

Dearborn County Redevelopment Commission

Bright TIF Proposal

Tuesday, November 12, 2024

Public Hearing Agenda

- Introduction
- Bright TIF proposal overview
- Public hearing for questions and comments
 - Please complete and turn in a speaker card
 - Up to 5 minutes per speaker
 - Please address the commission members
- Close of public hearing

What is the TIF establishment process?

- ✓ • RDC identifies and investigates a need for the TIF
- ✓ • RDC passes a declaratory resolution in public meeting identifying the area and TIF plan (July 2024)
- ✓ • Plan Commission considers written order resolution finding the TIF plan aligns with the county comprehensive plan
- ✓ • Board of Commissioners consider resolution confirming the Plan Commission order of plan alignment
- ✓ • Overlapping taxing units are notified of the TIF impact
- ✓ • Required public hearing is advertised at least 10 days in advance
- Required public hearing is held
 - Public hearing was advertised for regular DCRC meeting on 11/12 at 9:10am, but DCRC is going beyond the requirement by holding Bright Community Meeting on 11/12 at 7:00pm at Bright Elem.
- Anytime following the public hearing, RDC considers passage of a confirmatory resolution completing the TIF establishment. Filings made with Indiana Dept. of Local Government Finance.

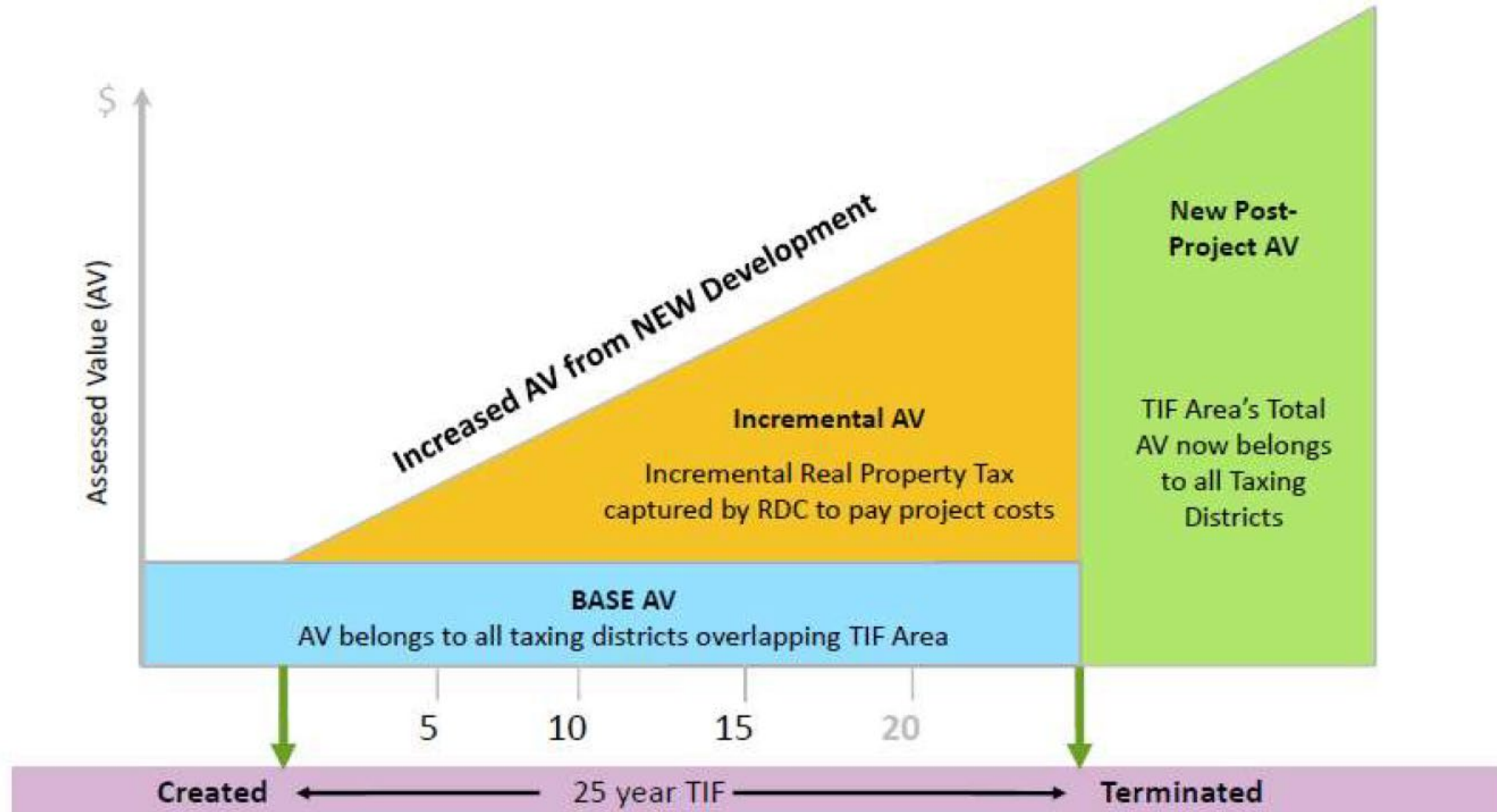
What is the Dearborn County Redevelopment Commission?

