

Vanderburgh County Redevelopment Commission

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



MUNICIPAL ADVISORS

now joined with
Springsted and Umbaugh

May 30, 2019



**Vanderburgh
County
Redevelopment
Commission**

- David Abbott, President
- James Raben, Vice President
- Matt Merkel, Member
- Tom Shelter Jr. Member
- Vernon Stevens, Member
- Terry Gamblin, Non-voting Member

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Burkhardt Road Economic Development Area

Burkhardt Road EDA

About the Area

Created/Expanded	Expiration
February 24, 1995	February 1, 2031 *
February 13, 2006	February 1, 2031 *
February 13, 2006	February 13, 2036

* Area will expire when the final debt payments are made because its within the Evansville Corporate Boundaries

	Pay 2019
Estimated Annual TIF	\$6,290,620

Burkhardt Road EDA

Projects Funded with TIF Revenues

- Green River Road reconstruction between Lynch and Millersburg
- Millersburg Road reconstruction between Hedden and Green River
- Heckel Road reconstruction between Oak Hill and Green River
- Cross Pointe Blvd. construction between Virginia and Morgan/SR 62
- Burkhardt Road – Virginia Street intersection reconstruction
- Burkhardt Road reconstruction – four separate phases between Lloyd/SR 66 and Lynch

Burkhardt Road EDA

Outstanding Obligation(s)

Redevelopment District Tax Increment Refunding Revenue Bonds of 2014

- \$25,785,000 issued / \$20,610,000 outstanding
- Final maturity: February 1, 2031
- Bonds are repaid with Tax Increment on parity with Outstanding Obligations

Redevelopment District Tax Increment Refunding Revenue Bonds, Series 2016

- \$5,285,000 issued / \$3,115,000 outstanding
- Final maturity: February 1, 2023
- Bonds are repaid with Tax Increment on parity with Outstanding Obligations

Redevelopment District Tax Increment Revenue Bonds, Series 2018

- \$7,500,000 issued / \$7,500,000 outstanding
- Final maturity: February 1, 2031
- Bonds are repaid with Tax Increment on parity with Outstanding Obligations

Burkhardt Road EDA

Comparison of Estimated Tax Increment to Debt Payments – 100% Capture

Scenario 1: Assumes no estimated Incremental Assessed Value is passed through to the overlapping taxing units in taxes payable 2019 and beyond.

	Pay 2019	Pay 2020	Pay 2021	Pay 2022
Estimated Annual TIF	\$6,290,620	\$6,297,270	\$6,301,700	\$6,306,130
Annual Debt Payments	\$3,565,383	\$3,525,244	\$3,521,294	\$3,528,344
Additional TIF Available	\$2,725,237	\$2,772,026	\$2,780,406	\$2,777,786
Estimated coverage	176%	179%	179%	179%

Burkhardt Road EDA

Comparison of Estimated Tax Increment to Debt Payments – 90% Capture

Scenario 2: Assumes 10% of the estimated Incremental Assessed Value is passed through in taxes payable 2020 and beyond.

	Pay 2019	Pay 2020	Pay 2021	Pay 2022
Estimated Annual TIF	\$6,290,620	\$5,498,630	\$5,502,600	\$5,506,570
Annual Debt Payments	\$3,565,383	\$3,525,244	\$3,521,294	\$3,528,344
Additional TIF Available	\$2,725,237	\$1,973,386	\$1,981,306	\$1,978,226
Estimated coverage	176%	156%	156%	156%

Burkhardt Road EDA

Impact of \$36 million TIF Pass-Through Assessed Value

	Increased Tax Revenue from Rate Limited Funds	Increased Tax Revenue due to Reduced Circuit Breaker Loss	Tax Revenue Gain
County	\$15,716	\$153,831	\$169,547
Townships	75	15,271	15,346
Municipalities	0	296,804	296,804
School	0	155,808	155,808
Library	0	42,828	42,828
Levee Authority	0	5,072	5,072
Airport Authority	4,469	5,464	9,933
Total	\$20,260	\$675,077	\$695,337

- Units gain \$695,000
- TIF loses (\$799,000) per year

Burkhardt Road EDA

TIF Area Funding

Estimated Revenues (1)

TIF General Fund	\$16,616,773
2018 Bond Proceeds	8,051,064

Estimated Construction Related Costs (2)

