

CITY OF BLOOMINGTON

Bloomington Redevelopment Commission:
TIF Impact Update

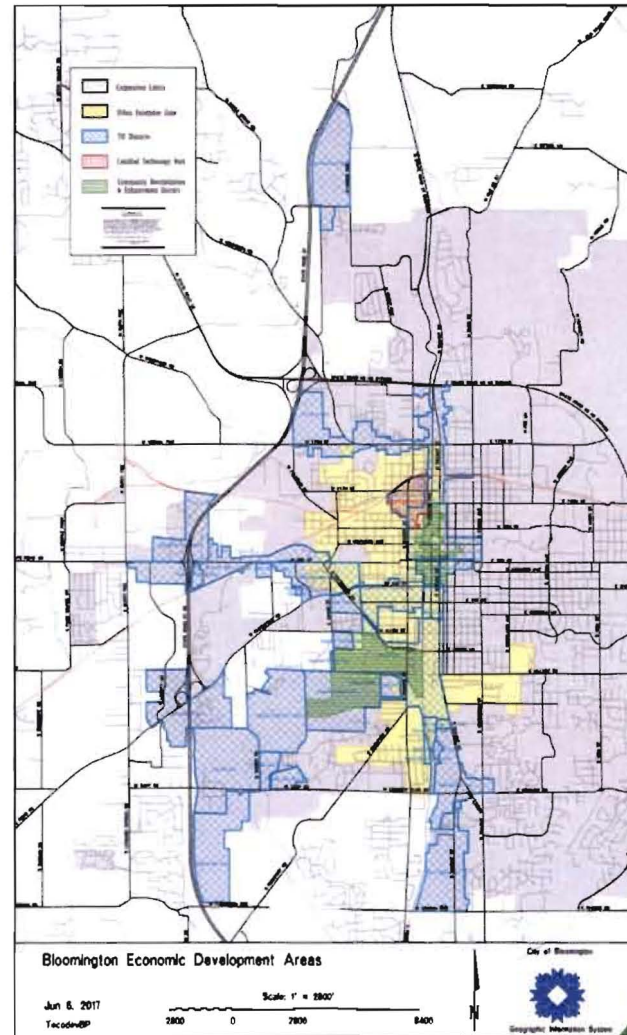

Reedy Financial Group P.C.

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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

