



McCordsville Redevelopment Commission

TIF Report Presentation (IC 36-7-25-8)

July 5, 2022

House Enrolled Act 1242

Effective July 1, 2018, there are additional reporting requirements applicable to redevelopment commissions within the State of Indiana. Each redevelopment commission shall annually present information for the governing bodies of all taxing units that have territory within an allocation area of the redevelopment commission. The presentation must include;

- The **redevelopment commission's budget** with respect to the allocated property tax proceeds
- The **long-term plan** for the allocation area.
- The **impact** on each of the taxing units.

Note: Each redevelopment commission has additional reporting requirements in April and June.



**McCordsville
Redevelopment
Commission**

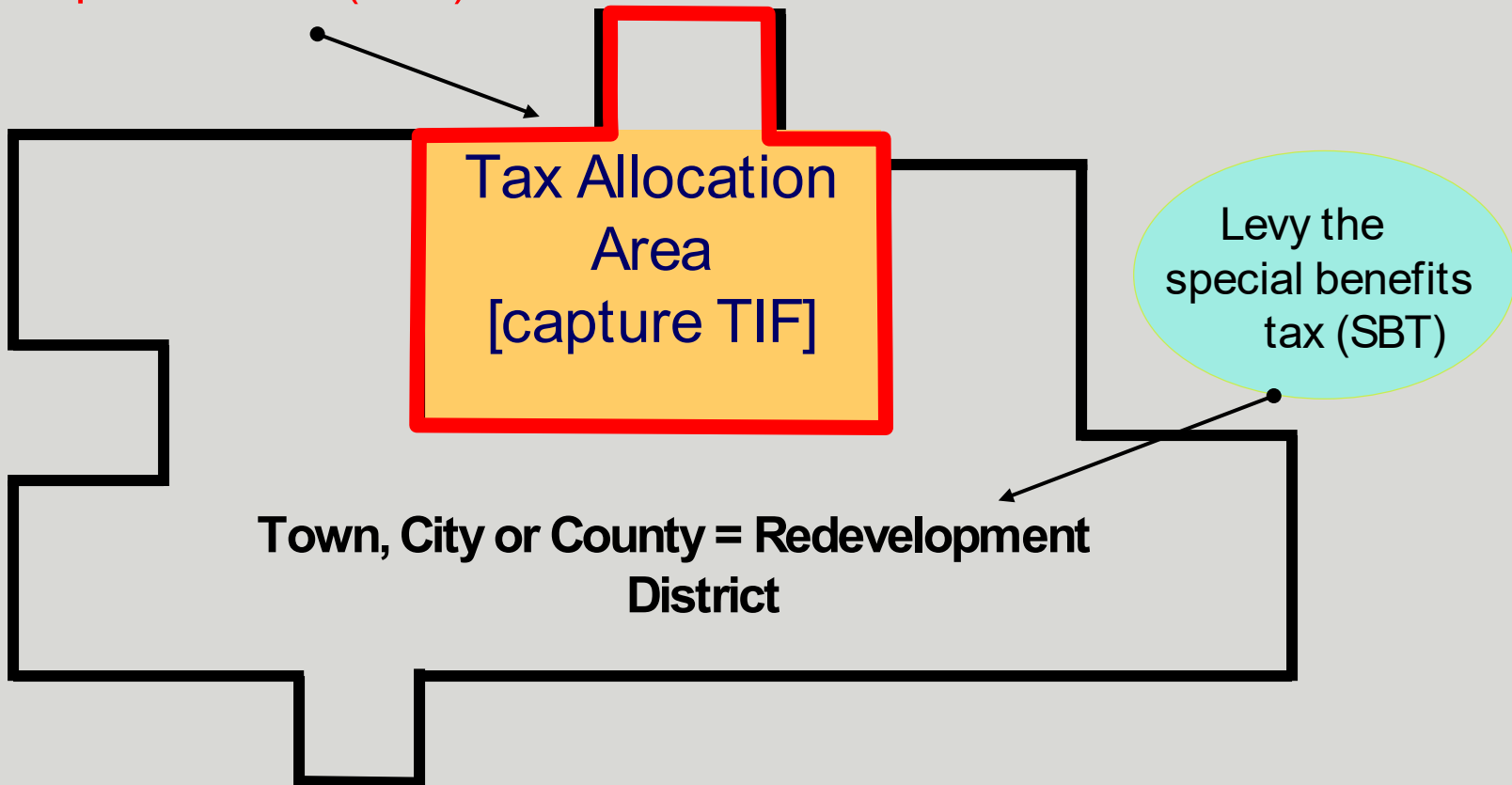
- Alex Jordan, President
- Shelley Haney, Vice President
- Brian Hurley, Secretary
- Donetta Gee-Weiler
- Brandy Stepan
- Larry Longman, Council Liaison
- Shannon Walls, School Board Advisor

