

The Miracle Mile rebound: A Rockford TIF success story

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ROCKFORD — The city's Miracle Mile is a bright spot among Rockford's struggling tax increment financing districts, which collectively drained city coffers of \$1.9 million last year.

It wasn't easy. Five years ago, the stretch of East State Street between Fairview Boulevard and Alpine Road had seen better days. Storefronts were worn. Businesses were having a tough go of it. Residents were concerned that further decay would creep into adjacent neighborhoods.

Business owners formed a nonprofit group called Miracle Mile Rockford. They laid out a vision for the neighborhood's success and used a newly created tax increment finance district to help fund development projects.

Shopping centers got new facades. Stores and restaurants made interior upgrades. New sidewalks were added. Two hotels were remodeled. A new drugstore opened. The bowling alley got a face-lift and added a new off-track betting business from up the street.

"The State Alpine TIF has only been there for a couple of years, but it's done half a dozen projects," said Todd Cagnoni, the city's deputy director of community and economic development. "It's a great of example of what works."

The Miracle Mile works, business and city leaders say, because stakeholders early on established a clear vision for the area, move in a common direction and set realistic development goals. They talked ad nauseam about what projects would get done and how not to overtax the TIF district.

"A lot of shoe leather went into this thing," said Ald. Frank Beach. "It was not just nice pie in the sky. "We had \$6 million in projects on the books before we even got the TIF. ... It was no accident."

The State Alpine TIF has helped make the Miracle Mile so attractive that a new restaurant opened this summer and construction began on a new Subway sandwich shop. Neither required the use of TIF funds or other city subsidies.

While the business district still needs to land the right developer for a massive vacant grocery store in the heart of the Miracle Mile and recently lost a fitness club and a major retailer to a newer location farther east, the group's efforts and execution are a blueprint for other struggling TIF districts, leaders say.

Positive fund balance

Tax increment financing districts are geographic areas established to generate income from property taxes to address blight and encourage economic development. A base tax level is set when a TIF is created. Over time, and more so when an area thrives, property values increase and businesses and residents within the district pay more than the base. That additional amount is put into the TIF fund, which is then used to help offset costs associated with remodeling or expansion projects.

The State Alpine TIF has a positive fund balance of \$321,300. It produces \$262,500 worth of property taxes each year that can be used to subsidize future projects. By the time the district closes in 2029, the district will have generated \$4.74 million, money that the organization likely will use to tackle the vacant grocery.

"Magna is the big issue for them," Cagnoni said, referring to the old Magna grocery, 3917 E. State St.

The building is for sale, said City Administrator Jim Ryan, but the price is too high.

Another popular conversation around the Miracle Mile table is the possibility of an access road south of East State Street — similar to Morsay Drive on the north side of State — that would link Fairview and Alpine.

A road like that could help ease traffic congestion and improve access to restaurants, services and retailers and increase safety.

"A southern version of Morsay would be phenomenal for us. We think it makes a lot of sense," said Bryan Suh, Miracle Mile board member and owner of Mary's Market. "There has been talk about that, but so far a lot of the plans we've been hearing about go back to that Magna building."

'Many new faces'

Suh said the transformation taking place on the Miracle Mile is not only inspiring. It's putting money in the cash register.

"Business has steadily increased in the past three years," Suh said. "I see many new faces, and it's because people are stopping more. It's not so much a passage way anymore. It's a place of its own again."

Jennifer Hall with Catalyst Business Solutions, a business consulting group that is doing marketing for the Miracle Mile, said the area is only reacting to what its business and community leaders are putting into it.

Today, the organization has about 45 members, double the number it had two years ago, Hall said.

Leaders are thinking bigger, too, she said.

While the Miracle Mile, in the traditional sense, is East State Street from Fairview Avenue/Boulevard to Alpine Road, area