

TIF Information Meeting

Whitley County Redevelopment Commission

December 11, 2018

Agenda

- ◇ Introductions
- ◇ What is TIF?
- ◇ Budget review
- ◇ Plans for the TIF areas
- ◇ Tax impact discussion
- ◇ Q&A
- ◇ Regular Commission meeting to follow

Introductions

- ◆ Give your name, position, and agency

What is TIF?

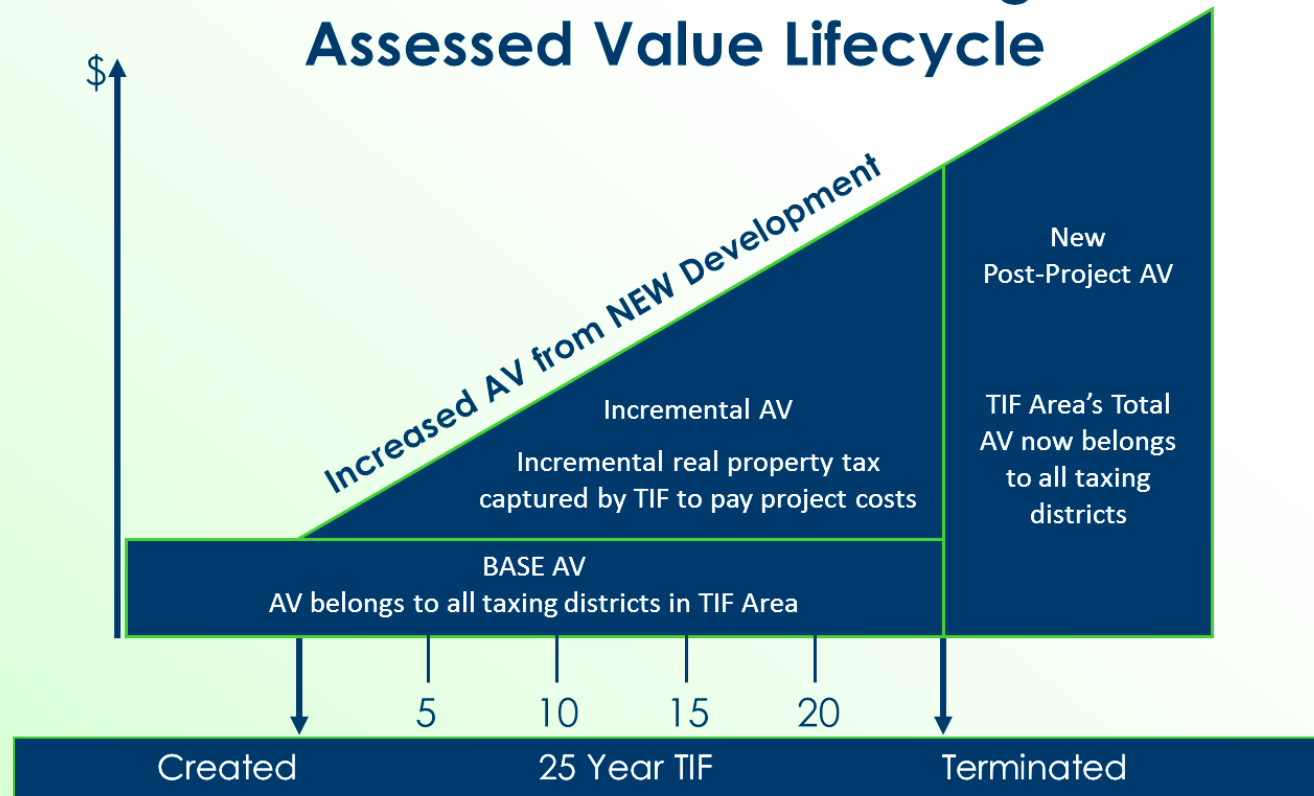
- ◇ TIF is a financing tool designed to spur redevelopment of blighted areas or to incentivize economic development in an area where it would otherwise not occur “but for” the ability to mitigate obstacles to induce private investment.
 - ◇ Redevelopment
 - ◇ Economic Development
 - ◇ “but for”

What is TIF?

