

Culver Redevelopment Commission

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

June 17, 2019



now joined with
Springsted and Umbaugh



**Culver
Redevelopment
Commission**

- Rich L. West, President
- Sally Ricciardi, Vice-President
- Tom Yuhas, Secretary
- Tammy Shaffer, Member
- Sue McInturff, Member

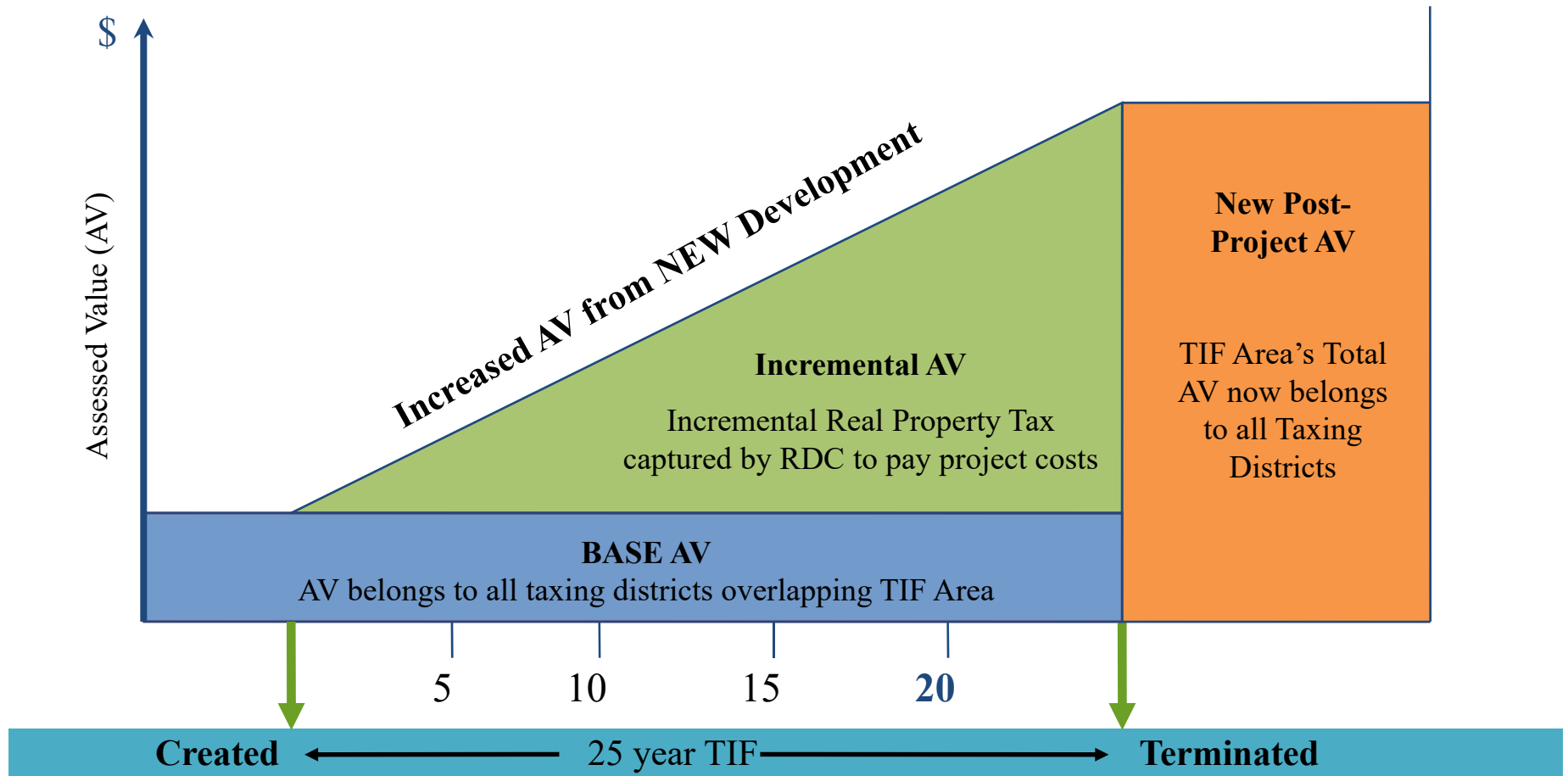
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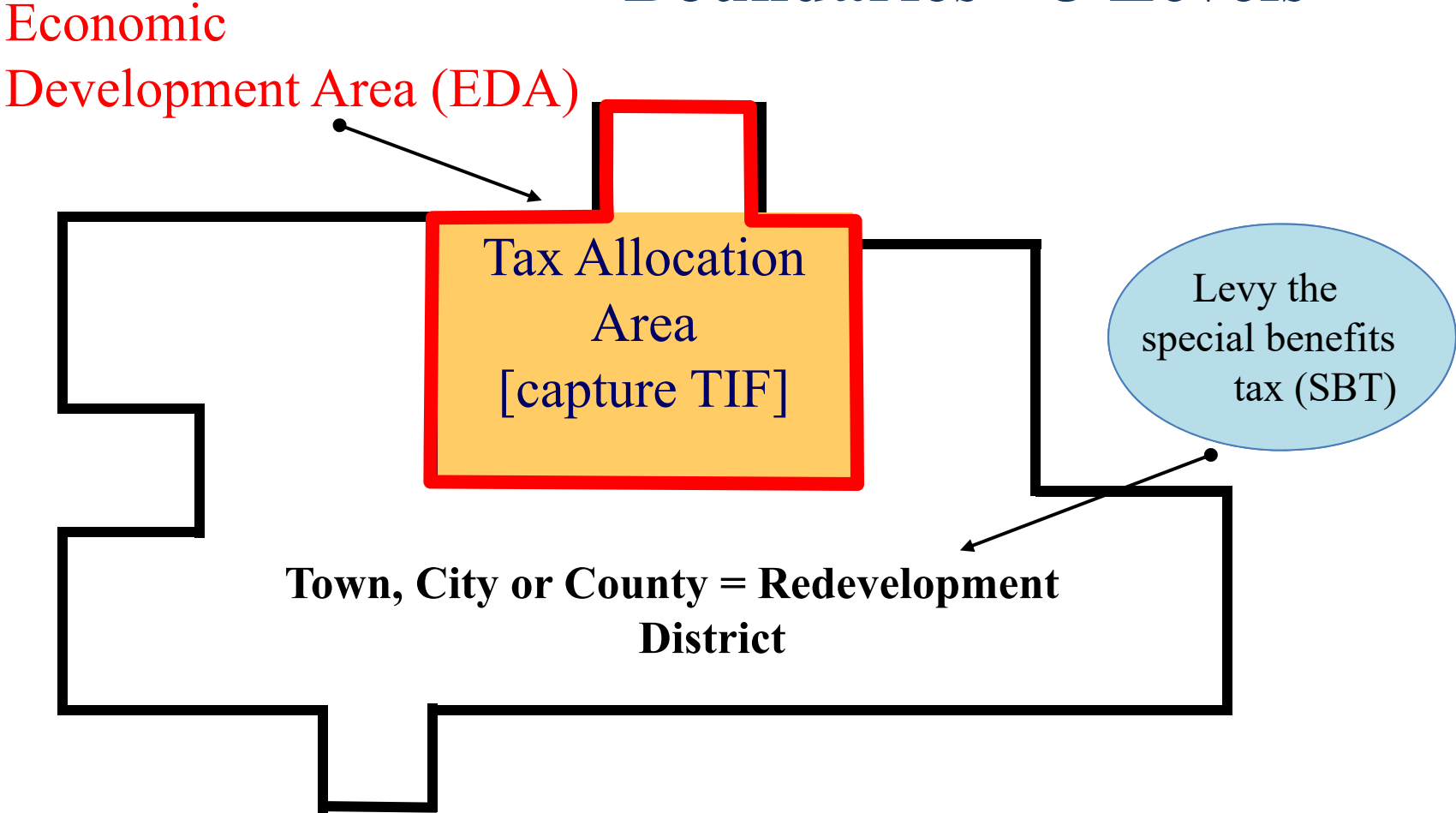
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TIF Mechanics



Redevelopment District and TIF Areas

Boundaries – 3 Levels



THE TERM OF AN ALLOCATION AREA

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.



