

RE: Tax Increment Financing Ongoing Assistance (TIF+)

DATE: February 2, 2024

This Scope Appendix is attached by reference to the above-named engagement letter (the Engagement Letter) between Marion Redevelopment Commission (the Client) and Baker Tilly US, LLP and relates to services to be provided by Baker Tilly Municipal Advisors, LLC.

SCOPE OF WORK

Baker Tilly Municipal Advisors (BTMA) agrees to furnish and perform the following services.

A. Annual Tax Increment Finance (TIF) Services

1. Redevelopment Commission TIF Annual Training
 - a) Attend the annual organizational meeting of the Redevelopment Commission and make a presentation on Redevelopment Commission (RDC) annual responsibilities and the basics of tax increment financing (TIF).
2. Assist with the Annual Reporting and Meeting Requirements for the RDC
 - a) Assist the RDC in completing the annual reporting requirements on the activities of the RDC, includes various information for each tax increment allocation area (TIF Area) for the previous year to be filed with the Client's fiscal body, executive, and Indiana Department of Local Government Finance (DLGF) by April 15 each year under IC 36-7-14-13.
 - b) Assist the RDC with the TIF planning, budget, impact analysis and annual meeting requirements set forth under IC 36-7-25-8, including attendance of the annual meeting if requested.
3. Provide Pass-through Excess Assessed Value Notification Assistance
 - a) Assist the RDC in preparing an annual notice due to the County Auditor's office and overlapping taxing units by June 15th, notifying them of the amount of excess incremental assessed value that can be released to taxing units for the subsequent year, under 36-7-14-39(b)(4).
 - b) If needed, prepare a current schedule of estimated TIF revenue, under current law, including the impact of known new developments, estimated tax abatement reductions, depreciation tables, if applicable, and anticipated changes in tax rates, if necessary.
 - c) If needed, prepare a schedule demonstrating the extent to which estimated TIF revenue is expected to be sufficient to pay actual debt service or lease rentals on outstanding bonds and other planned projects for the TIF Area(s), notifying the RDC of any anticipated shortfalls or significant surplus, if necessary.
 - d) Assist with the preparation of any required supporting documentation for the captured assessed value determination resolution(s), if necessary.

4. Monitor TIF Revenue and Preparation of an Annual TIF Report
 - a) For the TIF Area(s), analyze recorded TIF revenue, comparing it to BTMA's previous estimates, identifying the sources of material differences.
 - b) Identify major tax delinquencies materially affecting TIF revenue using information available from the county auditor's office.
 - c) Based on input from RDC representatives:
 - (1) Trace known major developments and tax abatement reductions into the county's property tax records.
 - (2) Research, report and make recommendations regarding any material differences from anticipated assessed valuations and TIF revenue.
 - d) Update TIF revenue estimates based upon current law and property tax data, including the impact of known new developments, estimated tax abatement reductions, personal property depreciation tables (if applicable), and estimated changes in tax rates (if applicable).
 - e) Prepare a schedule demonstrating the extent to which estimated TIF revenue is expected to be sufficient to pay actual debt service or lease rentals on outstanding bonds and other planned projects for the TIF Area(s), notifying the RDC of any anticipated shortfalls or significant surplus.
 - f) If needed, prepare illustrative schedules of amortization for bonds, leases, or other obligations payable from TIF revenue generated in the applicable TIF Area(s). Any illustrative amortizations prepared under this section will be for informational purposes only and may not be utilized in conjunction with the issuance of debt obligations.
 - g) If needed, illustrate annual cash flow for each allocation area for a five-year period (or another period defined by the RDC) that accounts for debt and non-debt expenditures of the RDC.
 - h) Provide an annual written report and additional written materials as appropriate, reporting findings to the RDC.
5. Calculate Base Value Adjustments (Neutralization) for Trending and General Reassessment
 - a) Contact the county auditor's office and, with its cooperation and based on information provided by the county auditor and assessor, assist in performing or checking calculations with respect to base value adjustments, including determining base value adjustment factors, appeal and tax rate assumptions, and captured assessed values for each TIF Area in conjunction with annual trending or general reassessments. In performing this work, we rely on the accuracy of the information provided by the county auditor and assessor. We will not audit or review their information.
 - b) If necessary, travel to the county auditor's and/or assessor's offices to perform fieldwork that may be required. Obtain from the county auditor and assessor new tax abatement information, a list of new developments and assessed values (if available) and a list of outstanding parcel assessed value appeals for the TIF Area(s) to use in the calculation. Compare resulting calculations to historical captured value, if necessary.
 - c) With the cooperation of the county auditor's office, assist the county auditor's office with the monitoring of captured assessed value amounts for each TIF Area and taxing district that are used during the assessed value certification process. If needed, assist the auditor's office with any corrections to captured assessed value amounts that must be undertaken prior to certification.
 - d) With the cooperation of the county auditor's office, assist the county auditor's office with the monitoring of captured assessed value amounts for each TIF Area and taxing district that are used in the preparation of the county abstract. If needed, assist the auditor's office with any corrections to captured assessed value amounts that must be undertaken prior to the completion of the abstract.