- ◇ Why is it necessary? Key tool in the local govt. tool box
- ◇ Redevelopment
 - ◇ Address blighted areas
 - ◇ Abandoned or inadequate buildings
 - ◇ Environmental clean-up
- ◇ Economic development
 - ◇ Compete with other states/communities for jobs
 - ◇ Infrastructure, streets, sidewalks, utilities, sewer, parking, etc.
 - ◇ Buildings, shell/spec buildings
 - ◇ Land purchase
 - ◇ Cash incentive

How TIF Works

Tax Increment Financing Assessed Value Lifecycle



Existing TIFs in Whitley County

◆ Whitley County

- ◆ Economic Development Area #1 (aka Union)
 - ◆ Established 1993 (replacing 1987 district)
 - ◆ 3,454± acres
- ◆ Rail Connect
 - ◆ Established 2010
 - ◆ 244± acres

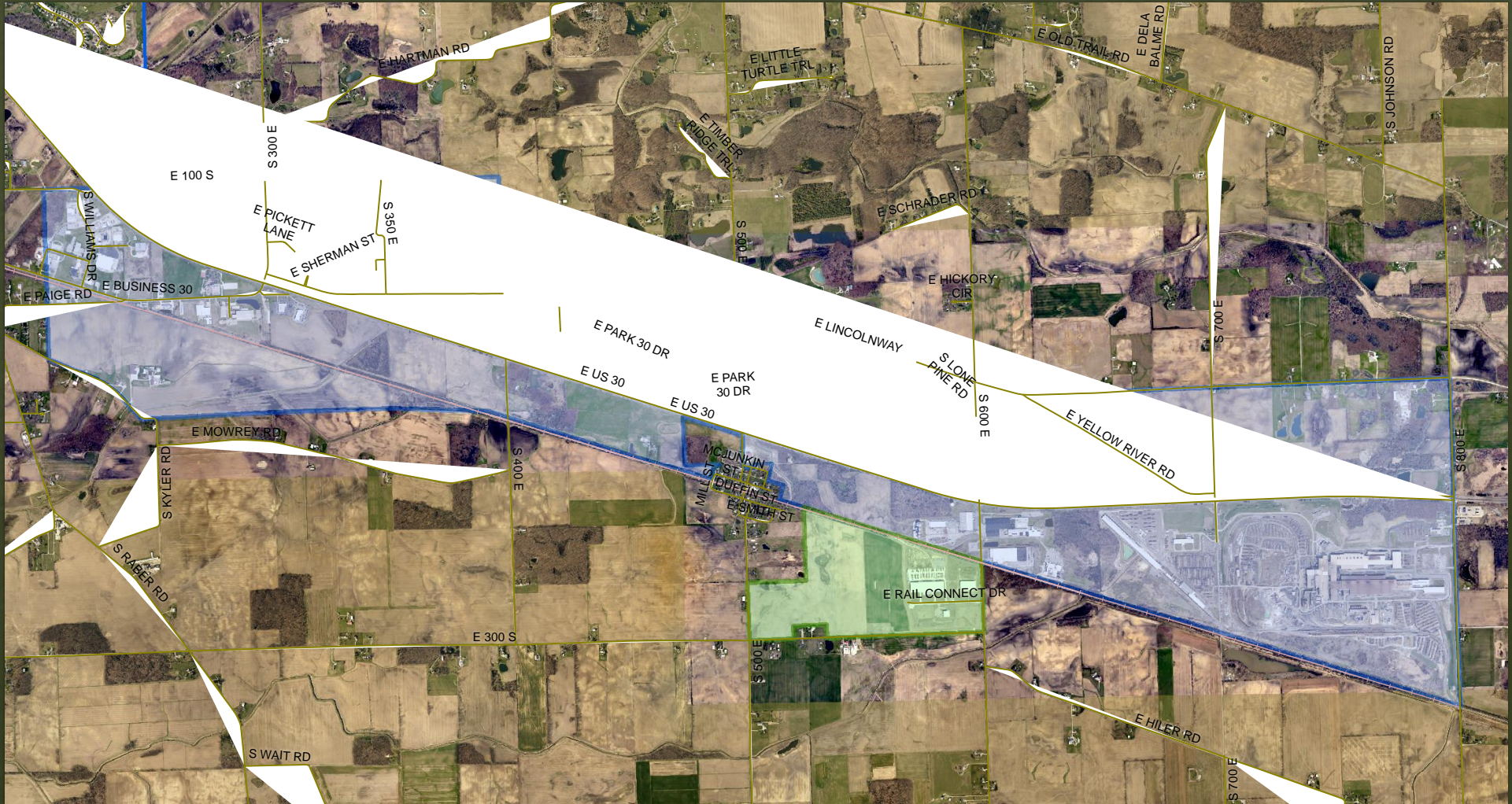
◆ Columbia City

- ◆ Central Redevelopment Area (aka Downtown)
 - ◆ Established 1993
 - ◆ 54± acres
- ◆ Railroad Corridor Economic Development Area
 - ◆ Established 2014
 - ◆ 104± acres

◆ South Whitley

- ◆ Allocation Area #1
 - ◆ Established 2018
 - ◆ 221± acres

County TIFs



2019 Redevelopment Commission budget

Line Item Name	Acct	Description	2019 Adopted Budget	2018 Adopted Budget	2018-2019 Budget Difference	2017 Adopted Budget
