



Marion Redevelopment Commission

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

September 29, 2020



now joined with
Springsted and Umbaugh



Marion Redevelopment Commission

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 - Ed Merchant, Vice President
 - Deb Cain, Secretary
 - Steve Henderson
 - Jacquie Dodyk
 - Todd Nicholson, School Board Appointee
-
- Honorable Jess Alumbaugh, Mayor
 - Julie Flores, Fiscal Officer
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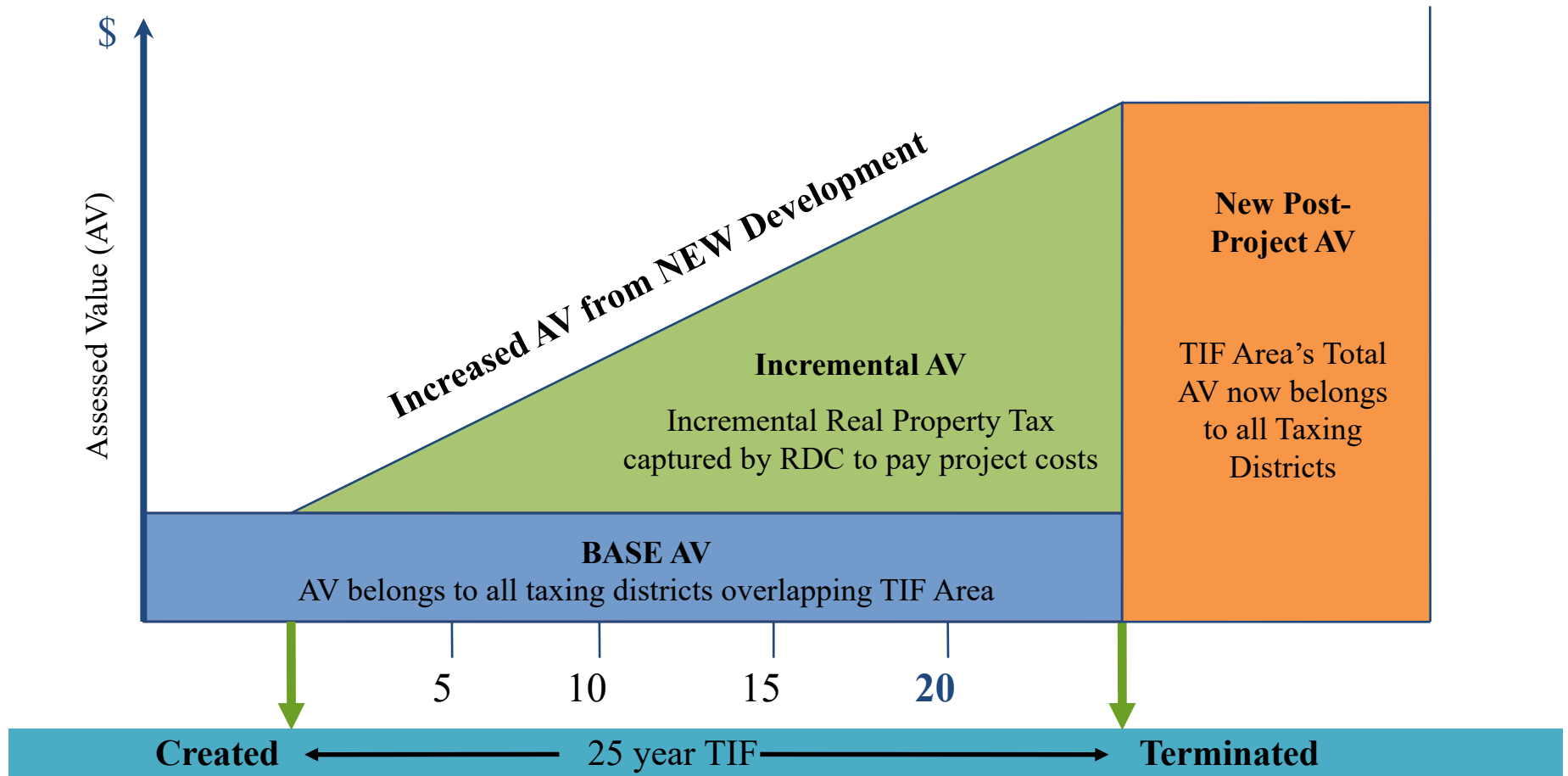
