



# **Bristol Redevelopment Commission**

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

June 6, 2024

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The background of the slide features several thin, curved lines in shades of gray, some solid and some dashed, creating a modern, abstract design.

## **Bristol Redevelopment Commission**

- Cathy Burke, President
- Jeff Beachy, Vice President
- Gregg Tuholski, Secretary
- Dean Rentfrow, Member
- Doug DeSmith, Member
- Jeff Bliler, School Representative

**Financial  
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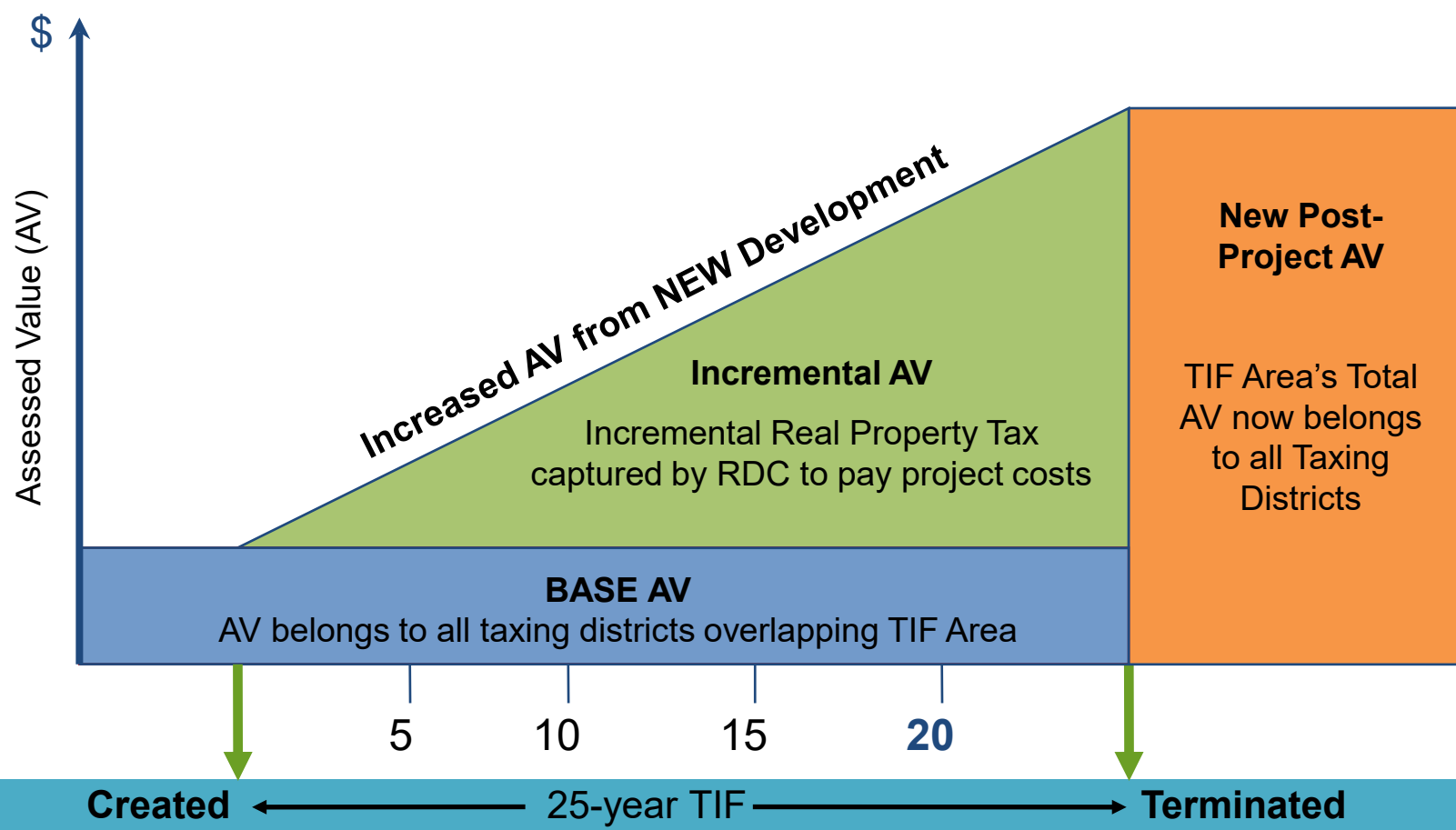
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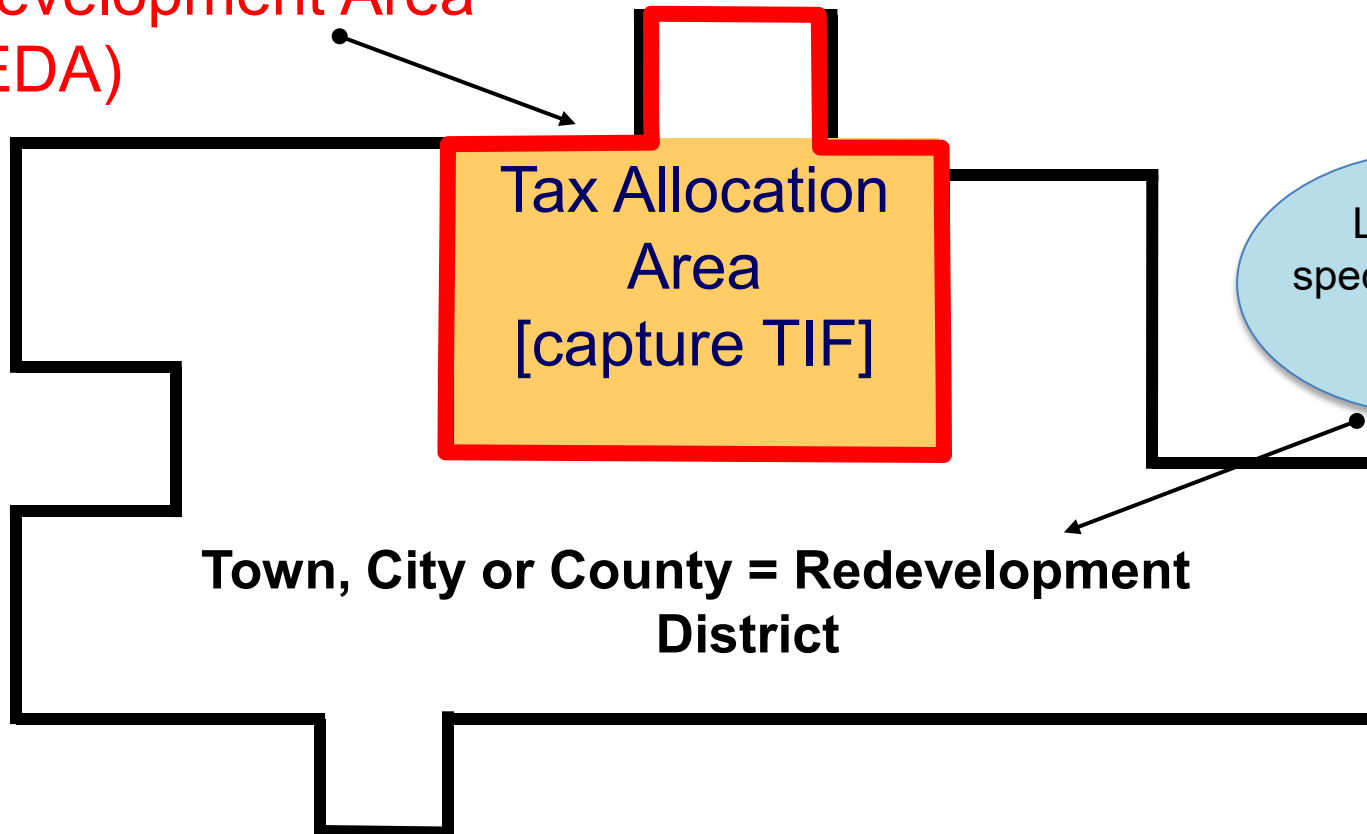
# TIF Mechanics



# Redevelopment District and TIF Areas

## Boundaries – 3 Levels

Economic  
Development Area  
(EDA)



Town, City or County = Redevelopment  
District

Levy the  
special benefits  
tax (SBT)

# THE TERM OF AN ALLOCATION AREA

Date Allocation Area Established	Expiration Date
TIF area is established <u>before</u> July 1, 1995.	TIF expires the <u>later</u> of 2025 or following the final maturity of obligations outstanding as of July 1, 2015.
TIF area is established <u>between</u> July 1, 1995 and July 1, 2008.	TIF expires 30 years <u>after</u> the adoption of the Declaratory Resolution.
TIF area is established <u>after</u> July 1, 2008.	TIF expires 25 years after the date the first obligation payable was incurred.



