



**CITY OF BLOOMINGTON**

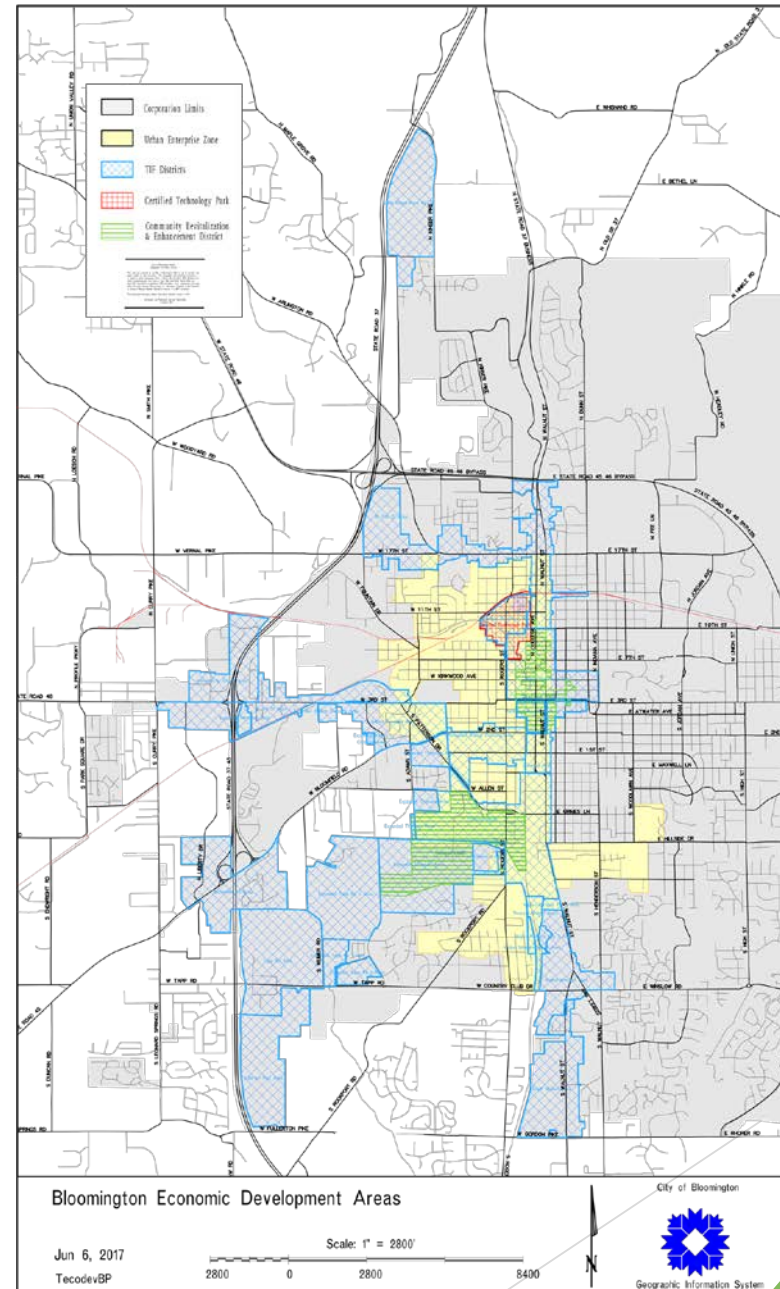
Bloomington Redevelopment Commission:  
TIF Impact Update

  
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 1<sup>st</sup>: Clerk-Treasurer's Annual Report to the Redevelopment Commission
- ▶ No Later Than April 15<sup>th</sup>: Report of Previous Years' Activities to the Fiscal/Executive Body
- ▶ Prior to June 15<sup>th</sup>: Determination of Excess Incremental Assessed Value Pass-Through for the Upcoming Pay Year
- ▶ **Prior to July 1<sup>st</sup>: 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 1<sup>st</sup>: Neutralization of Base Assessed Value for the Upcoming Year