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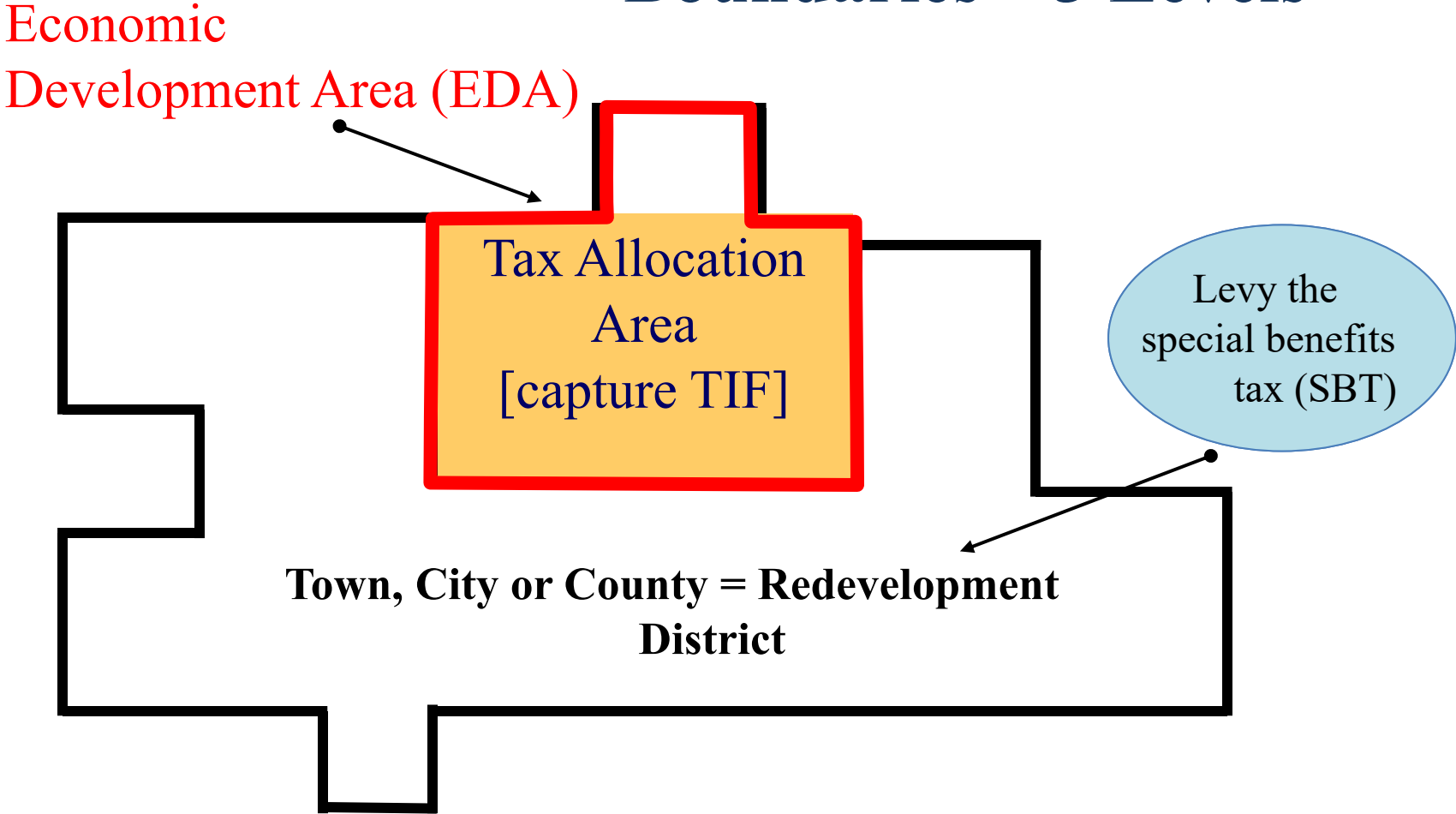
Potential Impacts Resulting from Coronavirus (COVID-19). In an effort to lessen the risk of transmission of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions affecting business activities and impacting global, state and local commerce and financial markets. This Report makes no representation as to future impacts on Tax Increment as a result of COVID-19. Future Tax Increment could vary materially from these estimates.