Culver Economic Development Area I

Culver EDA I

About the Area

Created/Expanded	Expiration
January 20, 2004	January 20, 2034
January 14, 2008	January 14, 2038
June 30, 2008	June 30, 2038
May 19, 2014	August 20, 2040

	Pay 2018	Pay 2019
Estimated Annual TIF	\$418,580 *	\$495,130

*Represents actual collections

Culver EDA I

Outstanding Obligation

Redevelopment District Tax Increment Revenue Bond, Series 2015

- \$1,195,000 issued / \$905,000 outstanding
- Final maturity: August 1, 2025
- Bonds are payable from Tax Increment solely from Culver TIF 1

Culver EDA I

TIF Cash Flow

	2019	2020	2021	2022	2023
Estimated TIF	\$495,130	\$495,130	\$495,130	\$495,130	\$495,130
2015 Tax Increment Bonds	(155,063)	(160,469)	(155,595)	(160,625)	(155,375)
2015 SRF Waterworks Bonds	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
Professional Services & MCEDC	(27,500)	(20,000)	(20,000)	(20,000)	(20,000)
Branding & Holiday Lights	(23,500)	(23,500)	(23,500)	(23,500)	(23,500)
Façade Grant Program	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
Future Projects	(244,500)	(95,000)	(140,000)	0	0
Total Expenses	(510,563)	(358,969)	(399,095)	(264,125)	(258,875)
Estimated Net Increase / (Decrease)	(15,433)	136,161	96,035	231,005	236,255
Beginning Balance (1)	926,221	910,788	1,046,949	1,142,984	1,373,989
Estimated Ending Balance	\$910,788	\$1,046,949	\$1,142,984	\$1,373,989	\$1,610,244

(1) Represents the Allocation Account balance as of January 1, 2019.

Culver EDA I

Future Projects

- State Road 10 sidewalk (\$50,000)
- Extend utilities to Sand Hill Farm (\$49,500)
- Walk/bike paths (\$160,000)
- New fire truck (\$50,000)
- Beach lodge renovations (\$170,000)

Annual Projects

- Façade grant program (\$30,000/year)
- Branding (\$20,000/year)
- Holiday lights (\$3,500/year)

Culver Economic Development Area II

Culver EDA II

About the Area

Created: January 9, 2006

Expires: January 9, 2036

	Pay 2018	Pay 2019
Estimated Annual TIF	\$82,680*	\$80,420

*Represents actual collections

Culver EDA II

Outstanding Obligation

Tax Increment Revenue Bonds of 2008

- \$350,000 issued / \$200,000 outstanding
- Final maturity: February 1, 2024
- Bonds are payable from Tax Increment from Culver TIF 2