Board Member	11801	Meetings x 2 per month, increased rate \$50->\$75	\$ 6,500.00	\$ 2,000.00	\$ 4,500.00	\$ 2,000.00
Bonds & Insurance	30002	Commission member bonds	\$ 1,000.00	\$ 1,000.00	-	\$ 1,000.00
Legal Services	30009	Legal fees	\$ 100,000.00	\$ 75,000.00	\$ 25,000.00	\$ 150,000.00
Consultant/Engineering	31001	Consultant fees	\$ 100,000.00	\$ 100,000.00	-	\$ 100,000.00
Utilities	31003	Utility installations	\$ 165,000.00	\$ 165,000.00	-	\$ 15,000.00
Legal Notices	32011	Published legal notices, mailings	\$ 500.00	\$ 500.00	-	\$ 250.00
Contracted Svcs	35600	Contractors, etc.	\$ 300,000.00	\$ 300,000.00	-	\$ 300,000.00
Training	37001	Training instead of Tax Abatements	\$ 300,000.00	\$ 285,000.00	\$ 15,000.00	-
Dues & Subscriptions	38000	Rail Connect owner association dues, RAI membership	\$ 5,500.00	-	\$ 5,500.00	-
Capital Improvement	40000	School construction, etc.	\$ 2,600,000.00	\$ 2,550,000.00	\$ 50,000.00	-
Tax Revenue Bonds	42009	Iotron/Series A/Series B Bonds	\$ 1,030,000.00	\$ 992,633.00	\$ 37,367.00	\$ 1,897,632.00
Refunds/Reimbursements	59004	Same	\$ 50,000.00	\$ 50,000.00	-	\$ 50,000.00
Tax Revenue Bond Surplus	59008	Same	\$ 142,000.00	\$ 141,884.00	\$ 116.00	-
			\$4,800,500.00	\$4,663,017.00	\$ 137,483.00	\$2,515,882.00