TIF Mechanics



Redevelopment District and TIF Areas

Boundaries – 3 Levels



THE TERM OF AN ALLOCATION AREA

Date Alloc. 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.



Emily Flinn Redevelopment Area

Emily Flinn Redevelopment Area

About the Area

Created/Expanded	Expiration
August 25, 2010	January 13, 2036

	Pay 2019	Pay 2020	Pay 2021
Estimated Annual TIF	\$169,522*	\$164,420**	\$164,440

*Actual 2019 collections were \$163,617.

**Actual spring 2020 collections plus advances were \$78,160.

Note: Estimated and actual collections in 2019 include delinquent taxes and penalties paid from prior year.

Emily Flinn Redevelopment Area

Outstanding Obligation

Midwestern Disaster Area Economic Development Revenue Bonds, Series 2011A

- \$2,450,000 issued / \$1,925,000 outstanding
- Final maturity: February 1, 2035
- Project funded: Demolition of existing Emily Flinn facility, reconstruction of new senior living facility and infrastructure improvements
- ML Marion, L.P. purchased the bonds
- Bonds are repaid with Emily Flinn Tax Increment
 - Shortfalls are guaranteed by Mainstreet Property Group, LLC. To the extent Tax Increment and guaranteed revenues are insufficient the City is obligated to use COIT
- 2011A Bonds are subject to optional redemption prior to maturity on any date, by the City at the option of the Marion Community Development Corporation, at par plus accrued interest

Emily Flinn Redevelopment Area

Comparison of Estimated Tax Increment to Debt Payments

<u>Taxes Payable Year</u>	<u>Estimated Tax Increment</u>	<u>2008 Bonds</u>	<u>Estimated Tax Increment Shortfall</u>
2020	\$164,420	(\$169,000)	(\$4,580)
2021	164,440	(171,000)	(6,560)
2022	164,440	(172,000)	(7,560)
2023	164,440	(169,000)	(4,560)
2024	164,440	(170,000)	(5,560)
2025	164,440	(172,000)	(7,560)
2026	164,440	(168,000)	(3,560)
2027	164,440	(169,000)	(4,560)
2028	164,440	(170,000)	(5,560)
2029	164,440	(171,000)	(6,560)
2030	164,440	(172,000)	(7,560)
2031	164,440	(168,000)	(3,560)
2032	164,440	(168,000)	(3,560)
2033	164,440	(169,000)	(4,560)
2034	164,440	(169,000)	(4,560)
2035	164,440		164,440
2036	164,440		164,440
2037	164,440		164,440
Totals	<u>\$2,959,900</u>	<u>(\$2,547,000)</u>	<u>\$412,900</u>

Five Points Mall TIF Area

Five Points Mall TIF Area

About the Area

Created/Expanded	Expiration
September 27, 2011	September 27, 2036*

*The Five Points Mall TIF Area will expire no later than 25 years after the date on which the first obligation is incurred to pay principal and interest on bonds or lease rental payments on leases payable from Tax Increment. There are currently no bonds outstanding.

	Pay 2019	Pay 2020	Pay 2021
Estimated Annual TIF	\$8,310**	\$7,070***	\$45,300

**Actual 2019 collections were \$8,308.

***Actual spring 2020 collections plus advances were \$1,566.

General Motors Industrial Economic Development Area

General Motors Industrial EDA

About the Area

Created/Expanded	Expiration
April 23, 2009	February 23, 2037

Designated Taxpayer: General Motors Corporation

	Pay 2019	Pay 2020	Pay 2021
Estimated Annual TIF	\$885,260*	\$1,270,670**	\$1,270,580

*Actual 2019 collections were \$885,263.

**Actual spring 2020 collections were \$635,337.

General Motors Industrial EDA

Outstanding Obligation

Taxable Economic Development Revenue Bonds, Series 2012 (General Motors Project)

- \$40,000,000 issued / \$29,700,000 outstanding
- Final maturity: August 1, 2031
- Project funded: Transfer and installation of equipment for use in General Motors' existing manufacturing facility
- General Motors LLC purchased the bonds
- Bonds are repaid with General Motors Tax Increment
 - Shortfalls are the responsibility of General Motors as borrower
- The 2012 Bonds are subject to optional redemption prior to maturity on any date, by the City at the option of the General Motors LLC, at par plus accrued interest

General Motors Industrial EDA

Comparison of Estimated Tax Increment to Debt Payments

Taxes Payable Year	Estimated Tax Increment	2012 Bonds	Estimated Tax Increment Shortfall
2020	\$1,270,670	(\$3,660,200)	(\$2,389,530)
2021	1,270,580	(3,648,000)	(2,377,420)
2022	1,242,750	(3,679,200)	(2,436,450)
2023	1,288,410	(3,650,500)	(2,362,090)
2024	1,379,980	(3,665,200)	(2,285,220)
2025	1,437,900	(3,620,000)	(2,182,100)
2026	1,578,590	(3,668,200)	(2,089,610)
2027	1,578,590	(3,653,200)	(2,074,610)
2028	1,578,590	(3,628,300)	(2,049,710)
2029	1,578,590	(3,643,500)	(2,064,910)
2030	1,578,590	(3,645,500)	(2,066,910)
2031	1,578,590	(3,667,150)	(2,088,560)
2032	1,578,590		1,578,590
2033	1,578,590		1,578,590
2034	1,578,590		1,578,590
2035	1,578,590		1,578,590
2036	1,578,590		1,578,590
2037	1,578,590		1,578,590
2038	1,578,590		1,578,590
Totals	\$28,411,960	(\$43,828,950)	(\$15,416,990)