# Consolidated Economic Development Area

*South State Road 15 Allocation Area*

*North State Road 15 Allocation Area*

*Seahawk Allocation Area*

*Valmont Newmark/Thor Industries Allocation Area*

*Rail Park Allocation Area*

# History of TIF Amendments

## Consolidated Economic Development Area

2008 – Create South State Road 15 EDA and Allocation Area



2008 – Create North State Road 15 EDA and Allocation Area



2021 – Expand South State Road 15 EDA and create Seahawk Allocation Area



2022 – Expand and Consolidate South/North State Road 15 EDAs and create Valmont Newmark/Thor Industries Allocation Area



2022 – Remove parcels from South State Road 15 Allocation Area and create the Rail Park Allocation Area



# Map

## Consolidated Economic Development Area



# South State Road 15 Allocation Area

## About the Area

Created: March 18, 2008

Expires: March 18, 2038

	Pay 2023	Pay 2024
Estimated Annual TIF	\$1,231,316*	\$1,443,120

\*Actual 2023 collections were \$1,231,928.

# South State Road 15 Allocation Area

## Outstanding Obligation

### **General Revenue Bonds of 2021**

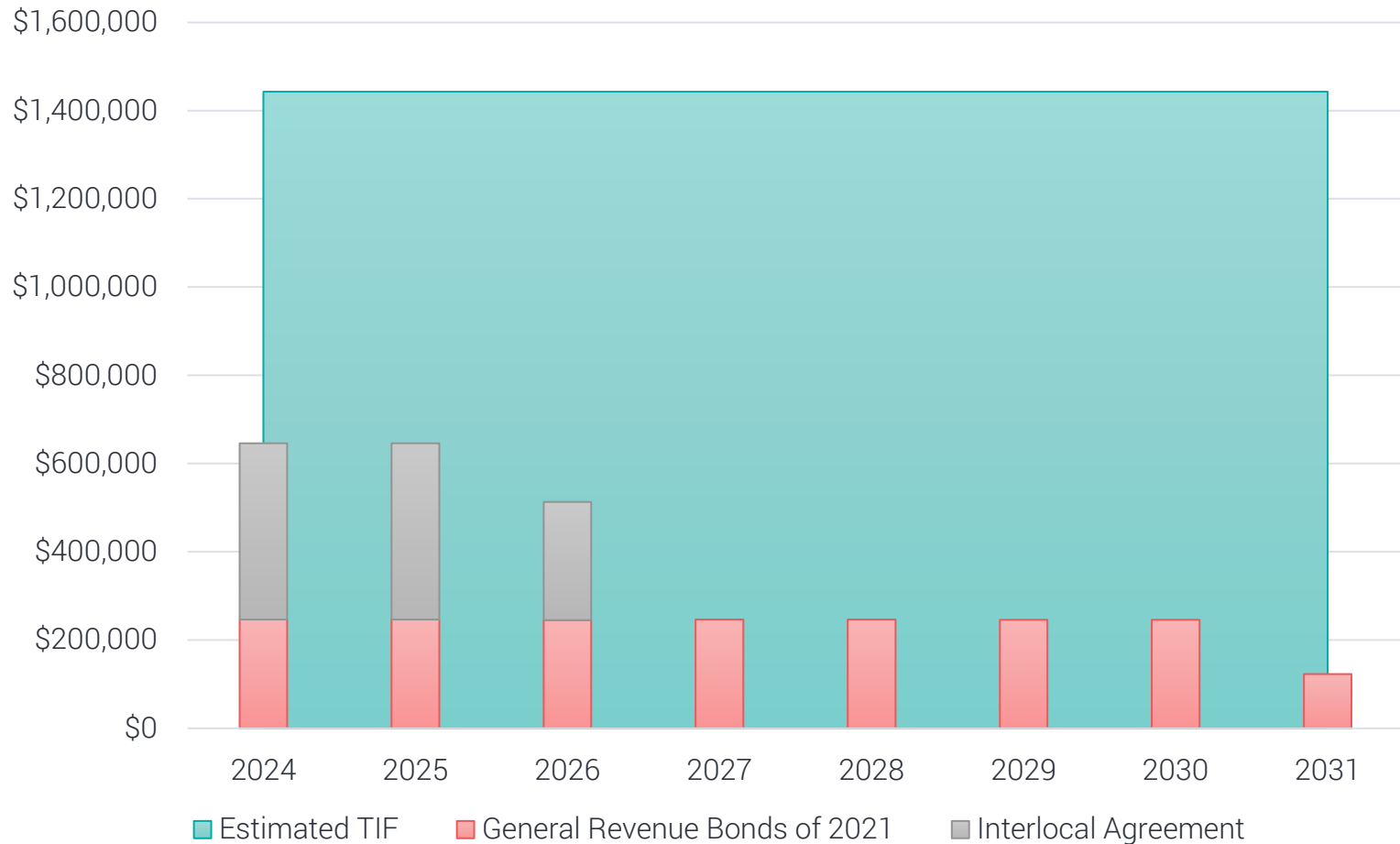
- \$2,186,000 issued / \$1,752,000 outstanding
- Purpose: Refinance the Town's Municipal Complex Loan
- Final maturity: August 1, 2031
- Callable: Any date upon 30 days' notice
- Security: Payable from annual appropriations by the Town of Bristol, Indiana of any legally available revenues, including its General Fund, however it is anticipated that the debt service payments will be paid from the South State Road 15 TIF Fund