Culver EDA II

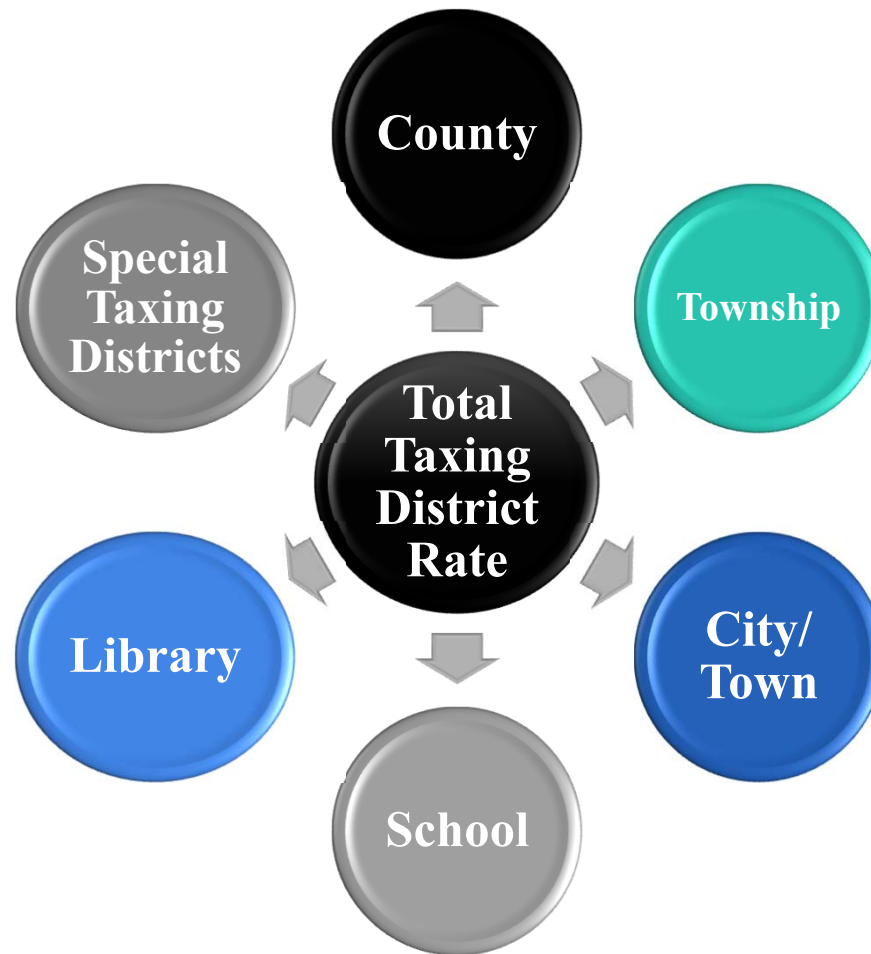
TIF Cash Flow

	2019	2020	2021	2022	2023
Estimated TIF	\$80,420	\$80,420	\$80,420	\$80,420	\$80,420
Debt service payments	(44,788)	(43,213)	(46,526)	(44,726)	(42,926)
Professional Services	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Jefferson Street Improvements	(4,000)	(16,000)	(150,000)		
Fire Truck	(50,000)				
Total Expenses	(108,788)	(69,213)	(206,526)	(54,726)	(52,926)
Estimated Net Increase / (Decrease)	(28,368)	11,207	(126,106)	25,694	27,494
Beginning Balance (1)	418,561	390,193	401,400	275,294	300,988
Estimated Ending Balance	\$390,193	\$401,400	\$275,294	\$300,988	\$328,482

(1) Represents the Allocation Account balance as of January 1, 2019.

Impacts

Overlapping Taxing Units



Impact of TIF

Does it 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 from personal property AV that is currently 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

School Funding and TIF

- 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 gross revenue impact from TIF capture
 - TIF capture postpones reduction in tax rates
- Taxpayers' Property Tax Caps reduce School Funding
 - Circuit Breaker loss if TIF does not meet “but for” test
- Post-2009 Referendum for Operating and/or Debt - benefit from TIF Captured AV



Examples of RDCs using TIF to help Schools:

Training programs
Transportation center
STEM programs
Computers
Personal Property AV growth
Pass-through excess TIF AV
Safety / security enhancements
High school project

Past Projects Funded with TIF Revenues

Project Name	<u>2005</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Water /sewer infrastructure improvements	\$6,500,000								
Main Street revitalization		\$106,450							
Sidewalk on School Street			\$10,000						
Decorative street lights, crosswalks, and signage				\$95,025	\$160,500		\$50,000		
Comprehensive Plan contribution				50,000					
Project Lead the Way					80,000				
Television commercials					5,000				
Engineering costs for water plant and water tower					10,000				
Capital Improvement Plan					8,000				
Main Street parking lot						\$65,400			
Lake Shore Drive stormwater						1,100,000			
Message boards at the park and Main and Jefferson							3,800		
Stormwater extension to Ace Hardware							27,000		
Extend utilities to Sand Hill Farm							200,000	200,000	
Install perimeter lightning							8,550	2,500	6,980
Bike/pedestrian trail phase 1								40,000	
On My Way Kindergarten								20,000	
Directional signage								10,000	
Stellar Projects: Trail, sidewalks, and West Jefferson								532,000	
New high school entrance									10,000
New fire truck									100,000
Ipads and laptops for elementary school robotics program									7,690
Wayfinding signs									15,000
Façade Grant program							30,000	30,000	30,000
MCEDC contribution						10,000	10,000	10,000	20,000
Vistor Center/branding Culver						14,114	20,000	20,000	
Total	\$6,500,000	\$106,450	\$10,000	\$145,025	\$263,500	\$1,189,514	\$349,350	\$864,500	\$189,670

Culver-Union (014)

ESTIMATED IMPACT ON THE OVERLAPPING TAXING UNITS (1)

SCENARIO I: PRESENT SITUATION

Represents 2018 taxes payable 2019 property tax levies, assessed valuation, and tax rates.