South Marion Industrial / Commercial Economic Development Area

South Marion Industrial/Commercial EDA

About the Area

Created/Expanded	Expiration
December 2, 2008	April 4, 2038
February 5, 2013*	April 4, 2038

*Designated Taxpayer: Cornerstone Marion LLC, CV East LLC, Café Valley, Inc.

	Pay 2019	Pay 2020	Pay 2021
Estimated Annual TIF	\$1,125,820*	\$1,096,810**	\$1,022,370

*Actual 2019 collections were \$1,125,516.

**Actual spring 2020 collections plus advances were \$553,788.

South Marion Industrial/Commercial EDA

Outstanding Obligations

Taxable Economic Development Revenue Bonds, Series A-1 (Café Valley Bakery Project) (2013)

- \$11,630,000 issued / \$10,390,000 outstanding
- Final maturity: February 1, 2038
- Project funded: Purchase of land, demolition of buildings and construction of Café Valley's new bakery manufacturing facility
- Regions Bank purchased the bonds
- Bonds are repaid with Café Valley Project TIF
 - Shortfalls are paid by Cornerstone Marion, LLC
 - Further backed by Special Benefits Tax (SBT) and EDIT
- A-1 Bonds are subject to optional redemption prior to maturity on any date, by and at the option of the City, at par plus accrued interest and repayment premium

South Marion Industrial/Commercial EDA

Outstanding Obligations

Taxable Economic Development Revenue Bonds, Series A-2 (Café Valley Bakery Project) (2013)

- \$2,870,000 issued / \$2,560,000 outstanding
- Final maturity: February 1, 2038
- Project funded: Refinanced prior bonds and relocated the AMVETs business
- Regions Bank purchased the bonds
- Bonds are repaid with Off-Site TIF from the South Marion Area
 - Shortfalls are paid from legally available revenues of the Commission
 - Further backed by Special Benefits Tax (SBT) and EDIT
- A-2 Bonds are subject to optional redemption prior to maturity on any date, by and at the option of the City, at par plus accrued interest and repayment premium

South Marion Industrial/Commercial EDA

Outstanding Obligations

Taxable Subordinate Economic Development Revenue Bonds, Series B (Café Valley Bakery Project) (2013)

- \$12,000,000 issued / \$12,000,000 outstanding
- Final maturity: April 4, 2038
- Cornerstone Marion, LLC purchased the bonds
- Bonds are repaid with subordinate Project TIF
 - Shortfalls are paid by Cornerstone Marion, LLC
 - Pledge of Project TIF is subordinate to the A-1 Bonds
- Series B Bonds are subject to optional redemption prior to maturity on any date, by and at the option of the City, at par plus accrued interest and repayment premium