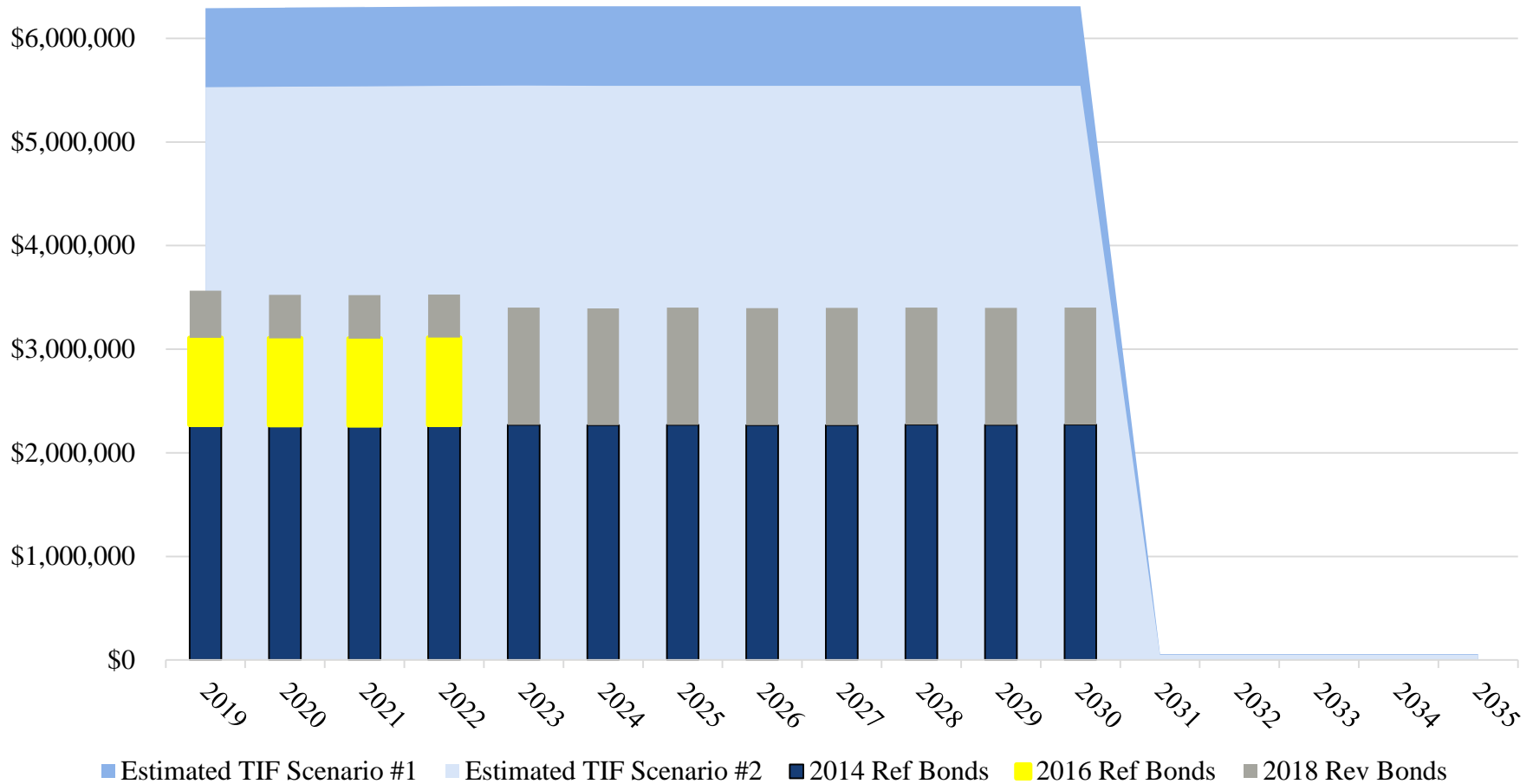
Green River Road Mitigation Site Monitoring	(\$11,000)	
Millersburg Rd. Mitigation Site Monitoring	(11,298)	
Green River Ph. 6	(334,815)	
Green River Ph. 7	(5,012,711)	
Boonville New Harmony Rd. - Petersburg to SR 57	(8,882,380)	
Kansas Road	(9,331,706)	
Green River Trail - Heckel to Millersburg	(3,454,610)	
Green River Trail - Lenape to Heckel	(7,034,366)	
Oak Hill Road - Lynch Rd. to Eastwood Dr.	(12,426,710)	
Oak Hill Road - Eastwood Dr. to Hedden Road	(3,376,703)	
Oak Hill Road Trail - Millersburg Rd. to Hedden Rd.	(1,296,550)	
Green River Resurfacing - Hirsch to Millersburg	(1,800,000)	
Total Estimated Costs		<u>(52,972,847)</u>

Estimated Revenues Remaining (\$28,305,010)

- (1) No future interest earnings have been included in the revenue estimates. Does not include combined Debt Service Reserve balances of \$3,122,267.
- (2) Provided by the County Engineer.