	Tax Rate	Net Assessed Value of Taxing Unit	Estimated Property Tax Levy
Marshall County	\$0.3377	\$2,543,456,320	\$8,589,252
Marshall County Cumulative Fund (2)	0.0331	2,543,456,320	841,884
Union Township	0.0075	601,929,792	45,145
Culver Town	0.6510	175,285,096	1,141,105
Culver Civil Cumulative Fund (2)	0.0473	175,285,096	82,910
Culver Community School Corporation	0.4641	601,929,792	2,793,556
Culver Community School Corporation Ref Sch Post09	0.1700	634,468,165	1,078,596
Culver Public Library	0.0900	601,929,792	541,736
Marshall County Solid Waste Management	0.0130	2,543,456,320	330,649
Total Tax Rate (per \$100 AV)	\$1.8137		

TIF Allocation Fund	Net Tax Rate	Incremental Assessed Value	Gross Increment	Circuit Breaker	Net Increment
Existing Tax Increment - Culver EDA 1	\$1.6437	\$27,300,470	\$448,740	(\$40)	\$448,700
Existing Tax Increment - Culver EDA 2	1.6437	4,258,570	70,000	0	70,000

SCENARIO II: ASSUMES THE INCREMENTAL ASSESSED VALUE IS PASSED THROUGH TO THE OVERLAPPING TAXING UNITS

Assumes \$31,831,930 of estimated incremental assessed value is passed through to the overlapping taxing units.

				Rate Difference From Scenario I	Levy Difference From Scenario I
Marshall County	\$0.3335	\$2,575,288,250	\$8,589,252	(\$0.0042)	\$0
Marshall County Cumulative Fund (2)	0.0331	2,575,288,250	852,420	0.00000	10,536
Union Township	0.0071	633,761,722	45,145	(0.00040)	0
Culver Town	0.5517	206,844,136	1,141,105	(0.09930)	0
Culver Civil Cumulative Fund (2)	0.0473	206,844,136	97,837	0.00000	14,927
Culver Community School Corporation	0.4408	633,761,722	2,793,556	(0.02330)	0
Culver Community School Corporation Ref Sch Post09	0.1700	634,468,165	1,078,596	0.00000	0
Culver Public Library	0.0855	633,761,722	541,736	(0.00450)	0
Marshall County Solid Waste Management	0.0128	2,575,288,250	330,649	(0.00020)	0
Total Tax Rate (per \$100 AV)	\$1.6818			(\$0.1319)	\$25,464

TIF Allocation Fund	Net Tax Rate	Incremental Assessed Value	Gross Increment	Circuit Breaker	Net Increment
Estimated Tax Increment - Culver EDA 1	\$1.5118	\$0	\$0	\$0	\$0
Estimated Tax Increment - Culver EDA 2	1.5118	0	0	0	0

(1) Based on information provided from the 2019 Budget Order.

(2) Tax rates are not adjusted for rate driven funds. Assumes these funds are at their maximum rates.

Union Township (013)

ESTIMATED IMPACT ON THE OVERLAPPING TAXING UNITS (1)

SCENARIO I: PRESENT SITUATION

Represents 2018 taxes payable 2019 property tax levies, assessed valuation, and tax rates.

	Tax Rate	Net Assessed Value of Taxing Unit	Estimated Property Tax Levy
Marshall County	\$0.3377	\$2,543,456,320	\$8,589,252
Marshall County Cumulative Fund (2)	0.0331	2,543,456,320	841,884
Union Township	0.0075	601,929,792	45,145
Union Township Fire	0.0511	426,644,696	218,015
Union Township Cumulative Fire (2)	0.0060	426,644,696	25,599
Culver Community School Corporation	0.4641	601,929,792	2,793,556
Culver Community School Corporation Ref Sch Post09	0.1700	634,468,165	1,078,596
Culver Public Library	0.0900	601,929,792	541,736
Marshall County Solid Waste Management	0.0130	2,543,456,320	330,649
Total Tax Rate (per \$100 AV)	\$1.1725		