### **Interlocal Agreement for Road Funding**

- \$3,000,000 issued / \$650,024 outstanding
- Purpose: Financing a road project in the South State Road 15 TIF Allocation Area
- Final maturity: Estimated to be January 31, 2026
- Security: Bonds are payable from South State Road 15 TIF Revenues in the amount of \$400,000 annually per year within 30 days of each semi-annual distribution of TIF revenues

# South State Road 15 Allocation Area

## Comparison of Estimated Tax Increment and Debt Obligations



# North State Road 15 Allocation Area

## About the Area

Created: November 18, 2008

Expires: November 18, 2033

	Pay 2023	Pay 2024
Estimated Annual TIF	\$30*	\$2,100

\*Actual 2023 collections were \$35.

# Seahawk Allocation Area

## About the Area

Created: August 31, 2021

Expires: October 28, 2046

Captures incremental assessed value from real and depreciable personal property from MJB Wood Group, LLC (the “Designated Taxpayer”) (Affiliate - SFG NL MJB Elkhart LLC)

	Pay 2023	Pay 2024
Estimated Annual TIF	\$351,980*	\$815,090
Pledged TIF Revenues**	281,580	661,650

\*Actual 2023 collections were 351,602.

\*\*80% of real property tax increment and 100% of personal property tax increment is pledged to repayment of the Bonds