- County governmental body charged with investigating opportunities for economic development and redevelopment in the unit and is granted power to create economic development areas, areas needing redevelopment, and TIF districts.
- Five appointed members
 - James Deaton, president
 - Dave Deddens, vice president
 - Mark Dole
 - Jim Helms
 - Jim Mansfield
 - Daryl Cutter, non-voting school board appointed member

What is TIF?

- Tax Increment Finance
- Taxes levied against increases in property tax assessments on commercial or industrial property after a designated date (usually January 1) are redirected from the property's overlapping taxing units and instead directed to a TIF fund managed by a redevelopment commission.

Basic TIF Mechanics (example)



What are permissible uses of TIF revenues?

- Wide variety of projects including:
 - Infrastructure (water, sewer, electric, roads, broadband)
 - Property acquisition (voluntary only; RDCs have no eminent domain authority)
 - Public safety needs (police, fire, ems)
 - Public amenities (parks, trails, sidewalks)
 - Incentive programs (business attraction and expansions)
 - Workforce development programs (school programs, training grants)

Why is DCRC considering a TIF district in Bright?

- To create a revenue stream for Dearborn County Redevelopment Commission to enhance the quality of life and place in the Bright State Line Road commercial district through **infrastructure** and **placemaking** improvements.

Why is DCRC considering a TIF district in Bright? - Infrastructure

- This year, Bayer Becker Engineering completed an investigation of unmaintained roads and drainage problems in area of Business Center Drive and Professional Park Drive (area behind Merillee's Hardware)
 - Recommendations:
 - Improvements to private, unmaintained roads Professional Park Drive and Business Center Drive
 - Reconstruct Business Center Drive at State Line Road to County standard
 - Address stormwater drainage obstructions
 - Correct drainage ditches
 - Estimated cost to complete recommended projects: \$217,161

Why is DCRC considering a TIF district in Bright? - Infrastructure

ASPHALT CORING REPORT

REPORT SUMMARY

Patriot Engineering and Environmental, Inc. was contracted to conduct asphalt coring on Professional Park Dr and Business Center Dr within the proposed Bright TIF district. Ten coring samples were taken from the asphalt roadways on 04/23/2024.