- Staci Starcher, RDC Treasurer / Clerk
Treasurer
- Tim Gropp, Town Manager

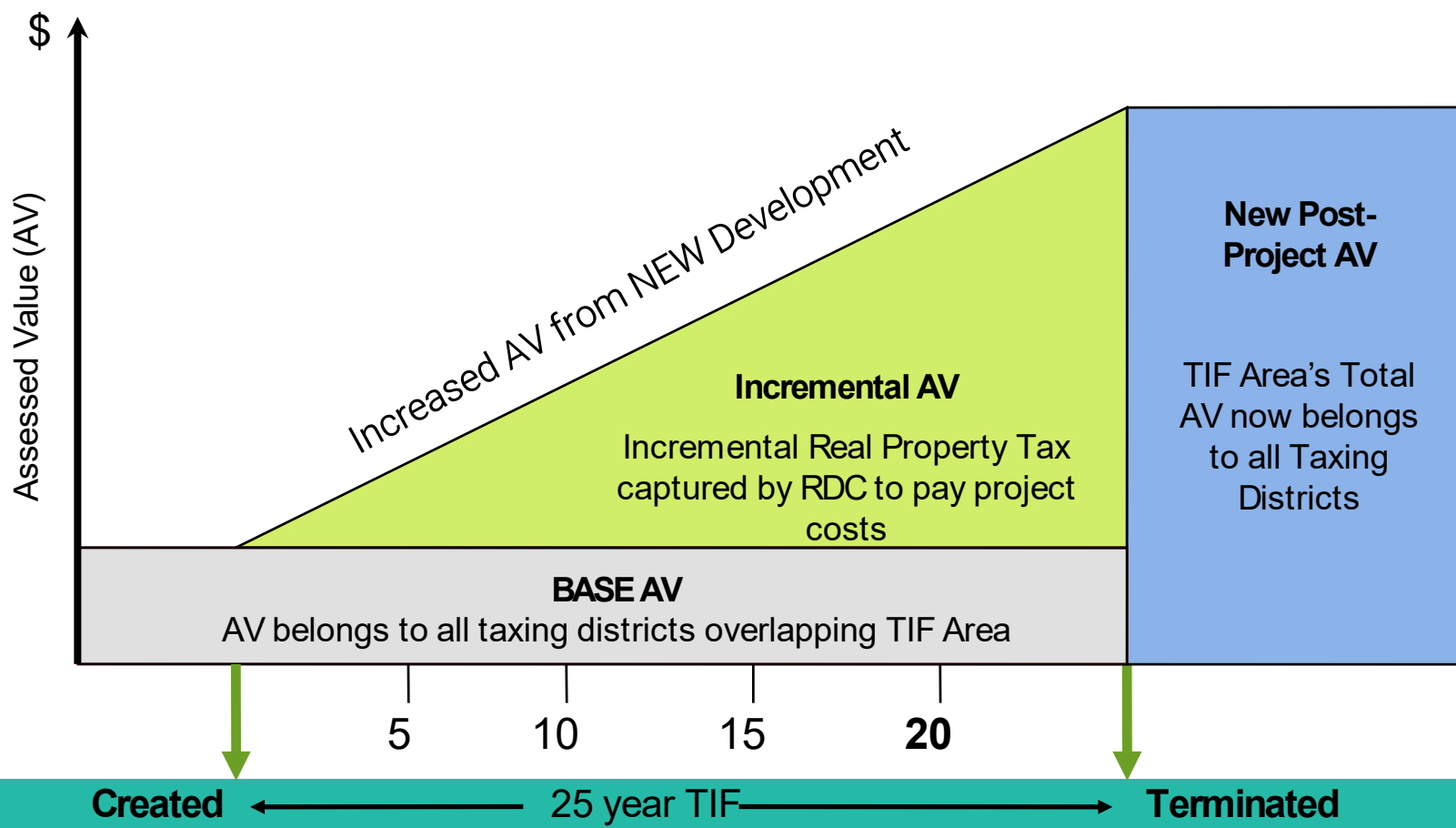
Redevelopment District and TIF Areas

Economic
Development Area (EDA)

Boundaries – 3 Levels



TIF Mechanics



Economic Development Plans & Amendments

“to benefit public health, safety, morals, and welfare of City residents”

“increase economic well-being of City and State of Indiana”

“designed to promote significant opportunities for gainful employment”

“retain or expand existing significant business enterprises”

“provide local public improvements in the EDA”

“remove conditions that lower value of land”

“attract or retain jobs, increase tax base, and improve diversity of tax base”

Expiration of TIF Areas

Can separate and re-establish TIF Areas

Can expand and connect TIF Areas

Be careful when setting boundaries to avoid unexpected TIF loss

If Allocation Area is getting close to expiration, be sure to analyze the impacts of the release of assessed value to the overlapping taxing units.

