taxes the City claimed and received for the year were \$161,035. This is less than the total amount of incremental taxes available from this area. This allowed a portion of the incremental values to be considered as regular values for the various local taxing entities. Incremental taxes from this property for 2010/2011 were \$295,308 and the rebate \$147,654. Incremental taxes from this property for 2011/2012 were \$314,880 and the rebate \$157,440. The amounts claimed for these years were again less than the total incremental taxes available from this area.

Incremental taxes from this property for 2012/2013 were \$343,877 and the rebate \$171,939. The incremental taxes for 2013/14 are estimated at \$404,600 with the rebate estimated at \$202,400. The City claimed \$175,600 of the incremental taxes in 2012/2013 and \$203,000 in 2013/14 which continues to allow a portion of the incremental taxes to be considered as regular values for the various local taxing entities.

## Tax Increment Fund - Cedar Development

### Fund Statement

	<u>Actual 2010/2011</u>	<u>Actual 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Beginning Balance, July 1	\$ 5,226	\$ 9,117	\$ 13,477	\$ 13,544	\$ 17,205
Revenues					
Incremental Taxes	\$ 151,492	\$ 161,824	\$ 182,000	\$ 175,600 (1)	\$ 203,000 (2)
Interest	<u>53</u>	<u>43</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 151,545</u>	<u>\$ 161,867</u>	<u>\$ 182,000</u>	<u>\$ 175,600</u>	<u>\$ 203,000</u>
Funds Available	<u>\$ 156,771</u>	<u>\$ 170,984</u>	<u>\$ 195,477</u>	<u>\$ 189,144</u>	<u>\$ 220,205</u>
Expenditures:					
Tax Rebate - VMI Northport Commons	<u>\$ 147,654</u>	<u>\$ 157,440</u>	<u>\$ 178,500</u>	<u>\$ 171,939</u>	<u>\$ 202,400</u>
Total Expenditures	<u>\$ 147,654</u>	<u>\$ 157,440</u>	<u>\$ 178,500</u>	<u>\$ 171,939</u>	<u>\$ 202,400</u>
Ending Balance, June 30	<u><u>\$ 9,117</u></u>	<u><u>\$ 13,544</u></u>	<u><u>\$ 16,977</u></u>	<u><u>\$ 17,205</u></u>	<u><u>\$ 17,805</u></u>

<b>Increase (Decrease) in Fund Balance</b>	<b>\$ 3,891</b>	<b>\$ 4,427</b>	<b>\$ 3,500</b>	<b>\$ 3,661</b>	<b>\$ 600</b>
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1. For the 2012/2013 year the City certified approximately \$168,000 less than the total available increment.
2. For the 2013/2014 year the City certified approximately \$201,000 less than the total available increment.