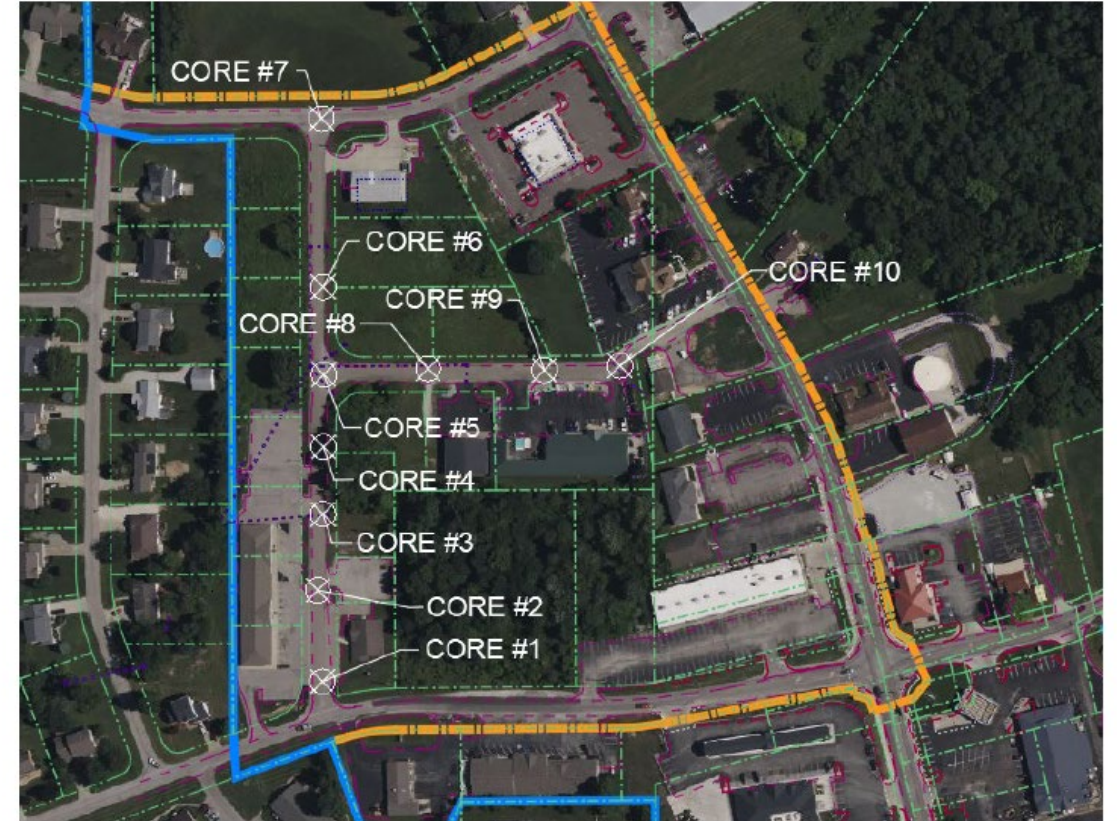


Figure 74: Map of Asphalt Core Locations & updated TIF Boundaries

Why is DCRC considering a TIF district in Bright? - Infrastructure



Figure 46: Top view of inlet (with no grate) located NE of the intersection of Professional Park Dr & Business Center Dr (see above)

Why is DCRC considering a TIF district in Bright? - Infrastructure



Figure 51: Ponding water located along Professional Park Dr just north of Bright Medical building (looking south towards Bright Medical building)

Why is DCRC considering a TIF district in Bright? - Infrastructure



Figure 60: Drainage ditch along Jamison Dr just east of Professional Park Dr (looking east)

Why is DCRC considering a TIF district in Bright? - Infrastructure



Figure 69: Obstructed stormwater outlet behind existing St. E's MOB & gutter outlet (running east to west, size unknown)

Why is DCRC considering a TIF district in Bright? - Infrastructure



Figure 70: Two obstructed stormwater outlets behind existing St. E's MOB & gutter outlet

Why is DCRC considering a TIF district in Bright? - Placemaking

- Placemaking improvements
 - Over the past few decades, Bright has grown to a point where it makes sense for the County to consider placemaking investments to better serve the community
 - Bright Meadows Park (trail widening, sufficient parking)
 - Sidewalks for **reducing** traffic, safety, connectivity, and encouraging outdoor recreation
 - Streetscaping (decorative lighting, crosswalks)
 - Community gathering spaces for local community programming (farmers markets, festivals, concerts)