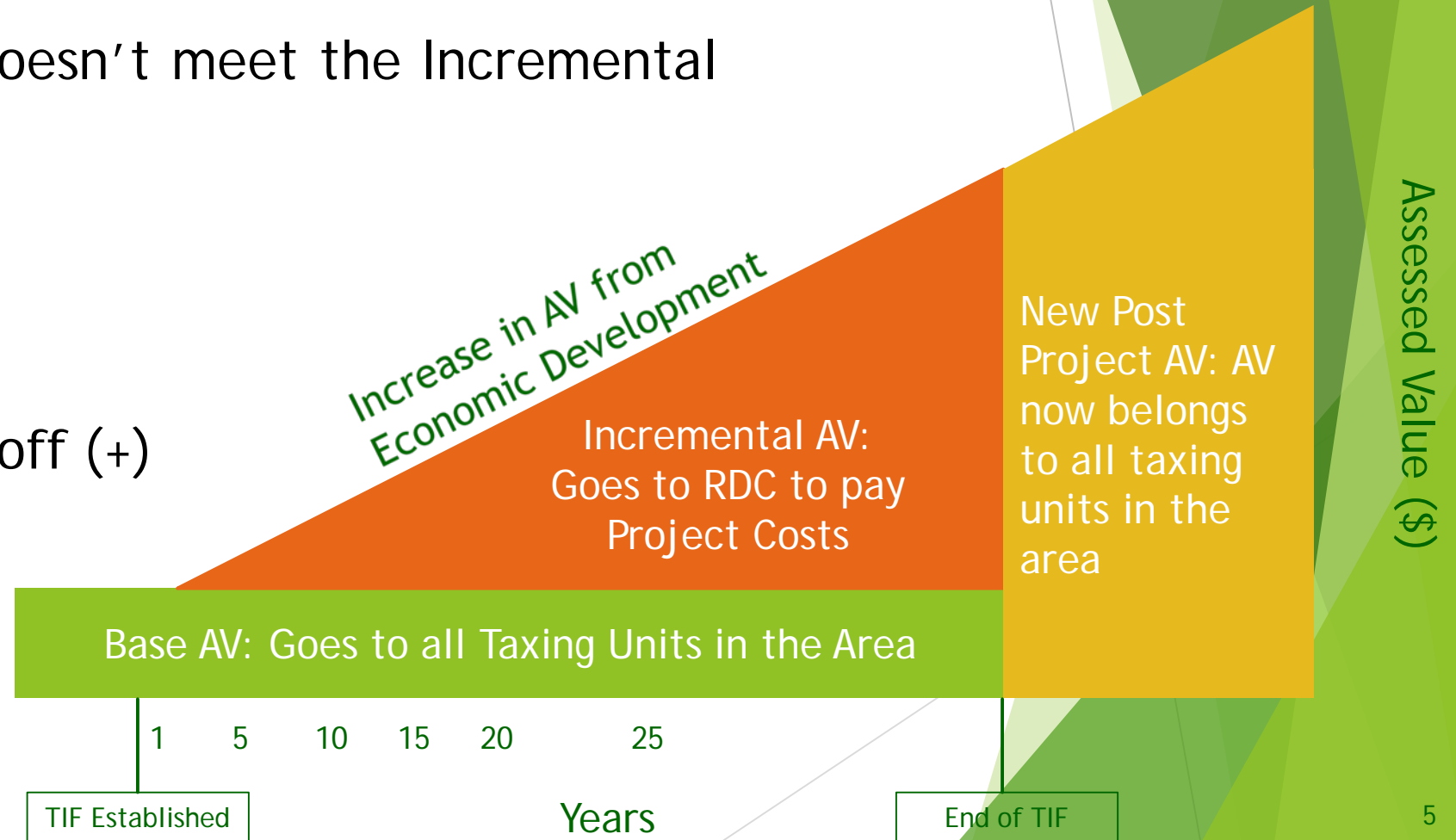
# TIF Overview

- 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

<u>2019 Beginning Cash Balance</u>		\$ 19,981,037
<i>Federal and State Grants</i>	\$ 495,130	
<i>Interest / Misc. Revenue</i>	\$ 146,285	
<i>Restitution</i>	\$ 2,574	
<i>Solar Bond Revenue</i>	\$ 760,408	
<i>TIF Revenue Collections</i>	\$ 10,647,847	
<b>Total Revenues</b>		\$ 12,052,243
<u>Capital Outlays</u>	\$ 19,474,118	
<u>Debt Payments</u>		
<i>7th &amp; Walnut Garage Lease</i>	\$ 233,808	
<i>Mercury Garage Lease</i>	\$ 436,116	
<i>Refunded Bonds, Series 2017</i>	\$ 903,140	
<i>Solar Project Lease Purchase</i>	\$ 895,230	
<i>Tax Increment Bonds, Series 2015</i>	\$ 2,840,094	
<u>Other Services and Charges</u>	\$ 10,333	
<b>Total Spending</b>		\$ 24,792,839
Surplus/(Deficit)	\$ (12,740,596)	
Pass Through	49%	
2019 Ending Cash Balance		<u>\$ 7,240,441</u>

## Long Term Plans

- Street & Sidewalk Projects
- Trades District
- Hospital Site Reuse
- Bond Payments

# North Kinser Allocation Area

<u>2019 Beginning Cash Balance</u>		\$	<b>679,679</b>
<i>Misc. Revenue</i>	\$	-	
<i>TIF Revenue Collections</i>	\$	89,913	
<b>Total Revenues</b>		\$	<b>89,913</b>
<u>Capital Outlays</u>			
<i>Cascades Trail</i>	\$	4,500	
<u>Debt Payments</u>	\$	-	
<u>Other Services and Charges</u>	\$	-	
<b>Total Spending</b>		\$	<b>4,500</b>
Surplus/(Deficit)		\$	85,413
Pass Through			1998%
2019 Ending Cash Balance		\$	<b><u>765,092</u></b>