6. DLGF Annual Spending Plan Preparation

- a) Meet with Client leadership to discuss priorities and plans for the next fiscal year, develop an annual spending plan, pursuant to IC 36-7-14-12.7 and DLGF guidelines, and present the annual spending plan before the RDC.
- b) If requested, present the spending plan at a meeting of the RDC. Such report is limited to the purposes set forth herein, and may not be used in conjunction with the issuance of additional debt obligations. TIF revenue estimates in support of the issuance of debt will be accomplished pursuant to the parameters of separate agreements.

B. Creation/Amendment of a Commercial TIF Allocation Area – Performed on an "As Requested" Basis

1. As needed, work with the Client and its advisors to analyze the boundaries of the proposed TIF Area and potential assessed value impacts of proposed new construction/demolition projects within the proposed TIF Area.
2. As needed, provide information required by the Client's attorney for preparing resolutions and other legal documents required to establish the proposed TIF Area, if needed.
3. Prepare, on behalf of the Client, an analysis and a statement disclosing the impact of the proposed TIF Area upon the overlapping taxing units (the Impact Statement) and facilitate the delivery of the Impact Statement to the overlapping taxing units.
4. If needed, meet virtually or in person with representatives of the overlapping taxing units to discuss questions, comments or concerns related to the creation/amendment of the proposed TIF Area, as needed.
5. At the request of the Client, attend meetings and required public hearings to explain the impact of the creation/amendment of the proposed TIF Area and to address any questions.

C. Creation/Amendment of a Residential TIF Allocation Area – Performed on an "As Requested" Basis

1. As needed, work with the Client and its advisors to analyze the boundaries of the proposed TIF Area and potential assessed value impacts of proposed new construction/demolition projects within the proposed TIF Area.
2. As needed, provide information required by the Client's attorney for preparing resolutions and other legal documents required to establish the proposed TIF Area, if needed.
3. Prepare, on behalf of the Client, an analysis and a statement disclosing the impact of the proposed TIF Area upon the overlapping taxing units (the Impact Statement) and facilitate the delivery of the Impact Statement to the overlapping taxing units.
4. If needed, virtually or personally meet with representatives of the overlapping taxing units to discuss questions, comments or concerns related to the creation/amendment of the proposed TIF Area, as needed.
5. At the request of the Client, attend meetings and required public hearings to explain the impact of the creation/amendment of the proposed TIF Area and to address any questions.

D. Economic Development Project Evaluation and Preliminary Feasibility – Performed on an "As Requested" Basis

1. In connection with a proposed economic development project or prospect (the Project), discuss with Client (or Client representative) the proposed Project; potential incentives; the use of TIF, tax abatement and other sources of funding; preliminary financing options and feasibility analyses; timing and investment information needed for analysis; and other issues and considerations.
2. BTMA will be dependent upon these parties for the development assumptions used to inform the initial analysis. Prepare schedules of real and depreciable personal property tax abatement reductions, if applicable.

Note: Additional Project analyses may be prepared under separate engagement scopes addressing the specific Project.

E. Periodic Services (Consulting Services) – Performed on an "As Requested" Basis

1. Analyze County TIF Parcel Records for Missing Parcels and Parcel Changes
 - a) Interview Client and/or county personnel to locate declaratory resolutions, base value dates, original maps of the TIF Area(s), together with any boundary changes that may have occurred subsequent to the creation of the TIF Area(s).
 - b) Compare county auditor's TIF parcel list and maps to determine the extent to which they reflect changes that have occurred to the TIF boundaries of the TIF Area and incorporate parcel splits and combinations.
 - c) Suggest corrections to the TIF database, as needed.