Example streetscaping



Bright Meadows proposed pickleball courts



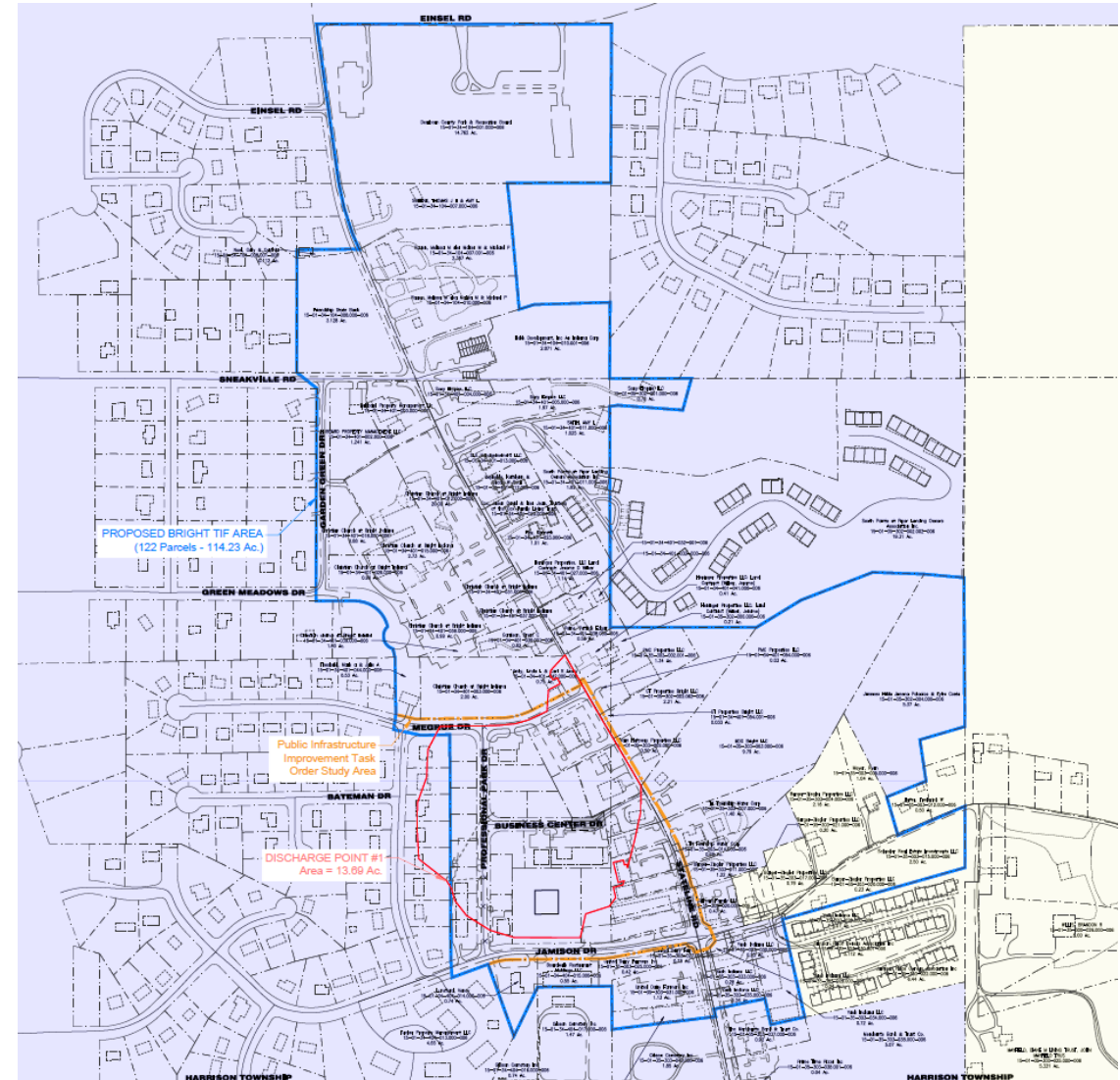
Bright Meadows proposed handicap accessible playground