Date Alloc. Area Established	Expiration Date
TIF area is established <u>before</u> July 1, 1995.	TIF expires the <u>later</u> of 2025 or following the final maturity of obligations outstanding as of July 1, 2015.
TIF area is established <u>between</u> July 1, 1995 and July 1, 2008.	TIF expires 30 years <u>after</u> the adoption of the Declaratory Resolution.
TIF area is established <u>after</u> July 1, 2008.	TIF expires 25 years after the date the first obligation payable was incurred.

Brookside Allocation Area

About the Area

- Allocation Area No. 1 Created: March 8, 2007
- Allocation Area No. 2 Created: April 2, 2009
- Consolidated and Expanded: December 6, 2012
- Expires: March 8, 2037 (Original Area)

	Pay 2021	Pay 2022
Estimated Annual TIF	\$36,320*	\$42,650

* Actual collections were \$46,551, which includes unpaid taxes from 2020.

HRH Allocation Area

- Created: October 16, 2014
 - Single parcel broken out of Brookside Area
- Expires: December 4, 2039
- Purpose: Incentive for Hancock Regional Health's Wellness Facility
- Captures TIF from new Wellness Facility and the HRH Medical Office Building

	Pay 2021	Pay 2022
Estimated Annual TIF	\$269,120*	\$282,170

* Actual collections were \$269,115.



HRH Allocation Area

Outstanding Obligation

Economic Development Revenue Bonds, Series 2014 (HRH Project)

- \$2,130,000 issued / \$1,814,337.02 outstanding
- Final maturity: August 1, 2039
- HRH purchased the bonds
- Bonds are repaid with HRH TIF
 - TIF Pledge: RDC keeps first \$15,000 of each semiannual distribution

		Pay 2021	Pay 2022
Receipts:			
	HRH TIF	\$269,120	\$282,170
Disbursements:			
	To RDC Allocation Fund	(30,000)	(30,000)
	Trustee fee	(1,000)	(1,000)
	Debt Service - current payment	(163,875)	(164,275)
	Debt Service - past-due amount	(74,245)	(10,337)
TIF Remaining		0	76,558

HRH Allocation Area

Outstanding Obligation (Cont'd)

Economic Development Revenue Bonds, Series 2014 (HRH Project)

- TIF pledge is limited to 100% of debt service, subject to reimbursement
- Any unpaid principal and interest due on the 2014 Bonds that remains unpaid due to the TIF shortfall will continue to be owed until the earlier of
 - Full payment of the 2014 Bonds
 - Last TIF Revenue distribution on 12/31/2039
- Amortization is recalculated each year based on unpaid principal and accrued interest owed
- In 2015 – 2017, there was insufficient TIF (due to project delays) to make full bond payments

	Past Due Amounts
Unpaid principal	\$10,337.02
Unpaid interest	0.00
Accrued interest	0.00
Total past due	\$10,337.02

Broadway/ Aurora Way Allocation Area

About the Area

- Broadway Allocation Area
 - Created: July 3, 2014
 - Purpose: TIF to fund Town Center Improvements
- Aurora Way Allocation Area
 - Created: October 6, 2020
 - Purpose: Fund the construction of Aurora Way
- Consolidated March 1, 2022
 - Purpose: Areas were combined to facilitate development and help fund surrounding infrastructure improvements.

