

**LEGISLATIVE REFERENCE BUREAU FISCAL ANALYSIS**

**FINANCE & PERSONNEL COMMITTEE**

**APRIL 4, 2008**

**Item 5, File #071565**

File Number 071565 is a resolution authorizing the appropriation of \$116,828 in excess tax incremental revenues from TID No. 54 to a special purpose account for the purpose of refunding the excess revenues to the developer.

**Background**

1. Tax Incremental District No. 54 (Stadium Business Park) was created in 2004 to redevelop the site of the former Ampco Metal foundry at S. 38<sup>th</sup> Street and W. Mitchell Street. The TID funded \$2.4 million of demolition and environmental remediation expenses on this 17-acre property.
2. Four new buildings were constructed in TID No. 54 following demolition of the foundry and remediation of the site. The businesses in these buildings provide over 210 full-time jobs.
3. The development agreement between RER Acquisitions LLC (the developer of TID No. 54), the City and the Redevelopment Authority requires a payment to the developer to amortize certain project costs whenever tax incremental revenue by the City exceeds tax incremental revenue based on Minimum Market Valuation.

**Discussion**

1. The tax incremental revenue received by the City for the years 2006 and 2007 exceeded tax incremental revenue based on Minimum Market Valuation, resulting in amounts owed to the developer of \$31,002 and \$85,826, respectively, for those 2 years. The City Comptroller has certified these greater than anticipated revenue totaling \$116,828.
2. This resolution appropriates the \$116,828 in greater than anticipated revenue from TID No. 54 to a special purpose account established for the purpose of refunding the developer this excess revenue. The resolution is in accordance with the procedural guidelines for the expenditure of funds to be reimbursed by greater than anticipated revenues.

**Fiscal Impact**

This resolution recognizes revenue of \$116,828 in greater than anticipated revenue from TID No. 54 and authorizes the expenditure of the same amount for a refund of excess tax incremental revenue to the developer.

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April 3, 2008

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