	Net Tax Rate	Incremental Assessed Value	Gross Increment	Circuit Breaker	Net Increment
TIF Allocation Fund					
Existing Tax Increment - Culver EDA 1	\$1.0025	\$1,380	\$10	\$0	\$10
Existing Tax Increment - Culver EDA 2	1.0025	271,510	2,720	0	2,720

SCENARIO II: ASSUMES THE INCREMENTAL ASSESSED VALUE IS PASSED THROUGH TO THE OVERLAPPING TAXING UNITS

Assumes \$31,831,930 of estimated incremental assessed value is passed through to the overlapping taxing units.

				Rate Difference From Scenario I	Levy Difference From Scenario I
Marshall County	\$0.3335	\$2,575,288,250	\$8,589,252	(\$0.0042)	\$0
Marshall County Cumulative Fund (2)	0.0331	2,575,288,250	852,420	0.0000	10,536
Union Township	0.0071	633,761,722	45,145	(0.0004)	0
Union Township Fire	0.0511	426,917,586	218,015	0.0000	0
Union Township Cumulative Fire (2)	0.0060	426,917,586	25,615	0.0000	16
Culver Community School Corporation	0.4408	633,761,722	2,793,556	(0.0233)	0
Culver Community School Corporation Ref Sch Post09	0.1700	634,468,165	1,078,596	0.0000	0
Culver Public Library	0.0855	633,761,722	541,736	(0.0045)	0
Marshall County Solid Waste Management	0.0128	2,575,288,250	330,649	(0.0002)	0
Total Tax Rate (per \$100 AV)	\$1.1399			(\$0.0326)	\$10,552

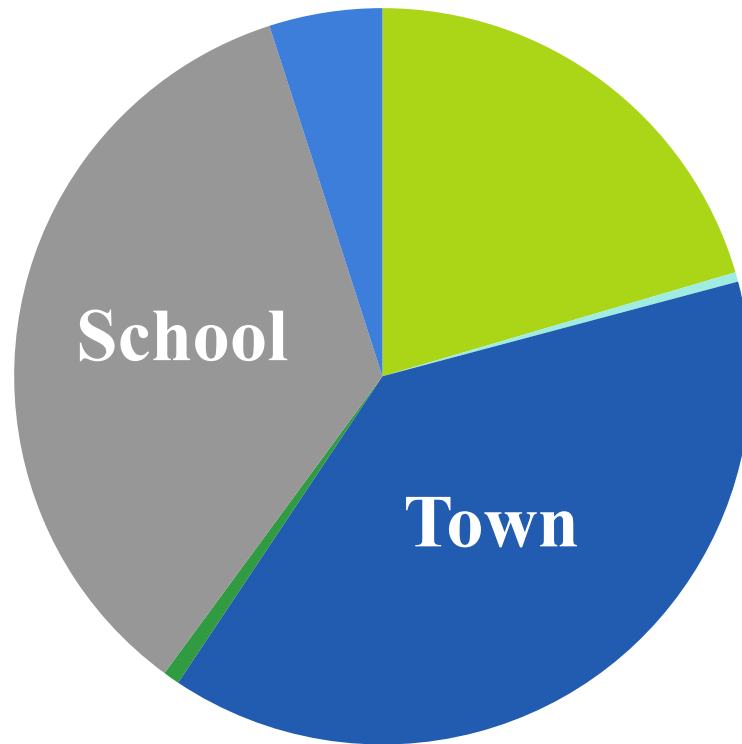
	Net Tax Rate	Incremental Assessed Value	Gross Increment	Circuit Breaker	Net Increment
TIF Allocation Fund					
Estimated Tax Increment - Culver EDA 1	\$0.9699	\$0	\$0	\$0	\$0
Estimated Tax Increment - Culver EDA 2	0.9699	0	0	0	0

(1) Based on information provided from the 2019 Budget Order.

(2) Tax rates are not adjusted for rate driven funds. Assumes these funds are at their maximum rates.

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 Components



- County
- Township
- Town
- Special Taxing District
- School
- Library