## Long Term Plans

- Cascades Trail

# RDC Fund

2019 Beginning Cash Balance \$ 93,982

*Interest / Misc. Revenue* \$ 1,398

*Rental Property* \$ 71,170

**Total Revenues** \$ 72,569

Capital Outlays

\$ -

Debt Payments

\$ -

Other Services and Charges

*CTP Buildings* \$ 13,500

*Lawn Care* \$ 4,000

*Property Related Costs* \$ 40,000

*Utility Payments* \$ 15,000

**Total Spending** \$ 72,500

Surplus/(Deficit) \$ 69

Pass Through 98%

2019 Ending Cash Balance \$ 94,050

## Long Term Plans

- Building maintenance/utilities

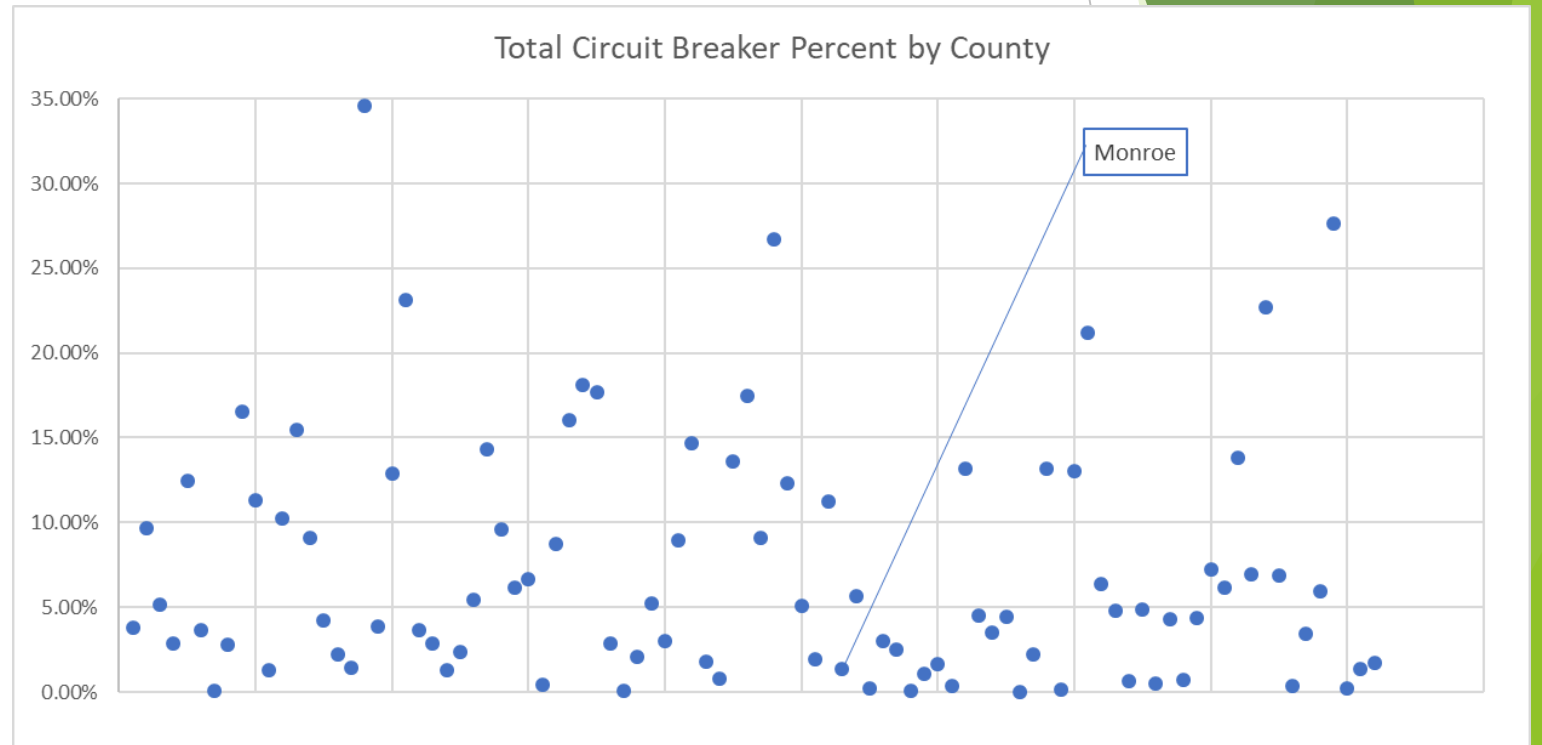


# AIM Research

- ▶ 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

<u>Overlapping Units</u>	<u>Circuit Breaker Impact</u>	<u>Percent of Total Impact</u>	<u>2018 Budget</u>	<u>Impact as a Percent of 2018 Budget</u>
Bloomington Civil City	\$ 1,080,629	59.72%	\$ 62,045,731	1.74%
Monroe County	\$ 345,487	19.09%	\$ 51,344,473	0.67%
Monroe County Community School Corporation	\$ 245,496	13.57%	\$ 111,474,761	0.22%