Burkhardt Road EDA

Comparison of Estimated Tax Increment and Obligations



Phoenix Commerce
Center EDA
(Vanderburgh Industrial
Park)

Phoenix Commerce Center EDA (VIP)

About the Area

Created/Expanded	Expiration
June 26, 1997	June 26, 1997
July 19, 2017	25 years from bond issuance date
July 12, 2018	25 years from bond issuance date

	Pay 2019
Estimated Annual TIF	\$1,072,870

Phoenix Commerce Center EDA (VIP)

Projects Funded with TIF Revenues

Industrial Park Subdivision

- All road and sewers
- A railroad spur into the subdivision

Phoenix Commerce Center EDA (VIP)

Outstanding Obligation

Redevelopment District Tax Increment Revenue Bond Anticipation Notes Series 2018C

- \$3,020,000 issued / \$3,020,000 outstanding
- Total outstanding with interest \$3,098,520
- Final maturity: August 1, 2019
- To be paid from the current balance in TIF General Fund

Phoenix Commerce Center EDA (VIP)

Comparison of Estimated Tax Increment to Debt Payments

	Pay 2019	Pay 2020	Pay 2021	Pay 2022
Estimated Annual TIF	\$1,072,870	\$1,088,830	\$1,105,470	\$1,121,430
Annual Debt Payments	\$3,098,520	\$0	\$0	\$0
Additional TIF Available	(\$2,025,650)	\$1,088,830	\$1,105,470	\$1,121,430
Estimated coverage	35%			

Note: Does not include TIF balance which is anticipated to be used to pay off the Notes when due.

Phoenix Commerce Center EDA (VIP)

TIF Area Funding

Estimated Funds Available

TIF General Fund	\$3,395,216
BAN Fund Balance	<u>2,800,000</u>

Total Estimated Funds Available \$6,195,216

Estimated Funds Needed

I-69 - Booneville New Harmony Sanitary Sewer (1)	(2,844,823)
BAN Payoff	<u>(3,098,520)</u>