# Seahawk Allocation Area

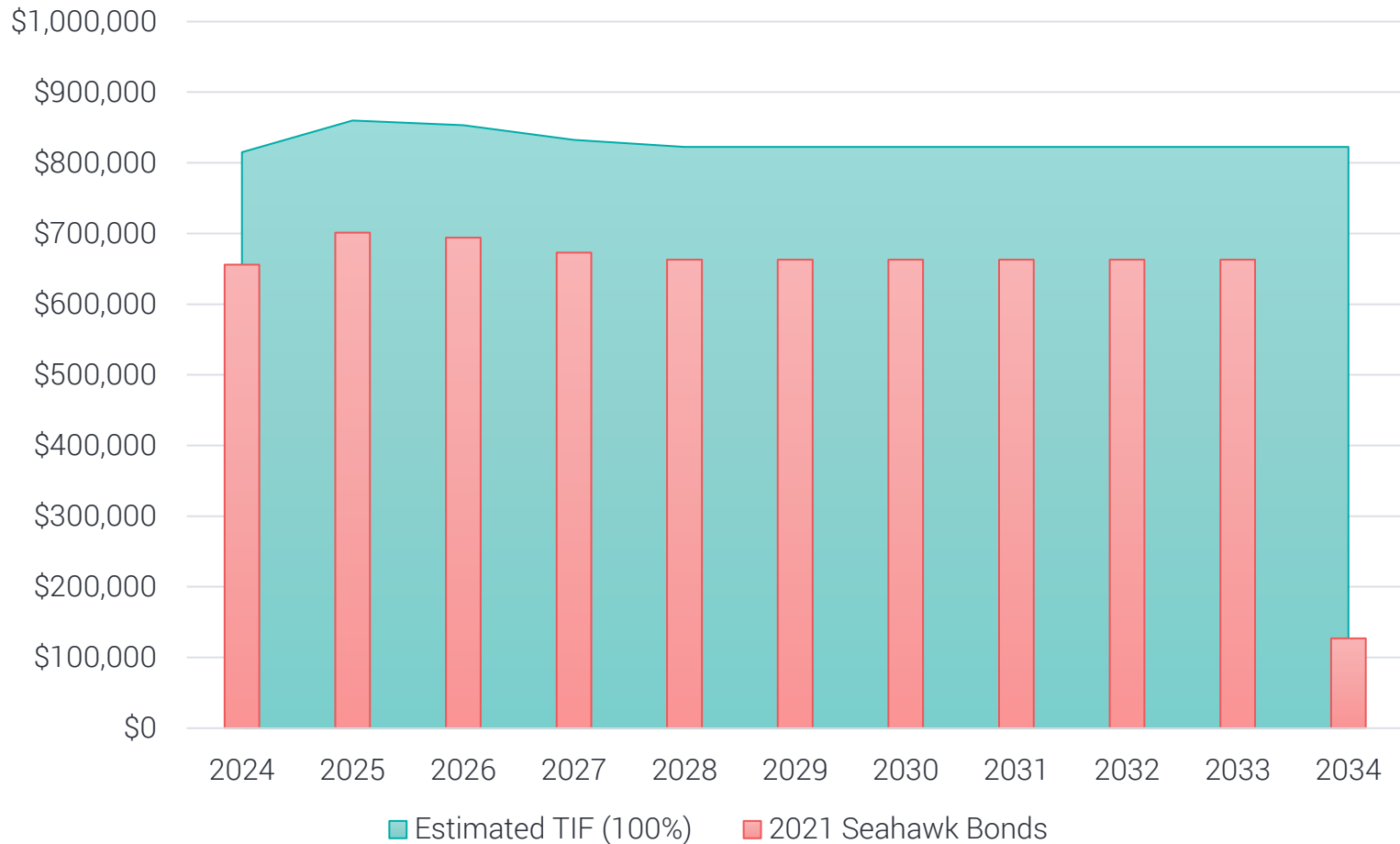
## Outstanding Obligation

### **Taxable Economic Development Tax Increment Revenue Bonds, Series 2021 (Seahawk Project)**

- \$7,105,000 issued / \$6,829,000 outstanding
- Purpose: Construction, installation and equipping by the Developers of certain infrastructure and other improvements located in or physically connected to the Seahawk Allocation Area
- Final maturity: August 1, 2034
- Callable: At the option of the Issuer, at the direction of the Developer, on any date, upon 15 days' notice
- Security: Bonds are payable from a pledge of 80% of real property Tax Increment and 100% of personal property Tax Increment collected in the Seahawk Allocation Area

# Seahawk Allocation Area

## Comparison of Estimated Tax Increment and Debt Obligations



Note: 80% of real property tax increment and 100% of personal property tax increment is pledged to the repayment of the 2021 Bonds.



# Valmont Newmark/Thor Industries Allocation Area

## About the Area

Created:

June 16, 2022

Expires:

25 years after first  
obligation is  
incurred



	Pay 2024
Estimated Annual TIF	\$137,690*

\*Estimated tax increment at full construction and after  
abatement roll-off is \$359,020

