CITY OF BLOOMINGTON

Bloomington Redevelopment Commission:
TIF Impact Update

Reedy Financial Group P.C.
Government Finance Specialists
Certified Public Accountants | Consultants | Registered Municipal Advisors
Inside the RDC

- Economic Development Area: an allocation area hoping to increase employment opportunities, attract new businesses, or retain or expand business in the area.

- Tax Increment Financing (TIF): Growth in assessed value in an allocation area times the taxing district rate will provide revenue for projects benefiting the area.
Why Create a TIF District?

- Attract capital investment to the area
- Attract new residents to the community
- Promotes economic development in an otherwise stagnate area
- Allows for redevelopment to be self-funded through assessed value growth
- It provides a financing tool for redevelopment
- Issuance of debt on TIF revenue is less restrictive and does not require petition or referendum
Reporting Requirements

- Prior to April 1st: Clerk-Treasurer’s Annual Report to the Redevelopment Commission
- No Later Than April 15th: Report of Previous Years’ Activities to the Fiscal/Executive Body
- Prior to June 15th: Determination of Excess Incremental Assessed Value Pass-Through for the Upcoming Pay Year
- Prior to July 1st: Presentation to All Overlapping Taxing Units
  - Includes: RDCs budget, long-term plans for the allocation area, and the TIF impact on each of the taxing units
- Prior to August 1st: Neutralization of Base Assessed Value for the Upcoming Year
TIF Overview

• Base AV

1. Existing AV at the time TIF is Established
2. Percentage of what doesn't meet the Incremental AV classification

• Incremental AV
  a) New Construction (+)
  b) New Abatement Roll off (+)
  c) New Destruction (-)
  d) New Appeals (+)
## Consolidated TIF Fund

### Projected 2019 Beginning Cash Balance

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$19,981,037</td>
<td></td>
</tr>
</tbody>
</table>

### Revenues

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal and State Grants</td>
<td>$495,130</td>
</tr>
<tr>
<td>Interest / Misc. Revenue</td>
<td>$146,285</td>
</tr>
<tr>
<td>Restitution</td>
<td>$2,574</td>
</tr>
<tr>
<td>Solar Bond Revenue</td>
<td>$760,408</td>
</tr>
<tr>
<td>TIF Revenue Collections</td>
<td>$10,647,847</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>$12,052,243</strong></td>
</tr>
</tbody>
</table>

### Capital Outlays

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$19,474,118</td>
<td></td>
</tr>
</tbody>
</table>

### Debt Payments

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>7th &amp; Walnut Garage Lease</td>
<td>$233,808</td>
</tr>
<tr>
<td>Mercury Garage Lease</td>
<td>$436,116</td>
</tr>
<tr>
<td>Refunded Bonds, Series 2017</td>
<td>$903,140</td>
</tr>
<tr>
<td>Solar Project Lease Purchase</td>
<td>$895,230</td>
</tr>
<tr>
<td>Tax Increment Bonds, Series 2015</td>
<td>$2,840,094</td>
</tr>
<tr>
<td><strong>Other Services and Charges</strong></td>
<td><strong>$10,333</strong></td>
</tr>
</tbody>
</table>

### Total Spending

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$24,792,839</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Surplus/(Deficit)

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus/(Deficit)</td>
<td>$(12,740,596)</td>
</tr>
<tr>
<td>Pass Through</td>
<td>49%</td>
</tr>
</tbody>
</table>

### 2019 Ending Cash Balance

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$7,240,441</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Long Term Plans

- 17th Street Sidewalk
- Fiber Conduit Project
- Trades District
- Hospital Site Reuse
- Bond Payments
# North Kinser Allocation Area

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected 2019 Beginning Cash Balance</td>
<td>$679,679</td>
</tr>
<tr>
<td>Misc. Revenue</td>
<td>$-</td>
</tr>
<tr>
<td>TIF Revenue Collections</td>
<td>$89,913</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$89,913</td>
</tr>
<tr>
<td>Capital Outlays</td>
<td></td>
</tr>
<tr>
<td>Cascades Trail</td>
<td>$4,500</td>
</tr>
<tr>
<td>Debt Payments</td>
<td>$-</td>
</tr>
<tr>
<td>Other Services and Charges</td>
<td>$-</td>
</tr>
<tr>
<td>Total Spending</td>
<td>$4,500</td>
</tr>
<tr>
<td>Surplus/(Deficit)</td>
<td>$85,413</td>
</tr>
<tr>
<td>Pass Through</td>
<td>1998%</td>
</tr>
<tr>
<td>2019 Ending Cash Balance</td>
<td>$765,092</td>
</tr>
</tbody>
</table>