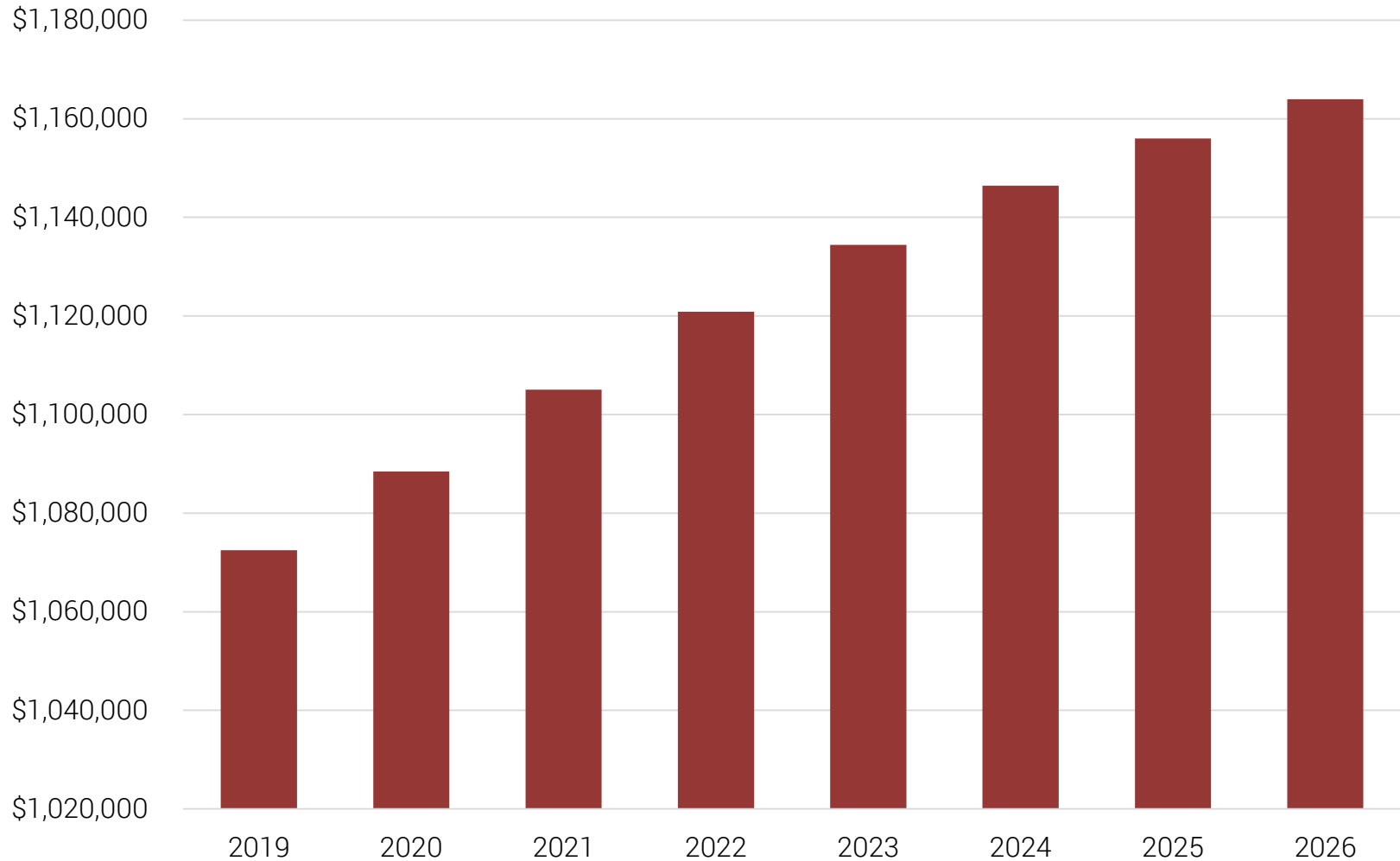
Total Estimated Funds Needed (5,943,343)

Estimated Revenues Remaining \$251,873

(1) Provided by the County Engineer.

Phoenix Commerce Center EDA (VIP)

Estimated Tax Increment



U.S. 41 Expanded Economic Development Area

U.S. 41 Expanded EDA

About the Area

Created/Expanded	Expiration
August 25, 1994	January 1, 2025
February 24, 1995	January 1, 2025
July 11, 2007	January 1, 2040

	Pay 2019
Estimated Annual TIF	\$892,720

U.S. 41 Expanded EDA

Projects Funded with TIF Revenues

- Baseline Road reconstruction between US 41 and Azteca entrance
- Baseline Road reconstruction between US 41 and Husky Way
- Peck Road reconstruction between Husky Drive and Baseline Road

U.S. 41 Expanded EDA

Outstanding Obligation

Redevelopment District Tax Increment Revenue Bonds, Series 2015

- \$6,610,000 issued / \$5,930,000 outstanding
- Final maturity: January 1, 2040
- Bonds are repaid with Tax Increment with a County Option Income Tax Pledge

U.S. 41 Expanded EDA

Comparison of Estimated Tax Increment to Debt Payments

	Pay 2019	Pay 2020	Pay 2021	Pay 2022
Estimated Annual TIF	\$892,720	\$925,790	\$958,860	\$991,940
Annual Debt Payments	\$403,488	\$399,288	\$399,694	\$399,800
Additional TIF Available	\$489,233	\$526,503	\$559,166	\$592,140
Estimated coverage	221%	232%	240%	248%

U.S. 41 Expanded EDA

TIF Area Funding

Estimated Revenues (1)

Azteca TIF General Fund	\$2,637,937	
Baseline Expansion TIF General Fund	88,605	
Cumulative Estimated Remaining Tax Increment (2)	<u>13,855,574</u>	
Total Estimated Revenues		<u>\$16,582,116</u>

Estimated Construction Related Costs (3)