South Marion Industrial/Commercial EDA

Comparison of Estimated Tax Increment to Debt Payments

Taxes Payable Year	Estimated Project TIF	2013 A-1 Bonds	2013 B Bonds	Estimated Project TIF Remaining	Estimated Off-Site TIF	2013 A-2 Bonds	Estimated Tax Increment Shortfall
2020	\$1,076,190	(\$928,000)	(\$148,190)	\$0	\$20,620	(\$235,000)	(\$214,380)
2021	1,001,030	(928,000)	(73,030)	0	21,340	(230,000)	(208,660)
2022	1,091,300	(928,000)	(163,300)	0	21,340	(230,000)	(208,660)
2023	1,005,800	(926,000)	(79,800)	0	21,340	(230,000)	(208,660)
2024	944,730	(924,000)	(20,730)	0	21,340	(235,000)	(213,660)
2025	932,510	(925,000)	(7,510)	0	21,340	(234,000)	(212,660)
2026	932,510	(925,000)	(7,510)	0	21,340	(233,000)	(211,660)
2027	932,510	(928,000)	(4,510)	0	21,340	(231,000)	(209,660)
2028	932,510	(925,000)	(7,510)	0	21,340	(229,000)	(207,660)
2029	932,510	(926,000)	(6,510)	0	21,340	(232,000)	(210,660)
2030	932,510	(925,000)	(7,510)	0	21,340	(234,000)	(212,660)
2031	932,510	(927,000)	(5,510)	0	21,340	(231,000)	(209,660)
2032	932,510	(927,000)	(5,510)	0	21,340	(233,000)	(211,660)
2033	932,510	(926,000)	(6,510)	0	21,340	(234,000)	(212,660)
2034	932,510	(927,000)	(5,510)	0	21,340	(234,000)	(212,660)
2035	932,510	(926,000)	(6,510)	0	21,340	(234,000)	(212,660)
2036	932,510	(929,000)	(3,510)	0	21,340	(233,000)	(211,660)
2037	932,510	(928,000)	(4,510)	0	21,340	(232,000)	(210,660)
2038	932,510			932,510	21,340		21,340
2039	932,510			932,510	21,340		21,340
Totals	<u>\$19,106,700</u>	<u>(\$16,678,000)</u>	<u>(\$563,680)</u>	<u>\$1,865,020</u>	<u>\$426,080</u>	<u>(\$4,184,000)</u>	<u>(\$3,757,920)</u>

State Road 18 West Economic Development Area

State Road 18 West EDA

About the Area

Created/Expanded	Expiration
November 8, 2005	November 8, 2035
February 25, 2019	May 24, 2044

Designated Taxpayer: Central Indiana Ethanol LLC

Designated Taxpayer: EPCO Carbon Dioxide Products, Inc. (not currently captured)

	Pay 2019	Pay 2020	Pay 2021
Estimated Annual TIF	\$1,360,130*	\$1,406,130**	\$1,628,090

*Actual 2019 collections were \$1,360,139.

**Actual spring 2020 collections were \$703,063.

State Road 18 West EDA

Outstanding Obligations

Taxable Economic Development Revenue Bonds, Series 2013 (Central Indiana Ethanol, LLC Project) (CIE)

- \$3,315,000 issued / \$1,280,000 outstanding
- Final maturity: August 1, 2023
- Project funded: Expansion and equipping of the CIE plant
- STAR Financial Bank purchased the bonds
- Bonds are repaid with Pledged Tax Increment produced by the Debt Service Assessed Value per the March 19, 2019 TIF Pledge Resolution
 - Shortfalls will be paid by Central Indiana Ethanol, LLC
 - Tax Increment produced by the Retained Assessed Value is not pledged and may be used by the Commission for other legal purposes. CIE is responsible for maintaining the Retained Assessed Value.
- The 2013 Bonds are subject to optional redemption on prior to maturity on any date, by the City at the option of Central Indiana Ethanol, LLC, at par plus accrued interest

State Road 18 West EDA

Outstanding Obligations

Taxable Economic Development Revenue Bonds of 2019 (CIE)

- \$3,650,000 issued / \$3,370,000 outstanding
- Final maturity: February 1, 2031
- Project funded: Expansion and equipping of the CIE plant
- STAR Financial Bank purchased the bonds
- Bonds are repaid with Pledged Tax Increment produced by the Debt Service Assessed Value per the March 19, 2019 TIF Pledge Resolution
 - Shortfalls will be paid by Central Indiana Ethanol, LLC
 - Tax Increment produced by the Retained Assessed Value is not pledged and may be used by the Commission for other legal purposes. CIE is responsible for maintaining the Retained Assessed Value.
- The 2019 Bonds are subject to optional redemption on prior to maturity on any date upon 30 days' notice, by and at the option of the City, at par plus accrued interest

State Road 18 West EDA

Comparison of Estimated Tax Increment to Debt Payments

Taxes Payable Year	Estimated Tax Increment	Outstanding Obligations		Total Debt Service	Estimated Tax Increment Surplus/(Shortfall)
		2013 Bonds	2019 Bonds		
2020	\$1,406,130	(\$474,000)	(\$344,228)	(\$818,228)	\$587,903
2021	1,628,090	(463,625)	(340,678)	(804,303)	823,788
2022	1,627,210	(462,625)	(341,700)	(804,325)	822,885
2023	1,627,210	(230,625)	(417,010)	(647,635)	979,575
2024	1,627,210		(475,765)	(475,765)	1,151,445
2025	1,627,210		(476,955)	(476,955)	1,150,255
2026	1,627,210		(477,005)	(477,005)	1,150,205
2027	1,627,210		(475,915)	(475,915)	1,151,295
2028	1,627,210		(478,685)	(478,685)	1,148,525
2029	1,627,210		(479,888)	(479,888)	1,147,323
2030	1,627,210		(479,808)	(479,808)	1,147,403
2031	1,627,210				1,627,210
2032	1,627,210				1,627,210
2033	1,627,210				1,627,210
2034	1,627,210				1,627,210
2035	1,627,210				1,627,210
2036	1,627,210				1,627,210
2037	82,000				82,000
2038	82,000				82,000
2039	82,000				82,000
2040	82,000				82,000
2041	82,000				82,000
2042	82,000				82,000
2043	82,000				82,000
2044	82,000				82,000
2045	82,000				82,000
Totals	<u>\$28,180,370</u>	<u>(\$1,630,875)</u>	<u>(\$4,787,635)</u>	<u>(\$6,418,510)</u>	<u>\$21,761,860</u>