Richland-Bean Blossom Community School Corporation	\$ 48,536	2.68%	\$ 27,173,452	0.18%
Bloomington Transportation	\$ 44,043	2.43%	\$ 9,800,458	0.45%
Monroe County Solid Waste Management District	\$ 24,252	1.34%	\$ 2,875,073	0.84%
Perry Township	\$ 12,428	0.69%	\$ 1,246,596	1.00%
Bloomington Township	\$ 7,200	0.40%	\$ 62,045,731	0.01%
Richland Township	\$ 1,524	0.08%	\$ 1,380,367	0.11%
Van Buren Township	\$ 1	0.00%	\$ 2,555,204	0.00%
Perry-Clear Creek Fire Protection	\$ -	0.00%	\$ 2,556,650	0.00%
<b>Total Impact to Overlapping Units</b>	<b>\$ 1,809,596</b>			
<b>Or</b>				
<b>2018 TIF Collections</b>	<b>\$ 9,784,623</b>			

- ▶ We have provided an estimated circuit breaker impact
- ▶ \*Percent of Total Impact = Circuit Breaker Impact of an Individual Unit / Total Impact to All Overlapping Units
- ▶ \*\*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
- ▶ Street & Sidewalk Projects
- ▶ Trades District

# Thank you!

- ▶ Report Presented by Eric Reedy & Matthew Frische



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