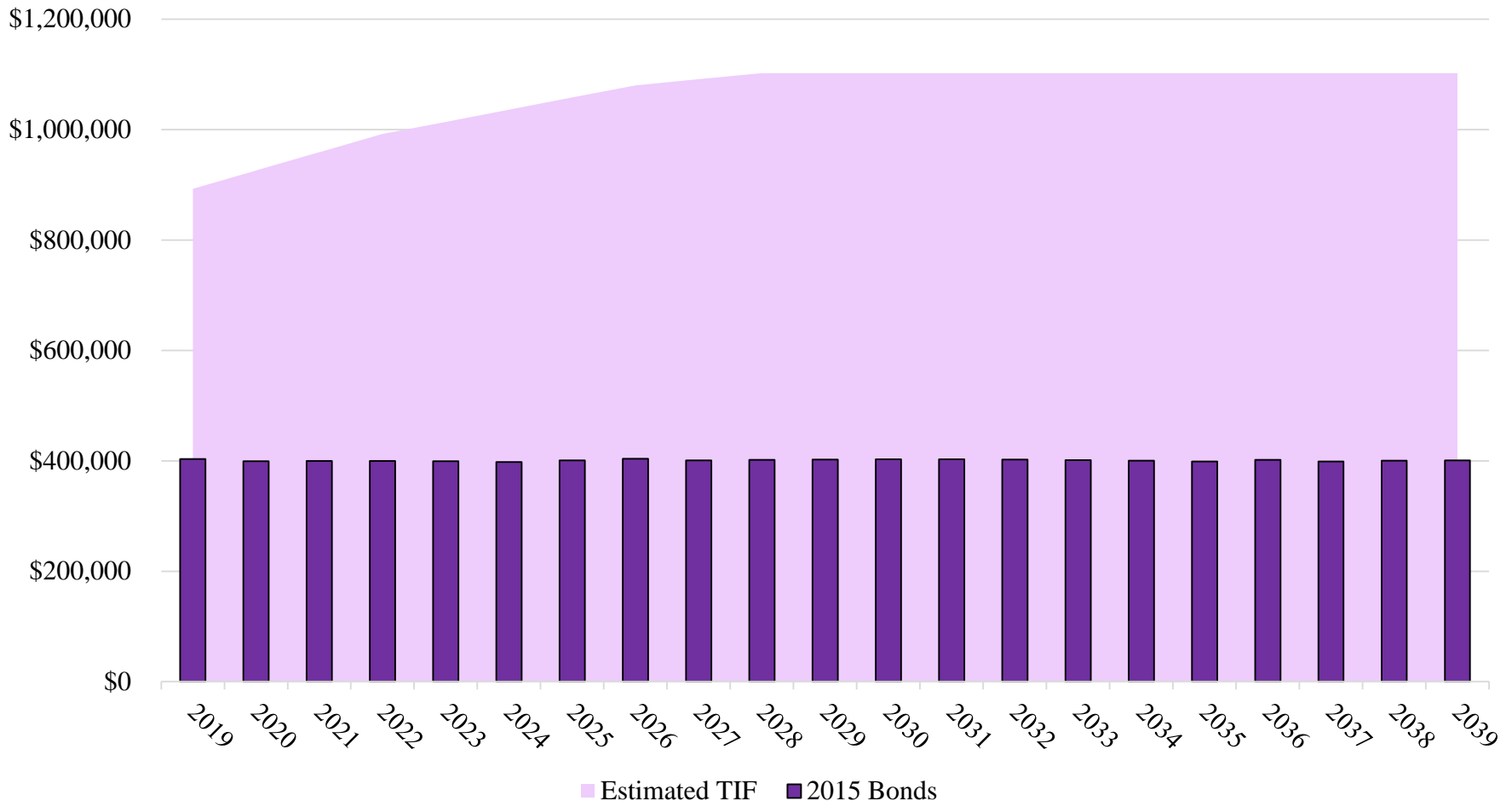
Baseline Road - Fenway Drive - Korff Road	(1,976,541)	
Baseline Road - Korff Road to Old State Road	<u>(5,300,074)</u>	
Total Estimated Costs		<u>(7,276,615)</u>

Estimated Revenues Remaining \$9,305,502

- (1) No future interest earnings have been included in the revenue estimates.
- (2) Represents estimated remaining Tax Increment for the years 2018-2039.
- (3) Provided by the County Engineer.