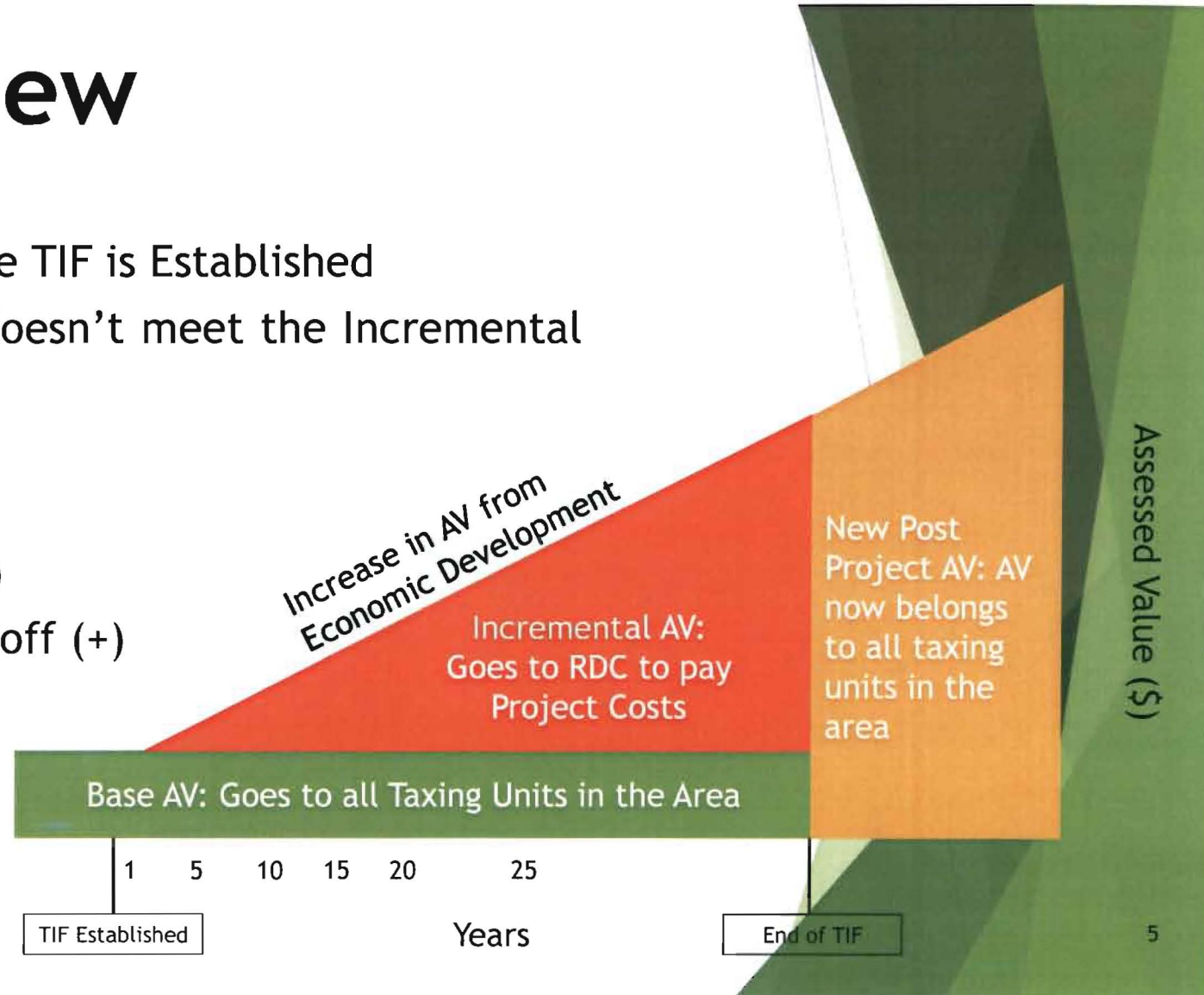
TIF Overview

- 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

| | | | |
|--|----|-------------------|-------------------------|
| <u>Projected 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> | \$ | <u>10,647,847</u> | |
| Total Revenues | | \$ | 12,052,243 |
| <u>Capital Outlays</u> | \$ | 19,474,118 | |
| <u>Debt Payments</u> | | | |
| <i>7th & 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 | |
| Total Spending | | \$ | 24,792,839 |
| Surplus/(Deficit) | \$ | (12,740,596) | |
| Pass Through | | | 49% |
| 2019 Ending Cash Balance | | \$ | <u>7,240,441</u> |

Long Term Plans

- 17th Street Sidewalk
- Fiber Conduit Project
- Trades District
- Hospital Site Reuse
- Bond Payments

North Kinser Allocation Area

Projected 2019 Beginning Cash Balance \$ 679,679

Misc. Revenue \$ -
 TIF Revenue Collections \$ 89,913

Total Revenues \$ 89,913

Capital Outlays

Cascades Trail \$ 4,500

Debt Payments \$ -

Other Services and Charges \$ -

Total Spending \$ 4,500

Surplus/(Deficit) \$ 85,413

Pass Through 1998%

2019 Ending Cash Balance \$ 765,092

Long Term Plans

- Cascades Trail



RDC Fund

| | | | |
|--|----|--------|---------------|
| <u>Projected 2019 Beginning Cash Balance</u> | | \$ | 93,982 |
| <i>Interest / Misc. Revenue</i> | \$ | 1,398 | |
| <i>Rental Property</i> | \$ | 71,170 | |
| Total Revenues | | \$ | 72,569 |
| <u>Capital Outlays</u> | | \$ | - |
| <u>Debt Payments</u> | | \$ | - |
| <u>Other Services and Charges</u> | | | |
| <i>IU Buildings</i> | \$ | 13,500 | |
| <i>Lawn Care</i> | \$ | 4,000 | |
| <i>Property Related Costs</i> | \$ | 40,000 | |
| <i>Utility Payments</i> | \$ | 15,000 | |
| Total Spending | | \$ | 72,500 |

| | | |
|--------------------------|----|---------------|
| Surplus/(Deficit) | \$ | 69 |
| Pass Through | | 98% |
| 2019 Ending Cash Balance | \$ | <u>94,050</u> |