Consolidated Economic Development Area

Dollar General Project Site

Dollar General Project Site

About the Area

Created/Expanded	Expiration
June 28, 2005	Taxes payable 2036

Designated Taxpayer: Dolgencorp, Inc.

On July 11, 2005, pledged Tax Increment generated at the Dollar General project site.

	Pay 2019	Pay 2020	Pay 2021
Estimated Annual TIF	\$1,622,770*	\$1,573,830**	\$1,580,570

*Actual 2019 collections were \$1,622,762.

**Actual spring 2020 collections were \$1,557,261.

Dollar General Project Site

Outstanding Obligation

Variable Rate Demand Taxable Economic Development Revenue Bonds, Series 2005 A (Dolgencorp, Inc. Project)

- \$14,495,000 issued / \$4,340,000 outstanding
- Variable rate
 - Rate ranged from 0.33% to 0.70% for the period from May 7, 2020 to August 5, 2020
 - Illustrative interest rate of 3% shown
- Final maturity: February 1, 2035, but anticipated to be repaid with 2022 TIF
- Project funded: Construction and equipping of a new, approximately 1.1 million square foot distribution center
- KeyBanc Capital Markets underwrote the bonds
- Bonds are repaid with Dollar General Tax Increment
 - Excess Tax Increment must be used to pay additional principal on the 2005A Bonds until full repayment
- The 2005 A Bonds are subject to optional redemption prior to maturity upon 30 days' notice, by the City at the option of Dolgencorp, Inc., at par plus accrued interest.

Dollar General Project Site

Comparison of Estimated Tax Increment to Debt Payments

Taxes Payable Year	Estimated Tax Increment	2005A Bonds	Estimated Tax Increment Shortfall	Estimated Tax Increment Surplus
2020	\$1,573,830	(\$1,562,923)		\$10,907
2021	1,580,570	(1,566,100)		14,470
2022	1,580,570	(1,431,700)		148,870
2023	1,580,570			1,580,570
2024	1,580,570			1,580,570
2025	1,580,570			1,580,570
2026	1,580,570			1,580,570
2027	1,580,570			1,580,570
2028	1,580,570			1,580,570
2029	1,580,570			1,580,570
2030	1,580,570			1,580,570
2031	1,580,570			1,580,570
2032	1,580,570			1,580,570
2033	1,580,570			1,580,570
2034	1,580,570			1,580,570
2035	1,580,570			1,580,570
2036	1,580,570			1,580,570
Totals	<u>\$26,862,950</u>	<u>(\$4,560,723)</u>	<u>\$0</u>	<u>\$22,302,227</u>

Note: Beginning in 2022, surplus Tax Increment is available for use in the Consolidated Economic Development Area.

Consolidated Economic Development Area

King's Group Allocation Area

King's Group Allocation Area

About the Area

Created/Expanded	Expiration
February 24, 2011	April 4, 2038

	Pay 2019	Pay 2020	Pay 2021
Estimated Annual TIF	\$116,900*	\$116,800**	\$138,420

*Actual 2019 collections were \$116,897.

**Actual spring 2020 collections were \$58,397.

King's Group Allocation Area

Outstanding Obligation

Taxable Economic Development Revenue Bonds, Series 2013 (The Book Vineyard LLC Project)

- \$3,485,000 issued / \$2,770,604 outstanding
- Final maturity: February 1, 2032
- Project funded: Construction and renovations of retail, office and commercial buildings.
- The Book Vineyard LLC purchased the bonds
- Bonds are repaid with King's Group Tax Increment
- The 2013 King's Group EDC Bonds are subject to optional redemption prior to maturity on any date, by the City at the option of The Book Vineyard LLC, at par plus accrued interest.