“But for...” argument

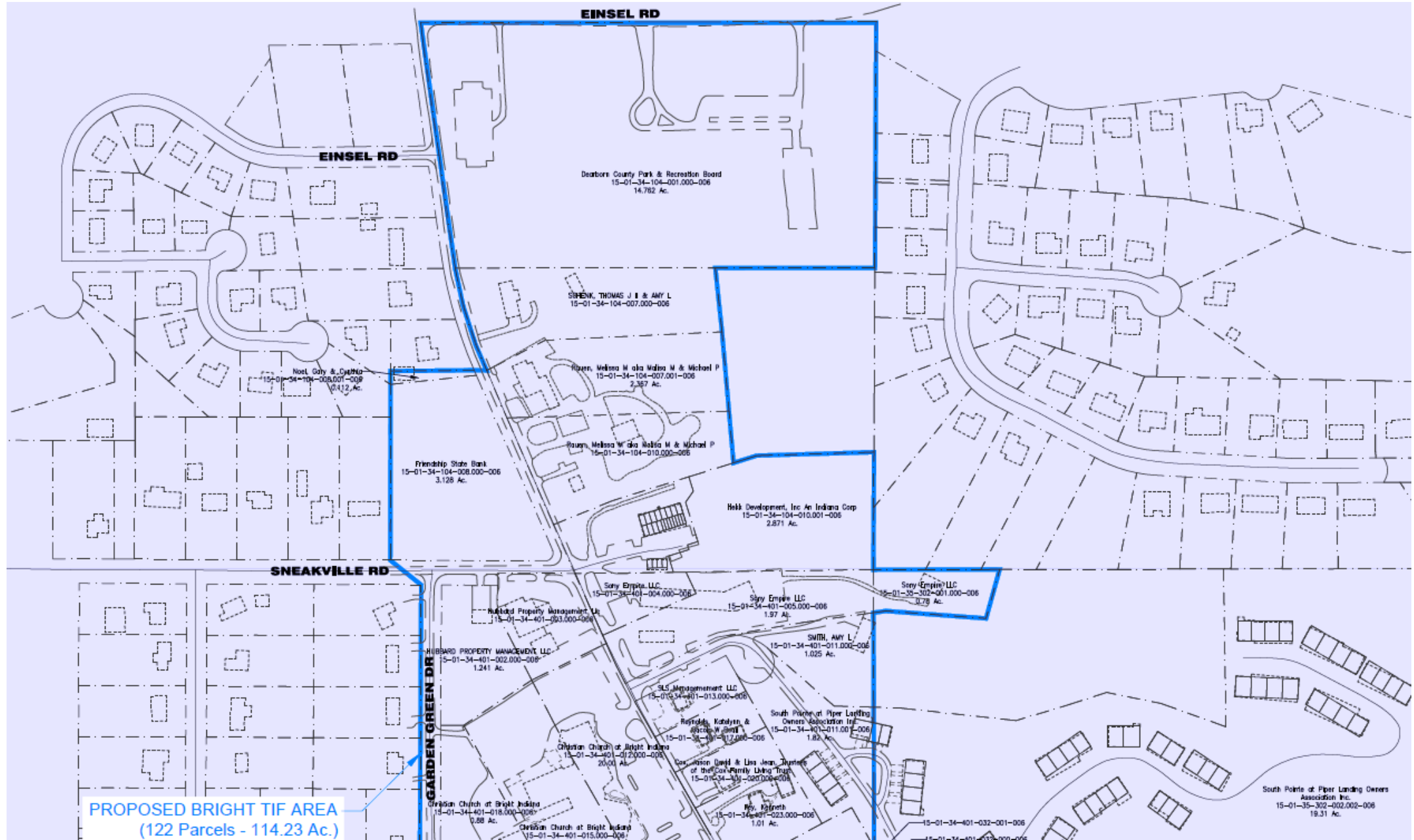
- Indiana statute requires each TIF to be justified: “But for the TIF, this project or investment would not take place.”
- But for the proposed Bright TIF district, currently existing infrastructure, safety issues, and placemaking improvements in Bright – such as unmaintained streets and problem drainage – could not be addressed by DCRC.
 - Professional Park Drive and Business Center Drive are privately maintained roads which local businesses and residents rely on.
 - The drainage infrastructure is causing hardship on property owners.
 - The road and drainage infrastructure have not been maintained since being constructed in 1995.

Where is the proposed Bright TIF?