Long Term Plans

- Building maintenance/utilities

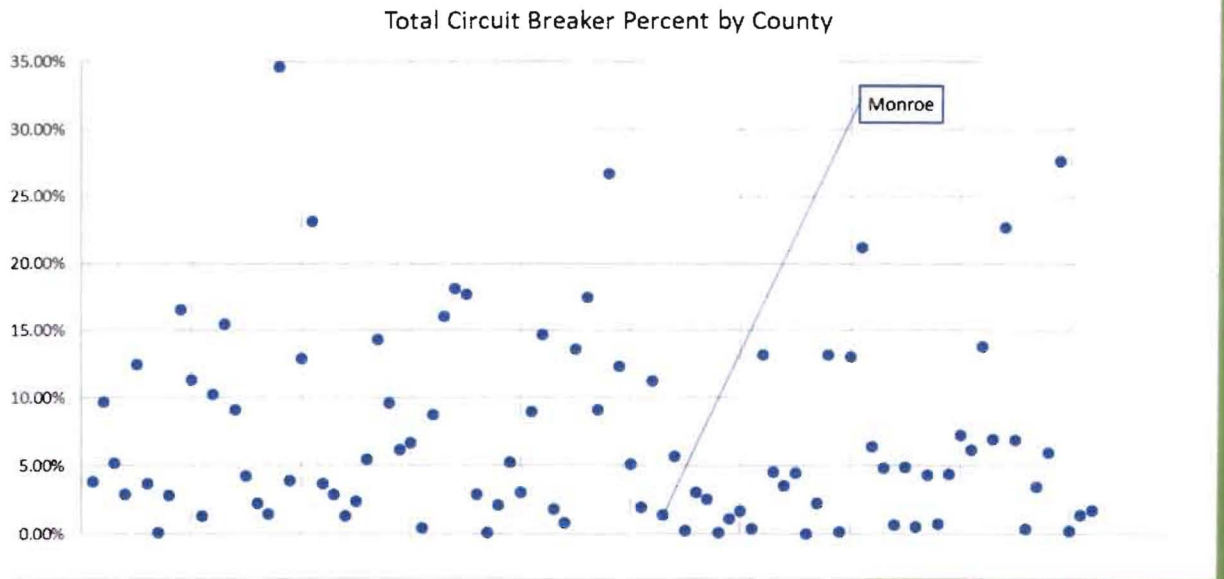
AIM Research

- ▶ 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

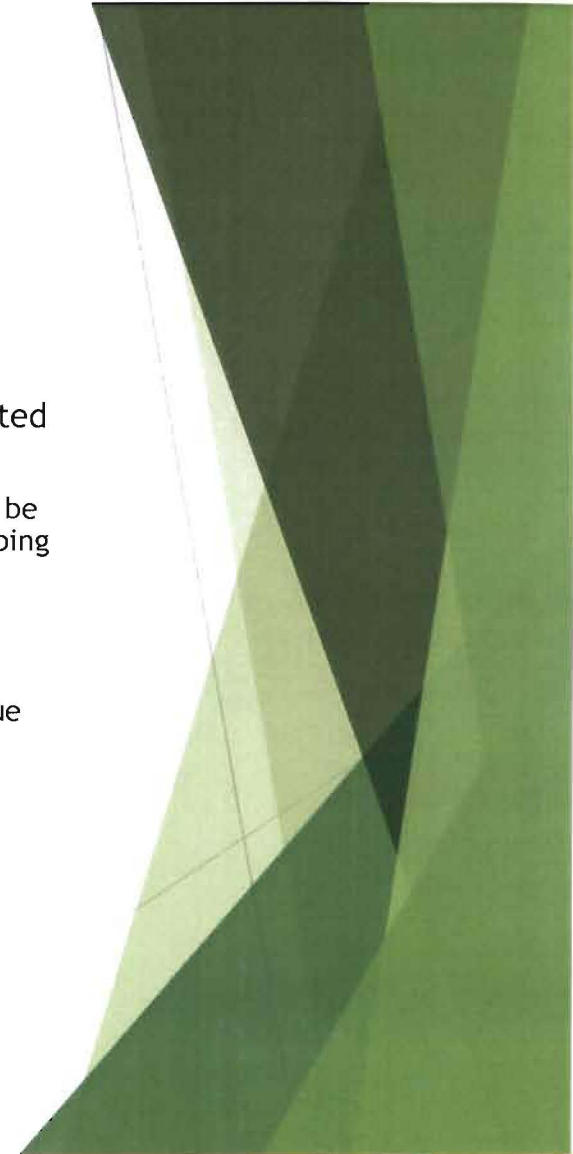
| <u>Overlapping Units</u> | <u>Circuit Breaker Impact</u> | <u>Percent of Total Impact</u> | <u>2018 Budget</u> | <u>Impact as a Percent of 2018 Budget</u> |
|--|-------------------------------|--------------------------------|--------------------|---|
| Bloomington Civil City | \$ 1,080,629 | 59.72% | \$ 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% |
| Total Impact to Overlapping Units | \$ 1,809,596 | | | |
| Or | | | | |
| 2018 TIF Collections | \$ 9,784,623 | | | |

- ▶ 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

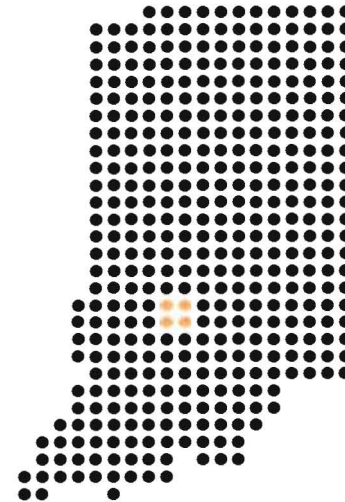
- ▶ RDC TIF Margin = \$0.82
 - ▶ TIF Margin is stated in terms of **additional money** collected per every \$1 collected in the RDC
 - ▶ The TIF Margin is the additional revenue per every \$1 collected in the RDC that would be foregone if the RDC did not exist. This revenue would not be collected by 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
- ▶ 17th St. Improvements
- ▶ Trades District



Thank you!

- ▶ Report Presented by Eric Reedy & Matthew Frische




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