U.S. 41 Expanded EDA

Comparison of Estimated Tax Increment and Obligations



University Parkway (USI) EDA

University Parkway (USI) EDA

About the Area

- Created: July 11, 2007
- Expires: July 11, 2037

	Pay 2019
Estimated Annual TIF	\$141,870

University Parkway (USI) EDA

Outstanding Obligation

Redevelopment District Tax Increment Revenue Bond Anticipation Notes Series 2018A

- \$1,500,000 issued / \$1,500,000 outstanding
- Final maturity: July 1, 2019
- To be converted into a 2019 Bond backed by County Option Income Taxes

Redevelopment District Junior Tax Increment Revenue Bond Anticipation Notes, Series 2018B

- \$3,000,000 issued / \$3,000,000 outstanding
- Final maturity: July 1, 2019
- To be converted into a 2019 Bond backed by County Option Income Taxes

University Parkway (USI) EDA

Comparison of Estimated Tax Increment to Debt Payments

	Pay 2019	Pay 2020	Pay 2021	Pay 2022
Estimated Annual TIF	\$141,870	\$141,870	\$141,870	\$141,870
Annual Debt Payments	\$4,640,323	\$0	\$0	\$0
Additional TIF Available	(\$4,498,453)	\$141,870	\$141,870	\$141,870
Estimated coverage	3%			

University Parkway (USI) EDA

TIF Area Funding

Estimated Revenues (1)

USI TIF General Fund	\$242,315	
Estimated 2019 TIF Revenues	141,870	
Total Estimated Revenues		<u>\$384,185</u>

Estimated Costs (2)

Estimated BAN Interest and Cost of Issuance	(209,833)	
University Parkway Sanitary Sewer	(2,804,934)	
University Parkway Corridor Study	(53,593)	
Total Estimated Costs		<u>(3,068,360)</u>

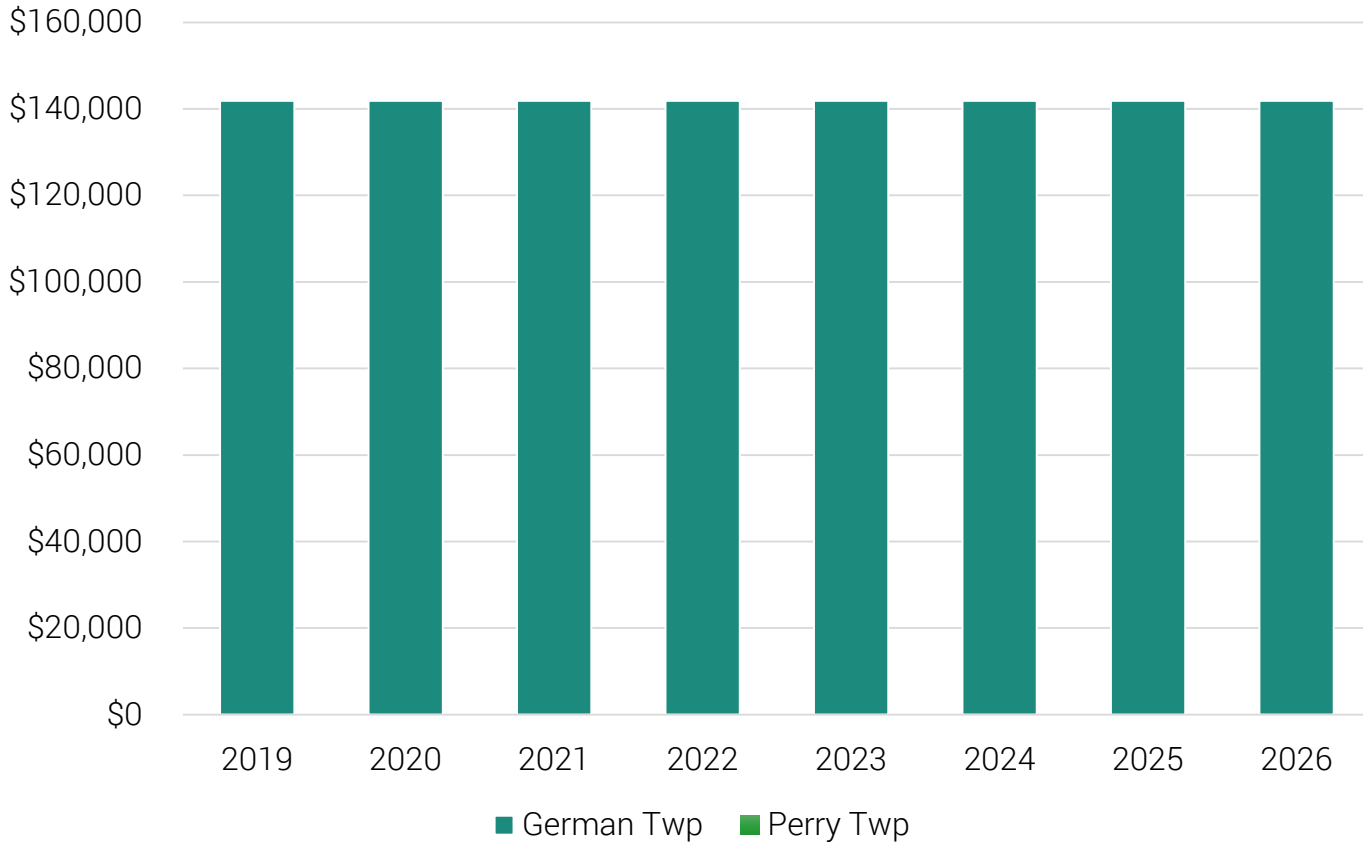
Estimated Revenues Remaining (\$2,684,175)