## Long Term Plans
- Cascades Trail
RDC Fund

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected 2019 Beginning Cash Balance</td>
<td>$93,982</td>
</tr>
<tr>
<td>Interest / Misc. Revenue</td>
<td>$1,398</td>
</tr>
<tr>
<td>Rental Property</td>
<td>$71,170</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$72,569</td>
</tr>
<tr>
<td>Capital Outlays</td>
<td>$</td>
</tr>
<tr>
<td>Debt Payments</td>
<td>$</td>
</tr>
<tr>
<td>Other Services and Charges</td>
<td></td>
</tr>
<tr>
<td>IU Buildings</td>
<td>$13,500</td>
</tr>
<tr>
<td>Lawn Care</td>
<td>$4,000</td>
</tr>
<tr>
<td>Property Related Costs</td>
<td>$40,000</td>
</tr>
<tr>
<td>Utility Payments</td>
<td>$15,000</td>
</tr>
<tr>
<td>Total Spending</td>
<td>$72,500</td>
</tr>
</tbody>
</table>

Surplus/(Deficit) $69
Pass Through 98%

2019 Ending Cash Balance $94,050

Long Term Plans
- Building maintenance/utilities
AIM Research

- During the 2018 AIM Conference we jointly presented with Barnes and Thornburg regarding TIF Impact

- To calculate the true TIF impact to overlapping units, we analyzed every parcel in Wayne, Boone, and Jasper county to come up with the most accurate impact report possible

- This in depth analysis averaged 100+ hours per county

- In an effort to save time and money, for the RDC we have created a process based off our in depth analysis to arrive at an estimation of what we can reasonably assume the circuit breaker impact to be
Circuit Breaker Correlation

- The level of TIF impact is directly correlated to the circuit breaker environment where the TIF is located.
- The higher the circuit breaker the higher the impact to overlapping units.
- Monroe County ranks 75th out of all 92 counties in the State.
**TIF Impact Chart**

<table>
<thead>
<tr>
<th>Overlapping Units</th>
<th>Circuit Breaker Impact</th>
<th>Percent of Total Impact</th>
<th>2018 Budget</th>
<th>Impact as a Percent of 2018 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bloomington Civil City</td>
<td>$1,080,629</td>
<td>59.72%</td>
<td>$62,045,731</td>
<td>1.74%</td>
</tr>
<tr>
<td>Monroe County</td>
<td>$345,487</td>
<td>19.09%</td>
<td>$51,344,473</td>
<td>0.67%</td>
</tr>
<tr>
<td>Monroe County Community School Corporation</td>
<td>$245,496</td>
<td>13.57%</td>
<td>$111,474,761</td>
<td>0.22%</td>
</tr>
<tr>
<td>Richland-Bean Blossom Community School Corporation</td>
<td>$48,536</td>
<td>2.68%</td>
<td>$27,173,452</td>
<td>0.18%</td>
</tr>
<tr>
<td>Bloomington Transportation</td>
<td>$44,043</td>
<td>2.43%</td>
<td>$9,800,458</td>
<td>0.45%</td>
</tr>
<tr>
<td>Monroe County Solid Waste Management District</td>
<td>$24,252</td>
<td>1.34%</td>
<td>$2,875,073</td>
<td>0.84%</td>
</tr>
<tr>
<td>Perry Township</td>
<td>$12,428</td>
<td>0.69%</td>
<td>$1,246,596</td>
<td>1.00%</td>
</tr>
<tr>
<td>Bloomington Township</td>
<td>$7,200</td>
<td>0.40%</td>
<td>$62,045,731</td>
<td>0.01%</td>
</tr>
<tr>
<td>Richland Township</td>
<td>$1,524</td>
<td>0.08%</td>
<td>$1,380,367</td>
<td>0.11%</td>
</tr>
<tr>
<td>Van Buren Township</td>
<td>$1</td>
<td>0.00%</td>
<td>$2,555,204</td>
<td>0.00%</td>
</tr>
<tr>
<td>Perry-Clear Creek Fire Protection</td>
<td>$-</td>
<td>0.00%</td>
<td>$2,556,650</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

**Total Impact to Overlapping Units**

$1,809,596

Or

**2018 TIF Collections**

$9,784,623

- We have provided an estimated circuit breaker impact
- \(^\ast\)Percent of Total Impact = Circuit Breaker Impact of an Individual Unit / Total Impact to All Overlapping Units
- \(\ast\ast\)Impact as a Percent of 2018 Budget = Circuit Breaker Impact of an Individual Unit / 2018 Budget of that Individual Unit
TIF Benefits

- RDC TIF Margin = $0.82
  - TIF Margin is stated in terms of *additional money* collected per every $1 collected in the RDC
    - The TIF Margin is the additional revenue per every $1 collected in the RDC that would be foregone if the RDC did not exist. This revenue would *not* be collected by the overlapping units.
    - $9,784,623 worth of revenue is collected due to the RDC being established (Total collections in 2018 for every allocation area combined)
    - Without the RDC the same assessed value would only yield $1,809,596 worth of revenue (2018 Circuit Breaker Impact)

- Switchyard Park
- Going Solar
- 17th St. Improvements
- Trades District
Thank you!

- Report Presented by Eric Reedy & Matthew Frische