COMPENSATION AND INVOICING

BTMA's fees for services set forth in the Scope Appendix will be as follows:

- > Scope Sections A1, A2, A3 and A6 – will be billed at BTMA's standard billing rates based upon the actual time and expenses incurred. Any matters to exceed Six Thousand Dollars (\$6,000) will be separately proposed and approved by the Redevelopment Commission or City unless expressly authorized by the Redevelopment Commission or City.
- > Scope Section A4 – will be billed at BTMA's standard billing rates based upon the actual time and expenses incurred and will not exceed Thirty Thousand Dollars (\$30,000) unless expressly authorized by the Redevelopment Commission or City.
- > Scope Section A5 – will be billed at BTMA's standard billing rates based upon the actual time and expenses incurred with a minimum of One Thousand Dollars (\$1,000) per TIF Area.
- > Scope Section B – will be billed at BTMA's standard billing rates based upon the actual time and expenses incurred with a minimum of Seven Thousand Five Hundred Dollars (\$7,500) and will not exceed Fifteen Thousand Dollars (\$15,000), per request.
- > Scope Section C – will be billed at BTMA's standard billing rates based upon the actual time and expenses incurred with a minimum of Ten Thousand Dollars (\$10,000) and will not exceed Twenty-Five Thousand Dollars (\$25,000), per request.
- > Scope Sections D and E – will be billed at BTMA's standard billing rates based upon the actual time and expenses incurred. Any matters to exceed Six Thousand Dollars (\$6,000) will be separately proposed and approved by the Redevelopment Commission or City unless expressly authorized by the Redevelopment Commission or City.

Standard Hourly Rates by Job Classification
12/1/2023

Title	Hourly Rate
Partners / Principals / Directors	\$400 - \$600
Managers / Senior Managers	\$275 - \$400
Consultants / Analysts / Senior Consultants	\$175 - \$275
Support / Paraprofessionals / Interns	\$110 - \$175

- *Billing rates are subject to change periodically due to changing requirements and economic conditions. Baker Tilly will notify Client thirty (30) days in advance of any change to fees. If Client does not dispute such change in fees within that thirty (30) day period, Client will be deemed to have accepted such change. The fees billed will be the fees in place at the time services are provided. Actual fees will be based upon experience of the staff assigned and the complexity of the engagement.*

The above fees shall include all expenses incurred by BTMA except for direct, project-related expenses such as travel costs.

Billing Procedures

Normally, you will receive a monthly statement showing fees and costs incurred in the prior month. Occasionally, we may bill on a less frequent basis if the time involved in the prior month was minimal or if arrangements are made for the payment of fees from bond proceeds. The account balance is due and payable on receipt of the statement.

Nonattest Services

As part of this engagement, we will perform certain nonattest services. For purposes of the Engagement Letter and this Scope Appendix, nonattest services include services that the *Government Auditing Standards* refers to as nonaudit services.

We will not perform any management functions or make management decisions on your behalf with respect to any nonattest services we provide.

In connection with our performance of any nonattest services, you agree that you will:

- > Continue to make all management decisions and perform all management functions, including approving all journal entries and general ledger classifications when they are submitted to you.
- > Designate an employee with suitable skill, knowledge, and/or experience, preferably within senior management, to oversee the services we perform.
- > Evaluate the adequacy and results of the nonattest services we perform.
- > Accept responsibility for the results of our nonattest services.
- > Establish and maintain internal controls, including monitoring ongoing activities related to the nonattest function.

Conflicts of Interest

Attachment A to the Engagement Letter contains important disclosure information that is applicable to this Scope Appendix.

We are unaware of any additional conflicts of interest related to this Scope Appendix that exist at this time.

Termination

This Scope Appendix will terminate according to the terms of the Engagement Letter.

If this Scope Appendix is acceptable, please sign below and return one copy to us for our files. We look forward to working with you on this important project.

Sincerely,



Matthew R. Eckerle, Principal



Andrew O. Mouser, Director



Signature Section:

The services and terms as set forth in this Scope Appendix are agreed to on behalf of the Client by:

Name:  _____

Title: Chairman

Date: 3/13/24