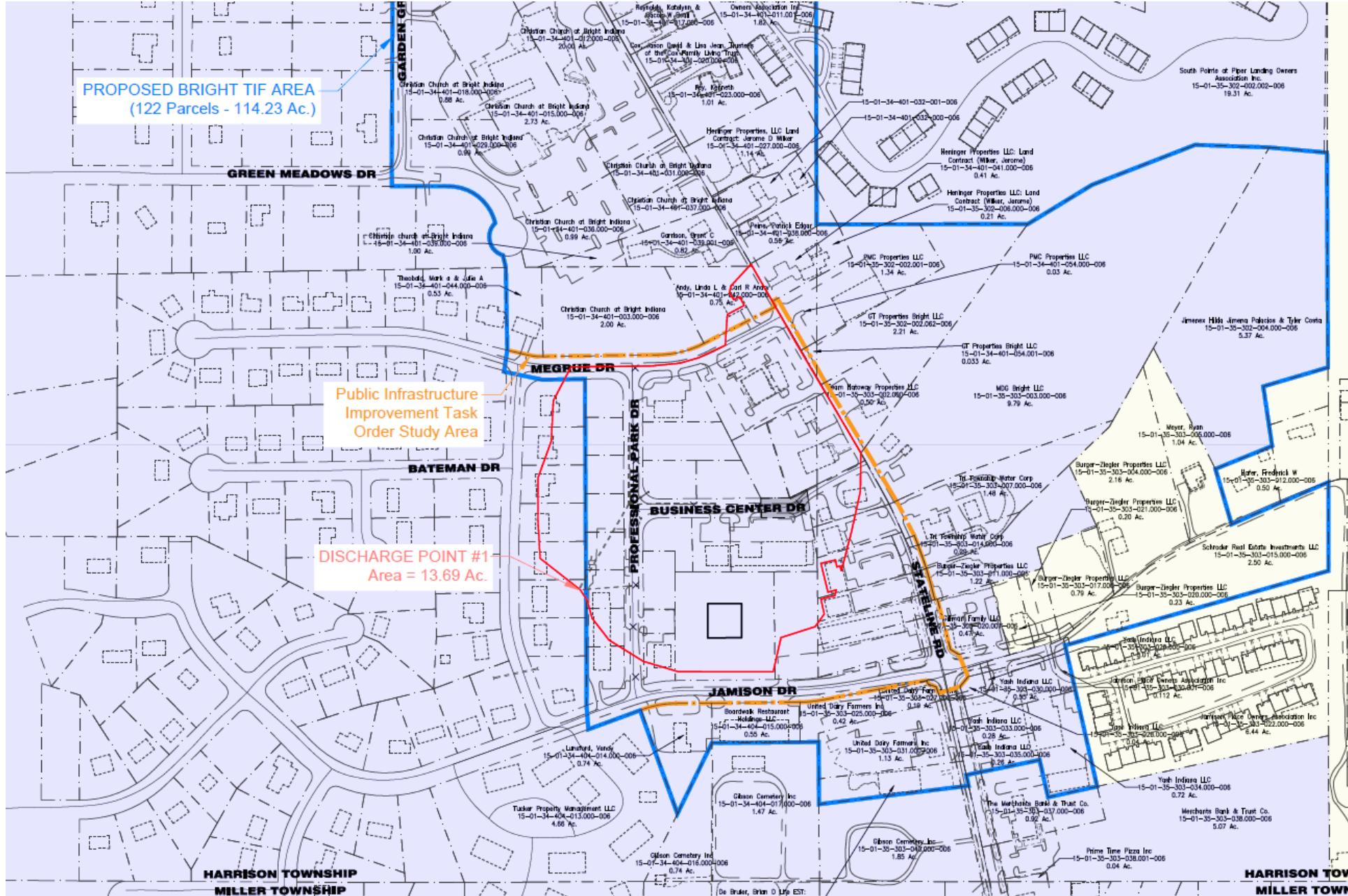
- Area **outlined in blue** (not the larger shaded area)
- Approximately 114 acres across 120 property parcels primarily along State Line Road from Bright Meadows Park to McDonald's
- Captures increment property tax revenue from 2024 new developments to create revenue stream for projects and reinvestment of those revenues in this area
 - Medical building, new restaurant, new bank, proposed townhomes



Zoom on northern half of Bright TIF



Zoom on southern half of Bright TIF



Tax Impact and Revenue

- The overlapping taxing units whose levies are within the proposed TIF area will face no or minimal impact. These include:
 - Dearborn County Government's general fund
 - Harrison Township
 - Sunman-Dearborn Community School Corporation
 - Lawrenceburg Public Library District
 - Dearborn County Solid Waste District
- These taxing units will not receive the increment (new) property tax revenues for the 25-year life of the TIF, **but they will continue to receive today's revenues from all the existing assessed value.**