(1) Represents funds on hand and anticipated 2019 revenues.

(2) Provided by County Auditor.

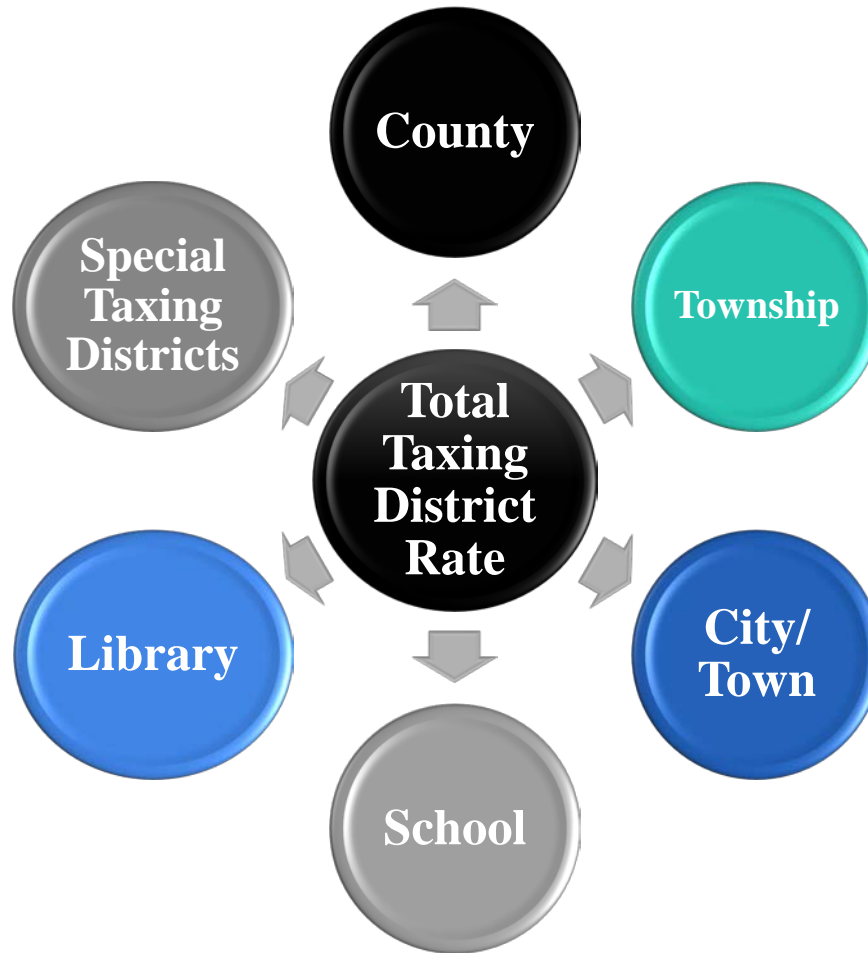
University Parkway (USI) EDA

Estimated Tax Increment



Impacts

Overlapping 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

Impact of TIF on other units

- During TIF capture, other taxing units may immediately benefit:
 - From personal property AV that is not captured
 - From TIF AV pass-through to other units
 - New jobs and wages that may increase local option income tax revenue.
 - Post-2009 Referendum for Operating and/or Debt - benefit from TIF Captured AV
- 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.