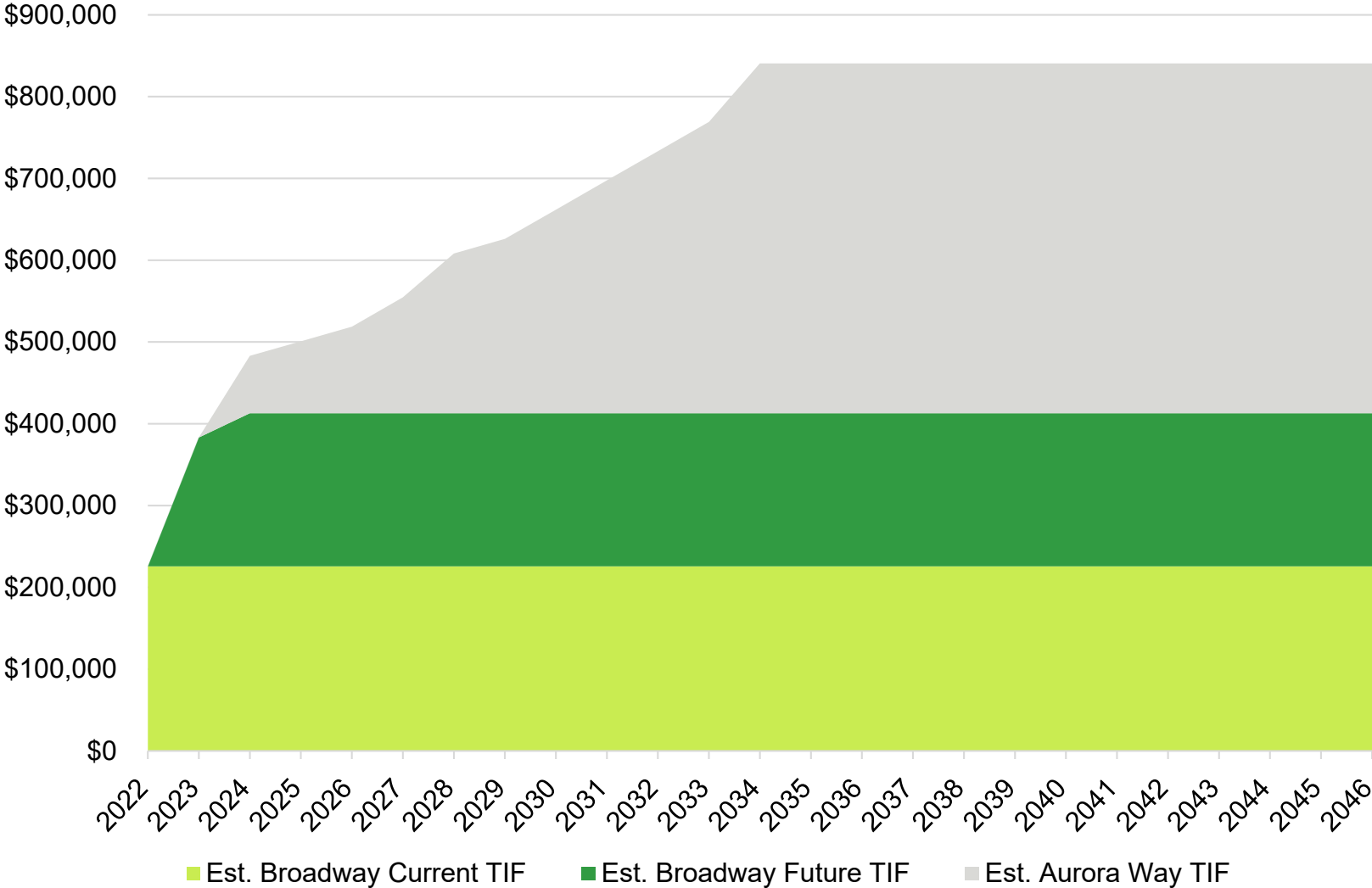


Broadway/Aurora Way Allocation Area



Broadway/Aurora Way Allocation Area

TIF Estimate



Broadway/ Aurora Way Allocation Area

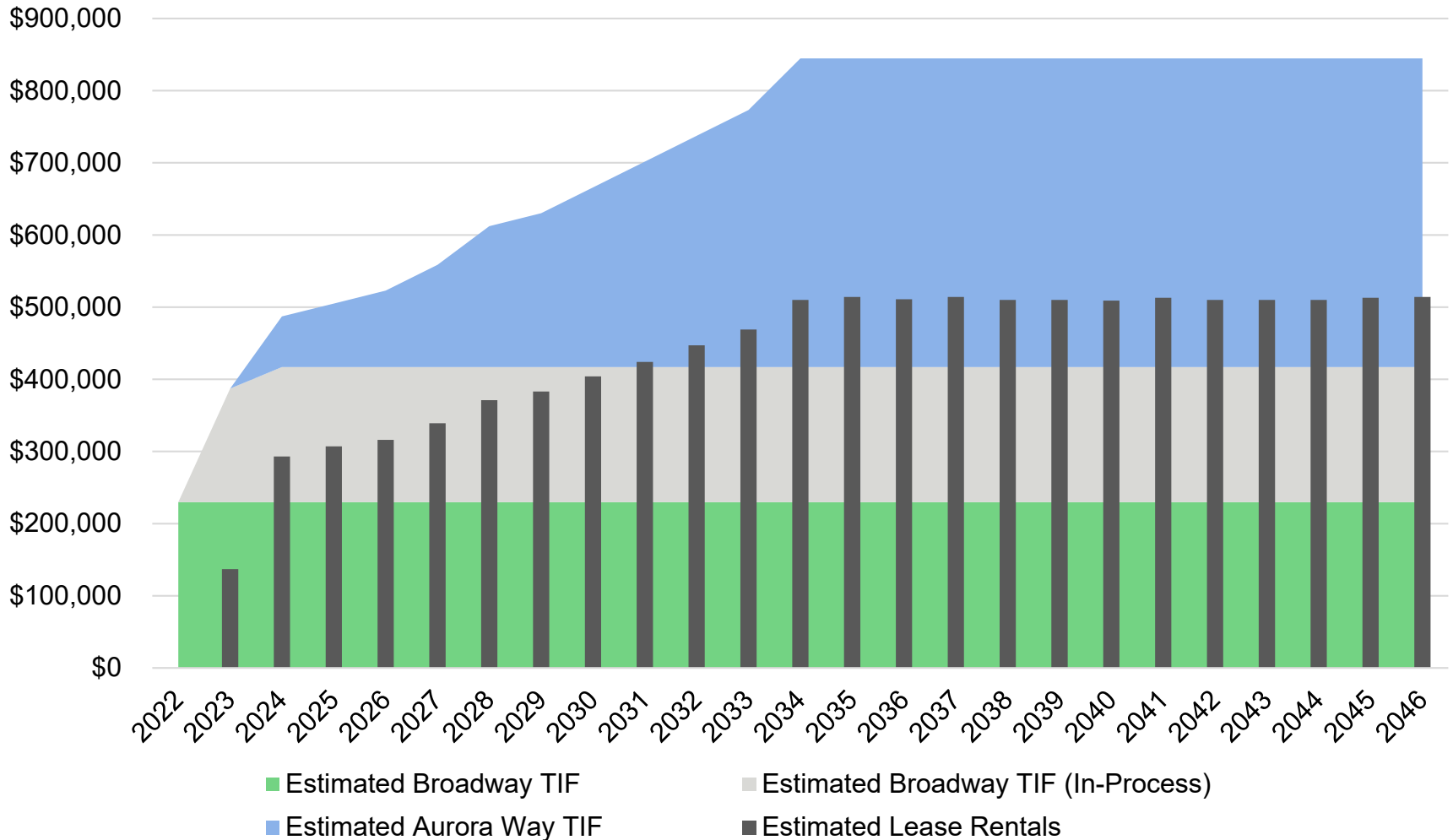
Proposed Obligation

- Proposed Economic Development Lease Rental Revenue Bonds, Series 2022 (Rebar Project)
- Purpose: To fund public infrastructure improvements supporting McCord Square and downtown.
- Estimated issuance amount: \$6,060,000*
- Security:
 - Broadway/ Aurora Way Tax Increment
 - Certified Shares back-up
 - Debt service reserve funded from bond proceeds

*Preliminary, subject to change.

Broadway/Aurora Way Allocation Area

Comparison of Estimated TIF to Estimated Lease Rentals



McCord Square Allocation Area

About the Area

- Created: March 1, 2022
- Purpose: To fund an incentive for Rebar Development to construct a mixed-use development consisting of apartments and commercial/retail space.