Tax Impact and Revenue

- Indiana law requires redevelopment commissions to have a tax impact analysis performed and shared with the overlapping taxing units before a TIF district is established or amended
- Analysis performed by accounting firm Baker Tilly
- TIF estimated to generate \$48,440 annually; expected to grow
- The new development property tax dollars paid in Bright will STAY in Bright through reinvestment

Tax Impact and Revenue

Impact Scenario 1 – Present Situation

	Harrison Township Taxing Unit (006)	Tax Rate	Net Assessed Value of Taxing Unit	Estimated Property Tax Levy
SCENARIO I:	<u>PRESENT SITUATION</u>			
	Represents 2023 taxes payable 2024 property tax levies, assessed valuation, and tax rates.			
	Dearborn County	\$0.4929	\$2,671,466,235	\$13,167,656
	Dearborn County Cumulative Capital Development	0.0333	2,671,466,235	889,598
	Harrison Township	0.0222	179,720,840	39,898
	Harrison Township Fire and EMS	0.0387	169,461,076	65,581
	Sunman-Dearborn Community School Corporation	1.1589	1,180,589,127	13,681,847
	Lawrenceburg Public Library	0.0817	2,020,829,706	1,651,018
	Dearborn County Solid Waste Management	0.0353	2,671,466,235	943,028
	Total Tax Rate (per \$100 AV)	<u>\$1.8630</u>		

Tax Impact and Revenue

Impact Scenario 2 – TIF Implemented

SCENARIO II:

ASSUMES THE BRIGHT ECONOMIC DEVELOPMENT AREA AND ALLOCATION AREA ARE ESTABLISHED

Assumes the Bright Economic Development Area and Allocation Area are established and the illustrative incremental assessed value from the proposed New Development is captured.

\$0 financial impact on taxing units



Dearborn County	\$0.4929	\$2,671,466,235	\$13,167,656
Dearborn County Cumulative Capital Development	0.0333	2,671,466,235	889,598
Harrison Township	0.0222	179,720,840	39,898
Harrison Township Fire and EMS	0.0387	169,461,076	65,581
Sunman-Dearborn Community School Corporation	1.1589	1,180,589,127	13,681,847
Lawrenceburg Public Library	0.0817	2,020,829,706	1,651,018
Dearborn County Solid Waste Management	0.0353	2,671,466,235	943,028
Total Tax Rate (per \$100 AV)	\$1.8630		

Rate Difference From Scenario I	Levy Difference From Scenario I
\$0.0000	\$0
0.0000	0
0.0000	0
0.0000	0
0.0000	0
0.0000	0
0.0000	0
\$0.0000	\$0

Estimated Tax Increment	Total Tax Rate	Incremental Assessed Value	Gross Increment	Circuit Breaker (2)	Net Increment
Proposed New Development	\$1.8630	\$1,950,000	\$36,330	\$0	\$36,330
Proposed Future Development	1.8630	650,000	12,110	0	12,110
Total		\$2,600,000	\$48,440	\$0	\$48,440

← **New development (medical building, bank, etc.)**

Annual TIF revenue to DCRC →

Tax Impact and Revenue

Impact Scenario 3 – TIF Not Implemented

SCENARIO III: ASSUMES THE BRIGHT ECONOMIC DEVELOPMENT AREA AND ALLOCATION AREA ARE NOT ESTABLISHED

Assumes the Bright Economic Development Area and Allocation Area are not established.

				Rate Difference From Scenario I	Levy Difference From Scenario I
				<u>Scenario I</u>	<u>Scenario I</u>
Dearborn County	\$0.4925	\$2,673,416,235	\$13,167,656	(\$0.0004)	\$0
Dearborn County Cumulative Capital Development	0.0333	2,673,416,235	890,248	0.0000	650
Harrison Township	0.0220	181,670,840	39,898	(0.0002)	0
Harrison Township Fire and EMS	0.0383	171,411,076	65,581	(0.0004)	0
Sunman-Dearborn Community School Corporation	1.1570	1,182,539,127	13,681,847	(0.0019)	0
Lawrenceburg Public Library	0.0816	2,022,779,706	1,651,018	(0.0001)	0
Dearborn County Solid Waste Management	0.0353	2,673,416,235	943,028	0.0000	0
	<u>\$1.8600</u>			<u>(\$0.0030)</u>	<u>\$650</u>

(1) Based on information provided from the 2024 Dearborn County Budget Order.