King's Group Allocation Area

Comparison of Estimated Tax Increment to Debt Payments

<u>Taxes Payable Year</u>	<u>Estimated Tax Increment</u>	<u>2013 Bonds</u>	<u>Estimated Tax Increment Shortfall/Surplus</u>	<u>2013 Bonds Outstanding Principal</u>
				\$2,829,002
Spring 2020	\$58,397	(\$58,397)	\$0	2,770,604
Fall 2020	58,403	(58,403)	0	2,712,202
2021	138,420	(138,420)	0	2,573,782
2022	138,420	(138,420)	0	2,435,362
2023	138,420	(138,420)	0	2,296,942
2024	138,420	(138,420)	0	2,158,522
2025	138,420	(138,420)	0	2,020,102
2026	138,420	(138,420)	0	1,881,682
2027	138,420	(138,420)	0	1,743,262
2028	138,420	(138,420)	0	1,604,842
2029	138,420	(138,420)	0	1,466,422
2030	138,420	(138,420)	0	1,328,002
2031	138,420	(138,420)	0	1,189,582
2032	138,420		138,420	
2033	138,420		138,420	
2034	138,420		138,420	
2035	138,420		138,420	
2036	138,420		138,420	
2037	138,420		138,420	
2038	138,420		138,420	
2039	138,420		138,420	
Totals	<u>\$2,746,780</u>	<u>(\$1,639,420)</u>	<u>\$1,107,360</u>	

Note: Beginning in 2032, surplus Tax Increment is available for use in the Consolidated Economic Development Area.

Consolidated Economic
Development Area

University Marketplace
Allocation Area

University Marketplace Allocation Area

About the Area

Created/Expanded	Expiration
January 15, 2008	January 15, 2038

	Pay 2019	Pay 2020	Pay 2021
Estimated Annual TIF	\$755,520*	\$764,070**	\$932,430

*Actual 2019 collections were \$752,453.

**Actual spring 2020 collections plus advances were \$426,617.

University Marketplace Allocation Area

Outstanding Obligation

Taxable Economic Development Revenue Bonds, Series 2008 (University Marketplace Project)

- \$9,050,000 issued / \$6,970,000 outstanding
- Interest rate resets every five years based on Five-Year Treasury plus 3.00%
 - As of January 31, 2019, interest rate is 5.59% for current five-year period
- Final maturity: December 15, 2033
- Project funded: Financing certain infrastructure and development costs associated with the University Marketplace retail center
- STAR Financial Bank purchased the bonds
- Bonds are repaid with University Marketplace Tax Increment
 - Shortfalls are covered by various Limited Guaranty Agreements
- The 2008 Bonds are subject to optional redemption by the City, at any time, at par plus accrued interest and repayment premium.

University Marketplace Allocation Area

Comparison of Estimated Tax Increment to Debt Payments

Taxes Payable Year	Estimated Tax Increment	2008 Bonds	Estimated Tax Increment Shortfall/Surplus
2020	\$764,070	(\$764,794)	(\$724)
2021	932,430	(763,831)	168,599
2022	932,430	(756,891)	175,540
2023	932,430	(753,972)	178,459
2024	932,430	(749,935)	182,496
2025	932,430	(749,640)	182,790
2026	932,430	(743,087)	189,343
2027	932,430	(740,417)	192,013
2028	932,430	(736,209)	196,221
2029	932,430	(730,744)	201,687
2030	932,430	(723,741)	208,689
2031	932,430	(720,341)	212,090
2032	932,430	(715,263)	217,167
2033	932,430	(706,080)	226,350
2034	932,430		932,430
2035	932,430		932,430
2036	932,430		932,430
2037	932,430		932,430
2038	932,430		932,430
2039	932,430		932,430
Totals	<u>\$18,480,240</u>	<u>(\$10,354,943)</u>	<u>\$8,125,297</u>

Note: Surplus Tax Increment is available for use in the Consolidated Economic Development Area.

Consolidated Economic
Development Area

Consolidated Allocation Area

Consolidated Allocation Area

About the Area

Created/Expanded	Expiration
February 28, 2003	February 28, 2033
September 1, 2004	September 1, 2034
June 28, 2005	June 28, 2035
November 21, 2005	November 21, 2035
May 15, 2007	May 15, 2037
January 15, 2008	January 15, 2038
February 19, 2008	February 19, 2038
November 23, 2010	Taxes payable 2037

Designated Taxpayer: Winterfield LLC (not currently captured), including its successor and assigns or any affiliates – was purchased by Huhtamaki

	Pay 2019	Pay 2020	Pay 2021
Estimated Annual TIF	\$1,231,689*	\$1,250,580**	\$1,480,699

*Actual 2019 collections were \$1,199,451.