McCord Square Allocation Area

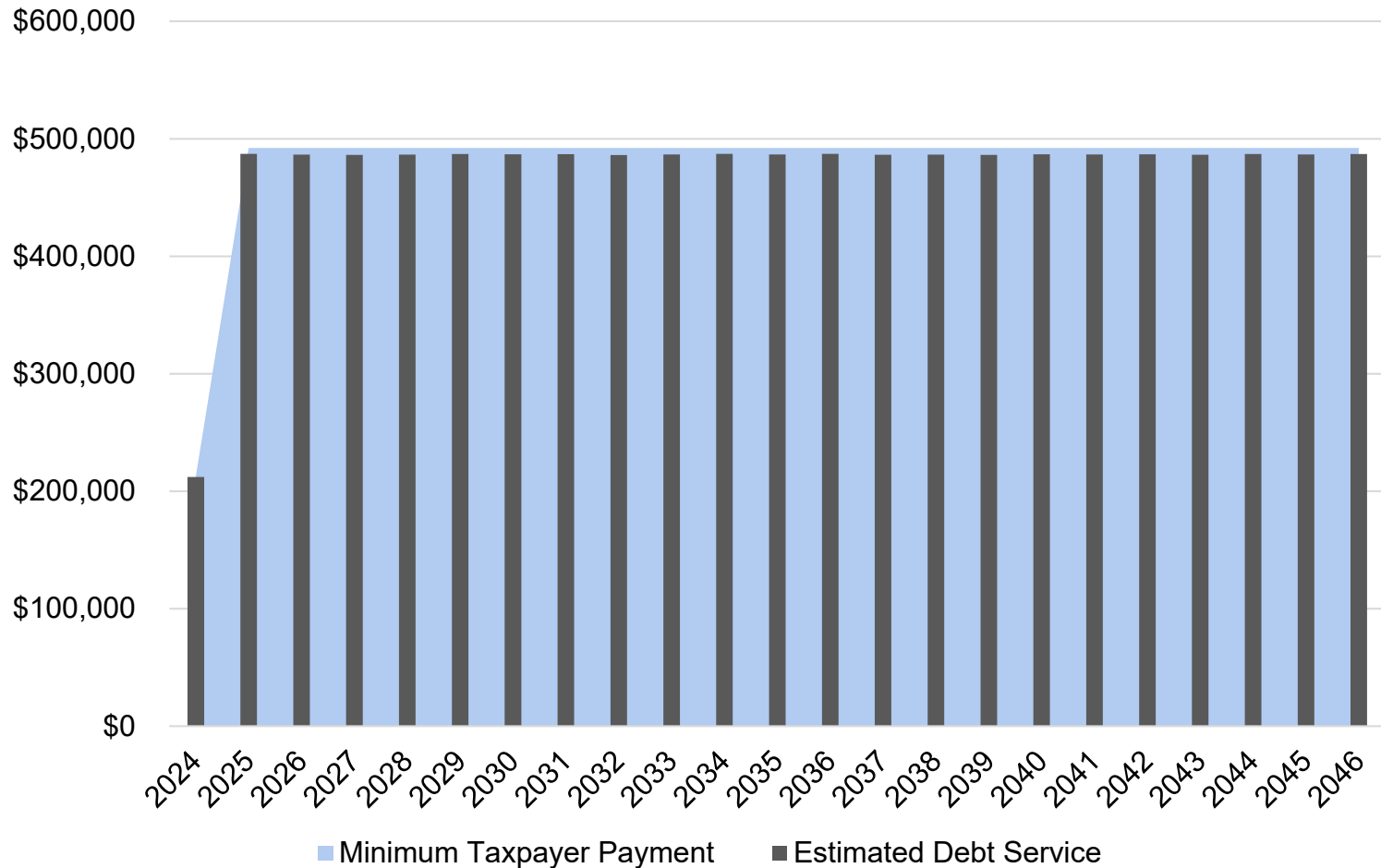
Proposed Obligation

- Proposed Taxable Economic Development Revenue Bonds, Series 2022 (Rebar Project)
- Purpose: To provide financing to the Rebar to facilitate the development of McCord Square
- Estimated issuance amount: \$5,334,000*
- Security:
 - McCord Square TIF
 - Developer's minimum taxpayer payment

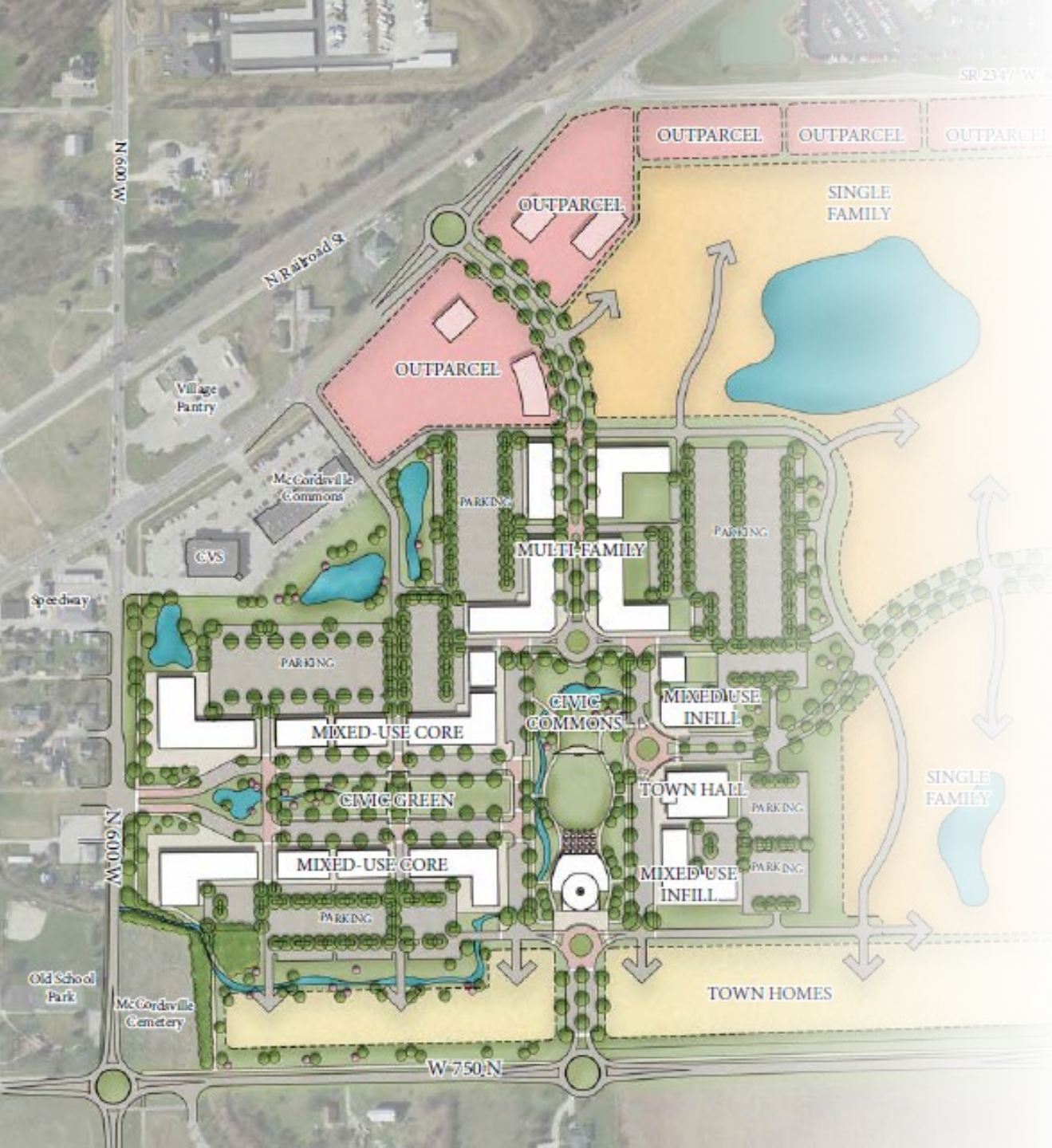
*Preliminary, subject to change.