# Rail Park Allocation Area

## About the Area

Created:  
October 6, 2022  
  
Expires:  
25 years after first  
obligation is  
incurred



	Pay 2024
Estimated Annual TIF	\$117,140*

\*Estimated tax increment at full construction is \$416,930

# Consolidated State Road 15 EDA

## TIF Cash Flow

	2024	2025	2026	2027	2028
Estimated TIF – South St. Rd. 15	\$1,443,120	\$1,443,120	\$1,443,120	\$1,443,120	\$1,443,120
Less: Interlocal Agreement	(400,001)	(268,013)			
Less: 2021 Bonds	(246,218)	(246,277)	(245,296)	(246,283)	(246,218)
Estimated TIF – Seahawk	815,090	859,860	853,340	832,410	822,330
Less: 2021 Seahawk Bonds	(656,000)	(701,000)	(694,000)	(673,000)	(663,000)
Estimated TIF – Valmont/Thor	137,690	230,210	249,530	267,570	285,600
Estimated TIF – Rail Park	117,140	240,870	416,930	416,930	416,930
Estimated TIF Remaining	1,210,821	1,558,770	2,023,624	2,040,747	2,058,762
Allocation Account Balances	2,006,962*	1,717,783	1,241,553	2,193,427	3,123,834
Estimated Revenues available	3,217,783	3,276,553	3,265,177	4,234,174	5,182,596
Estimated Project Expenditures	(1,500,000)	(2,035,000)	(1,071,750)	(1,110,340)	(1,150,860)
<b>Estimated TIF Remaining</b>	<b>\$1,717,783</b>	<b>\$1,241,553</b>	<b>\$2,193,427</b>	<b>\$3,123,834</b>	<b>\$4,031,736</b>

\*Collective Allocation Account balances as of December 31, 2023 was \$2,006,962.

# Consolidated State Road 15 EDA

## Projects to be Funded with TIF Revenues

	2024	2025	2026	2027	2028
Business Route Right-of-Way Purchase	\$150,000				
Main Street Property for Bridge	350,000				
Main Street Lighting/Other Improvements		\$1,000,000			
Fire Protection Contract Costs	700,000	735,000	\$771,750	\$810,340	\$850,860
Professional Fees and Misc. Projects	300,000	300,000	300,000	300,000	300,000
Total Project Expenditures	\$1,500,000	\$2,035,000	\$1,071,750	\$1,110,340	\$1,150,860

# **Bristol East Economic Development Area**

# Bristol East Allocation Area

## About the Area

Created: July 7, 2014

Expires: July 7, 2039

	Pay 2023	Pay 2024
Estimated Annual TIF	\$388,400*	\$515,030

\*Actual 2023 collections were \$380,532

# Bristol East Allocation Area

## TIF Cash Flow

	2024	2025	2026	2027	2028
Estimated TIF – Bristol East	\$515,030	\$553,290	\$591,540	\$591,540	\$519,540
Allocation Account Balance	579,039*	794,069	1,047,359	1,338,899	1,630,439
Estimated Revenues available	1,094,069	1,347,359	1,638,899	1,930,439	2,221,979
Estimated Project Expenditures	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
<b>Estimated TIF Remaining</b>	<b>\$794,069</b>	<b>\$1,047,359</b>	<b>\$1,338,899</b>	<b>\$1,630,439</b>	<b>\$1,921,979</b>

\*Allocation Account balance as of December 31, 2023 was \$579,039.

# Bristol East Allocation Area

## Projects to be Funded with TIF Revenues

	2024	2025	2026	2027	2028
Professional fees and Misc. Projects	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Fire Protection Contract Costs	100,000	100,000	100,000	100,000	100,000
Total Project Expenditures	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000



# **GGT Economic Development Area**

# GGT Allocation Area

## About the Area

Created: May 16, 2019

Expires: February 28, 2044

	Pay 2023	Pay 2024
Estimated Annual TIF	\$244,980*	\$270,860

\*Actual 2023 collections were \$179,455.68. Low collections due to delinquency property tax payments in the Fall of 2023.