(2) Commercial properties are limited to 3.0% of gross assessed value.

Tax Impact and Revenue

- Will taxes go up (or down) as a result of the TIF?
 - When used appropriately (“but for...”), TIF does not raise taxes for taxpayers in or outside the TIF area.
 - Also, does not reduce operating revenue for either the enacting or overlapping taxing units.
 - This has been documented in a 2016 study by the Purdue Center for Regional Development at <https://pcrd.purdue.edu/ruralindianastats/downloads/The-Use-of-Tax-Increment-Finance.pdf>

Tax Impact and Revenue

- What portion of my property taxes will be allocated toward the TIF?
 - If your property is NOT included in the TIF district area, then NONE
 - If your property is in the TIF district, then only real property taxes from the NEW assessed value on commercial properties after January 1, 2024 will be directed to DCRC's new Bright TIF fund

Tax Impact and Revenue

- Does TIF harm schools?
 - No, the impact is very minimal, especially in the case of the proposed Bright TIF.
 - Prior to 2009, Indiana school corporations' revenues were largely funded through local property taxes.
 - Indiana's school funding formula was changed by the Indiana General Assembly in 2009 to shift school general fund revenues -- such as teacher salaries -- toward school enrollment through the state funding instead of local property taxes.
 - Local property taxes do fund a school corporation's rate limited Capital Projects Fund for building projects.
 - Baker Tilly's projection on impact to taxing units estimated a \$0 (zero) impact on Sunman-Dearborn Community Schools' and its capital projects fund.
 - Additionally, DCRC believes funding quality of life projects in Bright creates a net benefit for our local schools, residents, and businesses.

Tax Impact and Revenue

- Why is there a budget of \$2.85 million for projects in the proposed Bright TIF economic development plan?
 - To be clear, this is NOT a \$2.85 million tax increase.
 - Indiana law requires redevelopment commissions in their TIF plan to identify an estimated cost of completing potential projects in the TIF.
 - The \$2.85M is based on expected annual TIF revenues and potential growth over 25 years.
 - DCRC is not obligated to spend \$2.85 million on TIF projects.

What is NOT part of the Bright TIF?

- Not a tax increase
- Not a negative impact on property values
- Not changes or restrictions to existing or future land uses or zoning
- Not industrial development
- Not a part of reviving or enacting recommendations in the 2016 OKI Bright I-74 study
 - Public comment during study showed citizens placed high priority on maintaining current roads
- Not required to either enable or restrict new developments
 - Including proposed townhomes on Professional Park Drive

Won't the TIF lead to more growth in Bright?

- Commercial growth has been occurring along Stateline Road without the TIF district for some time already.
- Even without this proposed TIF district, it is probable that commercial business interest and investment in the Bright area continues.
- The TIF will give DCRC the ability to address existing infrastructure problems and help the County avoid new problems.
 - “But for...”

How long would the Bright TIF be in place?

- Declaratory resolution states 25 years, as is common with TIFs
- 25 years is the maximum length under Indiana law

How will additional TIF projects and investments in Bright be identified?

- If the Bright TIF is established, DCRC expects to perform additional holistic community planning collaboratively with other County departments, citizens, businesses, and organizations
- RFP for professional planning services is being drafted
- Planning could begin as soon as 2025
- Good planning will consider what the community DOES NOT want, as much as what it DOES want

Public Comment

- Fill out a speaker card
- One speaker at a time
- Use the lectern
- Only address the redevelopment commission
- 5 minute limit per speaker

- Additional questions or comments? Please contact:
 - Dearborn County Redevelopment Commission
 - President Jim Deaton, 812-560-9793, jimd6@comcast.net
 - County Administrator Sue Hayden, 812-537-8894, shayden@dearborncounty.in.gov

Adjournment

Thank you for your time, questions, and comments