McCord Square Allocation Area

Comparison of Estimated Revenues to Estimated Debt Service



Downtown Plan



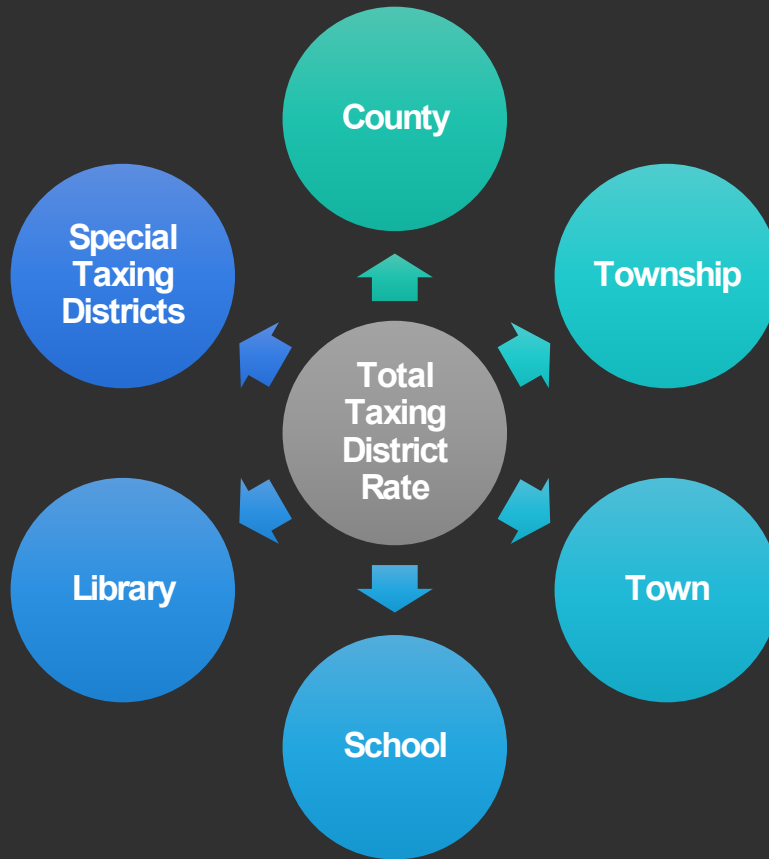
- Concept plan for the development of a Town Center in McCordsville
- Goals
 - Develop a unique identity and character
 - Form a connected, walkable town center
 - Enhance community economic development opportunities
 - Grow a diversified tax base

Future Plans for Tax Increment

- Strategic land purchase to encourage future economic development
- Continue to improve amenities throughout the community, particularly through park improvements
- Infrastructure improvements

Impacts

Overlapping Taxing Units



IMPACT of TIF

Does TIF take away funds from other units?

- If the increased assessed value from NEW developments would not occur “**BUT FOR**” the TIF incentives, then, it **CANNOT** be “**LOST**” to the other taxing units.
- TIF *postpones* adding new assessed value to the tax base, which postpones the reduction in tax rates for funds with levy limits and postpones increased revenues from funds with rate limits; and postpones reduction in circuit breaker credits.
- During TIF capture, other taxing units may immediately benefit if personal property AV is not captured; if a portion of the TIF AV is passed-through to other units; new jobs and wages may increase local option income tax revenue.
- After TIF ends (or if there is surplus pass-through), the increased assessed value is added to the tax base of all the taxing units.

2016 TIF Study

by Larry DeBoer
and Tamara Ogle



Does TIF shift revenues from overlapping taxing units to TIF Districts?

No loss or shifting if the “but for” test is satisfied

No loss or shifting if there are no other means to fund the incentives or infrastructure besides TIF

No loss or shifting if TIF District funds the purpose for which it was intended; and does not continue to exist after the infrastructure is fully funded

Does TIF take away funds from schools?

- School educational expenses are largely funded by the State
 - State funding is based upon *student enrollment*
- Operations Fund and Debt Service Funds are Levy Limited
 - No revenue impact from TIF capture
 - TIF capture postpones reduction in tax rates
- Taxpayers' Property Tax Caps reduce School Funding
 - Circuit Breaker loss only if TIF does not meet “but for” test
- Referendum-approved levy includes TIF Value
 - Mt. Vernon Community School Corporation’s referendum was approved.