# GGT Allocation Area

## Outstanding Obligation

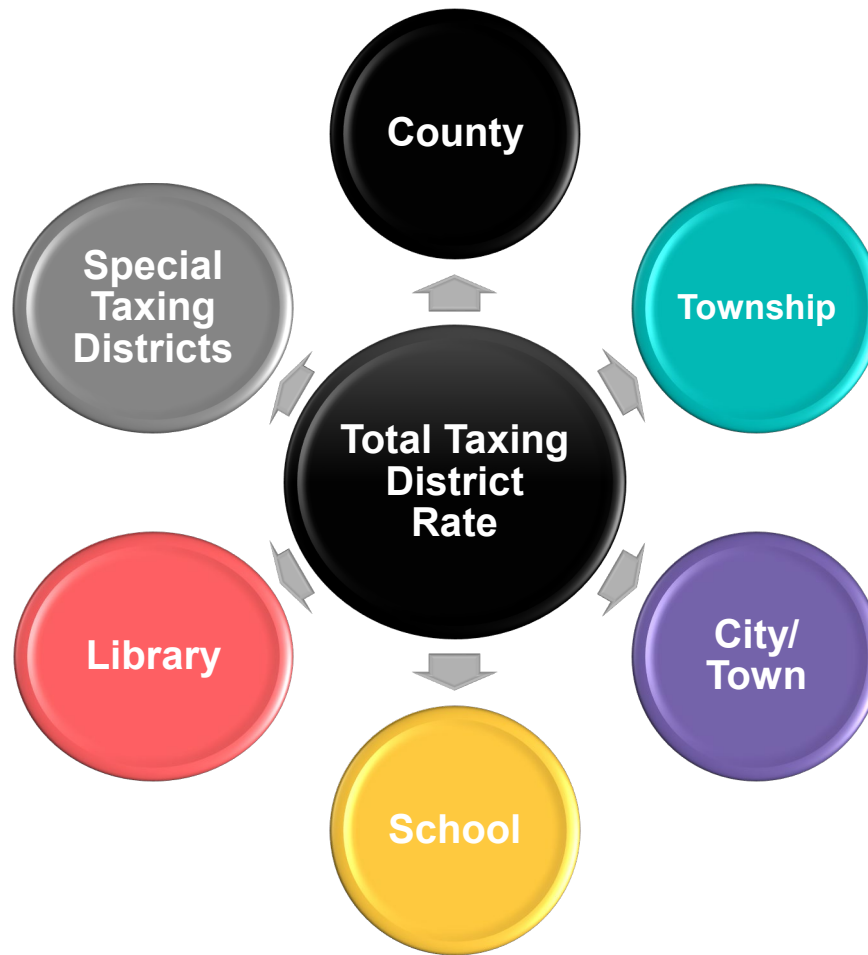
### Stoutco Drive Infrastructure

- Per the annexation and project agreement, GGT is to be reimbursed for right-of-way acquisition, out of pocket costs, design, soft costs, and construction costs related to the Stoutco Drive Infrastructure
- 85% of TIF revenues generated from the new development to be pledged
- Reimbursement payments to be made on February 1 and August 1 of each calendar year
- No interest will accrue on any reimbursement obligation
- Reimbursements will cease once all reimbursable costs and expenses have been paid in full or on February 28, 2034, whichever occurs first.

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**Impacts**

# Overlapping Taxing Units



# Impact of TIF

## Does it take away funds from

If the increased assessed value from NEW developments would not occur “BUT FOR” the **TIF** incentives, then, it **cannot** be “**lost**” to the other taxing units.

- TIF *postpones* adding new assessed value to the tax base, which postpones the reduction in tax rates for funds with levy limits and postpones increased revenues from funds with rate limits; and postpones reduction in circuit breaker credits.
- During TIF capture, other taxing units may immediately benefit from personal property AV that is currently not captured; if a portion of the TIF AV is passed-through to other units; new jobs and wages may increase local option income tax revenue.
- 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.

# **2016 TIF Study by Larry DeBoer and Tamara Ogle**

**PURDUE**  
EXTENSION

COMMUNITY  
DEVELOPMENT

## **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

# School Funding and TIF

- School educational expenses are largely funded by the State
  - State funding is based upon *student enrollment*
- Operations Fund and Debt Service Funds are Levy Limited
  - No gross revenue impact from TIF capture
  - TIF capture postpones reduction in tax rates
- Taxpayers' Property Tax Caps reduce School Funding
  - Circuit Breaker loss if TIF does not meet “but for” test
- Post-2009 Referendum for Operating and/or Debt - benefit from TIF Captured AV



## Examples of RDCs using TIF to help Schools:

Training programs  
Transportation center  
STEM programs  
Computers  
Personal Property AV growth  
Pass-through excess TIF AV  
Safety / security enhancements  
High school project



**Economic development ultimately benefits all taxing units by attracting new business and private development, growing property values and local income tax revenue, and reducing 'tax cap' revenue loss. All taxing units contribute to future economic growth.**

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## **Tax Rate Components**