2018 YTD expenditures

Line Item Name	Acct	2018 Adopted Budget	2018 Expenditures (As of 12/17)	Percent remaining
Board Member	11801	\$ 2,000.00	\$ 2,350.00	-17.5%
Bonds & Insurance	30002	\$ 1,000.00	\$ 0.00	100.0%
Legal Services	30009	\$ 75,000.00	\$ 68,607.50	8.5%
Consultant/Engineering	31001	\$ 100,000.00	\$ 39,944.20	68.1%
Utilities	31003	\$ 165,000.00	\$ 84,396.13	48.9%
Legal Notices	32011	\$ 500.00	\$ 70.20	86.0%
Contracted Svcs	35600	\$ 300,000.00	\$ 65,126.10	78.3%
Training	37001	\$ 285,000.00	\$ 280,273.27	1.7%
Capital Improvement	40000	\$ 2,550,000.00	\$ 1,254,170.00	50.8%
Tax Revenue Bonds	42009	\$ 992,633.00	\$ 895,314.60	9.8%
Refunds/Reimbursements	59004	\$ 50,000.00	\$ 0.00	100.0%
Tax Revenue Bond Surplus	59008	\$ 141,884.00	\$ 0.00	100.0%
		\$ 4,663,017.00	\$ 2,682,252.00	42.5%

Projects funded by TIF revenues (conventional)

- ◆ Capital infrastructure
 - ◆ Water and sanitary sewer
 - ◆ Utilities extend to east county line
 - ◆ Rebuild US 30 sewer crossings
 - ◆ Second sanitary sewer force main
 - ◆ Road improvements
 - ◆ County Road 600E crossing and vicinity
- ◆ Land acquisition and development
 - ◆ Rail Connect Park
- ◆ Building improvement
 - ◆ Coupled Products environmental study

Projects funded by TIF revenues (creative)

- ◇ Training grants
 - ◇ Reelcraft, Pyrotek, et al
 - ◇ Investment in personnel
- ◇ Bond in lieu of abatement
 - ◇ Iotron
- ◇ Land acquisition and development
 - ◇ AJ Machine site
- ◇ School capital construction
 - ◇ Training workforce
 - ◇ Overall quality of life

Potential/planned projects

- ◇ Training grants
- ◇ School vocational training
- ◇ Infrastructure
 - ◇ Water extensions
 - ◇ Sewer extensions/reconstruction
 - ◇ Roads
 - ◇ Lincolnway/Business 30
 - ◇ US 30 interchanges
 - ◇ Railroad crossings
- ◇ Land acquisition and development
 - ◇ New industrial area

Possible future TIFs

- ◇ Larwill
 - ◇ Redevelopment
 - ◇ US 30 corridor development
- ◇ Churubusco
 - ◇ Business park development
 - ◇ Downtown

Impacts to taxing units

	2017 pay 2018 funds received for TIF		
	Spring	Fall	Annual
Union TIF	\$2,208,834.91	\$2,208,834.91	\$4,417,669.82
Rail Connect Park TIF	\$ 38,827.04	\$ 38,827.04	\$ 77,654.08
Iotron (designated taxpayer)	\$ 52,651.86	\$ 52,651.86	\$ 105,303.72
	\$2,300,313.81	\$2,300,313.81	\$4,600,627.62

	Entire increment distributed per 2018 tax rate		
	Rate	Share	Total
County	0.4377	28.3%	\$ 1,300,164.46
Township	0.0695	4.5%	\$ 206,446.04
Library		0.0%	\$ -
School	1.0416	67.3%	\$ 3,094,017.13

Comparisons (2015)

	# of TIFs (2015)	Incremental AV (millions)	Revenues (millions)	Expenses (millions)	Bonds (millions)
Huntington	3	\$66.54	\$7.86	\$5.51	\$10.26
Wabash	6	\$97.61	\$2.17	\$2.57	\$25.95
Noble	10	\$145.38	\$3.33	\$3.55	\$17.80
Kosciusko	14	\$177.45	\$5.65	\$3.89	\$20.08
Whitley	4	\$249.91	\$3.54	\$3.72	\$12.84
Johnson	15	\$444.80	\$11.58	\$10.60	\$142.94
Allen	54	\$591.04	\$16.69	\$16.32	\$158.06
Lake	54	\$1,657.37	\$66.47	\$85.05	\$482.14
Hamilton	77	\$2,609.38	\$53.31	\$52.60	\$10,628.85

Q & A

◆ Questions?