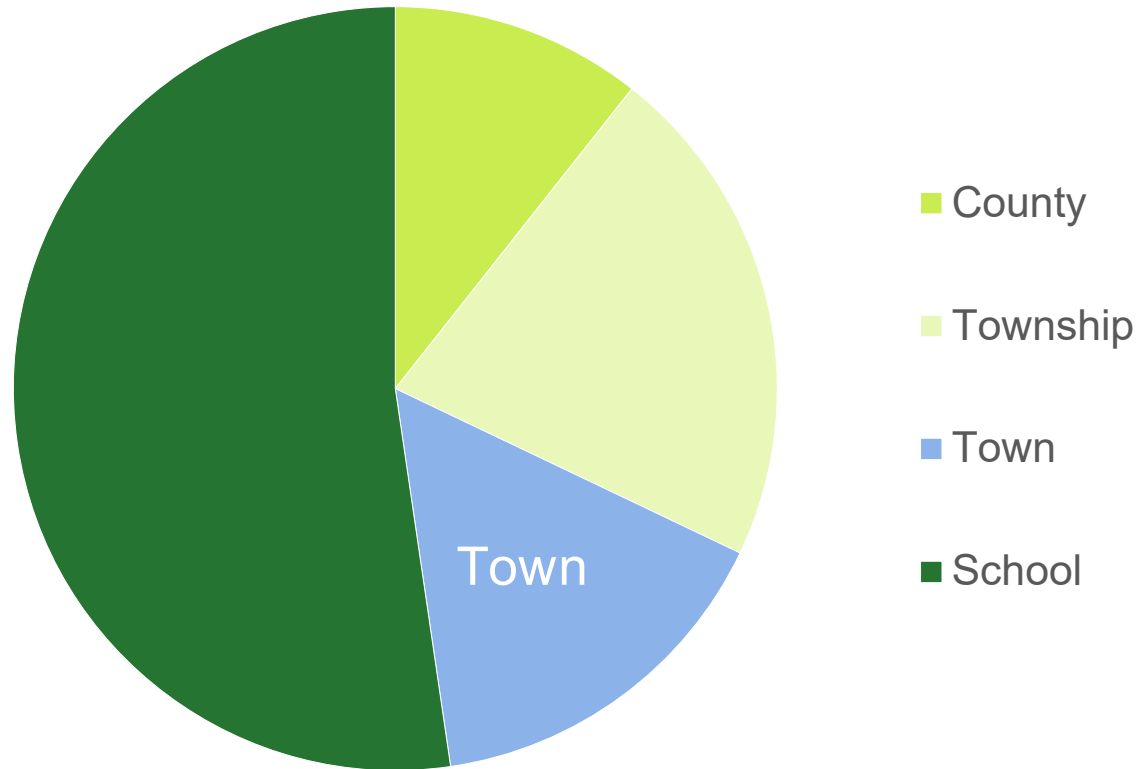


Examples: TIF to help Schools:

- Training programs
- Transportation center
- STEM programs
- Safety/ Security
- Computers
- Personal Property AV growth
- Pass-through excess TIF AV

Economic development ultimately benefits all taxing units by attracting new business and private development, growing property values and local income tax revenue, and reducing 'tax cap' revenue loss. All taxing units contribute to future economic growth.

Tax Rate



Financial
Advisor:
Baker Tilly

Emma Adlam, Director

Emma.Adlam@Bakertilly.com

(317) 465-1512

Jason Semler, Partner

Jason.Semler@Bakertilly.com

(317) 465-1540

8365 Keystone Crossing, Suite 300
Indianapolis, IN 46240
Phone: (317) 465-1500

A large, solid green oval is centered on the page. Inside the oval, the word "Questions?" is written in a white, sans-serif font. The oval is surrounded by several decorative elements: a thick, dark grey curved shape on the left side, and multiple thin, light grey curved lines that sweep across the background, some solid and some dashed.

Questions?



TIF Report Presentation

July 5, 2022



Baker Tilly US, LLP trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. The information provided here is of a general nature and is not intended to address the specific circumstances of any individual or entity. In specific circumstances, the services of a professional should be sought.

This information should not be construed as a recommendation, an offer of services, or an offer to sell, or solicitation of an offer to buy a particular security or investment strategy. The reader should not rely on this information other than as authorized by a written agreement with Baker Tilly Capital, LLC. The commentaries provided are opinions of Baker Tilly Capital, LLC and are for informational purposes only. While the information is deemed reliable, Baker Tilly Capital, LLC cannot guarantee its accuracy, completeness, or suitability for any purpose and makes no warranties with regard to the results to be obtained from its use, or whether any expressed course of events will actually occur. Securities involve risk and possible loss of principal. Past performance does not guarantee future results. No compensation has been paid to person providing a testimonial. Any testimonial is not representative of the experiences of other clients and is not indicative of future performance or success.

Securities, when offered, and transaction advisory services are offered through Baker Tilly Capital, LLC, Member FINRA and SIPC; Office of Supervisory Jurisdiction located at Ten Terrace Court, Madison, WI 53718; phone 800 362 7301. Baker Tilly Capital, LLC is a controlled subsidiary of Baker Tilly US, LLP, an accounting firm. Baker Tilly Virchow Krause, LLP trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

© 2022 Baker Tilly US, LLP