**Actual spring 2020 collections plus advances were \$750,747.

Consolidated Allocation Area

Outstanding Obligations

Taxable Economic Development Revenue Bonds, Series 2015 (CVS) (Collins Group)

- \$3,425,000 issued / \$2,965,000 outstanding (draw bonds)
- Interest rate resets every five years based on Five-Year Treasury plus 2.25%
 - As of July 6, 2020, interest rate is 2.56% for current five-year period
- Final maturity: February 1, 2034
- Bonds are repaid with Marion Consolidated Tax Increment

Redevelopment District Tax Increment Revenue Bonds of 2013

- \$3,500,000 issued / \$3,015,000 outstanding
- Final maturity: February 1, 2032
- Refunded 2012 BANs, which refinanced 2010 BANs, which financed land acquisition
- First Farmers Bank & Trust Co. purchased the bonds
- Bonds are repaid with Marion Consolidated Tax Increment
- The 2013 Red Dist Bonds are subject to optional redemption prior to maturity on any date, and at the option of the Commission, at par plus accrued interest

Consolidated Allocation Area

Outstanding Obligations

Taxable Economic Development Revenue Bonds, Series 2013 (Marion Land Development, LLC Project)

- \$7,305,000 issued / \$5,710,000 outstanding
- Final maturity: February 1, 2032
- Projects funded: Refunded the Redevelopment District Bond Anticipation Notes of 2009 and the Taxable Economic Development Revenue Bond Anticipation Notes, Series 2011A and finance infrastructure to support multi-use development including office, research and development, light industrial, retail, hotel and residential
- First Farmers Bank & Trust Co. purchased the bonds
- Bonds are repaid with Marion Consolidated Tax Increment
 - Shortfalls are paid by Marion Land Development LLC
- The 2013 Consolidated EDC Bonds are subject to optional redemption prior to maturity on any date, by and at the option of the City, at par plus accrued interest

Consolidated Allocation Area

Outstanding Obligations

Redevelopment District Refunding Bonds, Series 2011

- \$5,800,000 issued / \$355,000 outstanding
- Final maturity: January 15, 2021
- Projects funded: Refunded the Taxable Economic Development Revenue Bonds, Series 2005 A (Winterfield Project), Taxable Economic Development Revenue Bonds, Series 2006A (Active Properties, LLC), Taxable Economic Development Revenue Bonds, Series 2006B (JSG Processing, Inc. Project), Taxable Economic Development Revenue Bonds, Series 2009 (State Road 9 By-Pass Projects) and Taxable Economic Development Revenue Bonds, Series 2009 (Global Investment Consulting, Inc. Project) and financing certain projects
- Regions Bank purchased the bonds
- Bonds are repaid with Marion Consolidated Tax Increment and Community Revitalization Enhancement Districts (“CRED Revenues”) (Tax Increment and CRED Revenues are not pledged to repayment of the 2011 Bonds, but are anticipated to be used)
 - Shortfalls are paid from SBT (the SBT is pledged as the repayment source for the 2011 Bonds)
- The 2011 Bonds are subject to optional redemption prior to maturity on any date upon 30 days’ notice, at the option of the Commission, at par plus accrued interest and repayment premium

Consolidated Allocation Area

Outstanding Obligations

Taxable Economic Development Revenue Bonds, Series 2005 B (Winterfield Project)

- \$650,000 issued / \$45,000 outstanding (draw bonds)
- Final maturity: February 1, 2021
- Projects funded: Finance the acquisition of a manufacturing facility, construction of a rail spur and improvements to the facility
- STAR Financial Bank purchased the bonds
- Bonds are repaid with Marion Consolidated Tax Increment excluding Tax Increment from the Dollar General Project Site
 - Shortfalls are paid by Huhtamaki (formerly Winterfield Realty, LLC)
- The 2005B Bonds are subject to optional redemption prior to maturity on any date, by and at the option of the City, at par plus accrued interest and repayment premium

Consolidated Allocation Area

Outstanding Obligations

Redevelopment District Taxable Tax Increment Revenue Refunding Bonds of 2005

- \$1,065,000 issued / \$285,000 outstanding
- Final maturity: February 1, 2023
- Projects funded: Refunded the Redevelopment District Taxable Tax Increment Revenue Bonds of 1994
- STAR Financial Bank purchased the bonds
- Bonds are repaid with Marion Consolidated Tax Increment

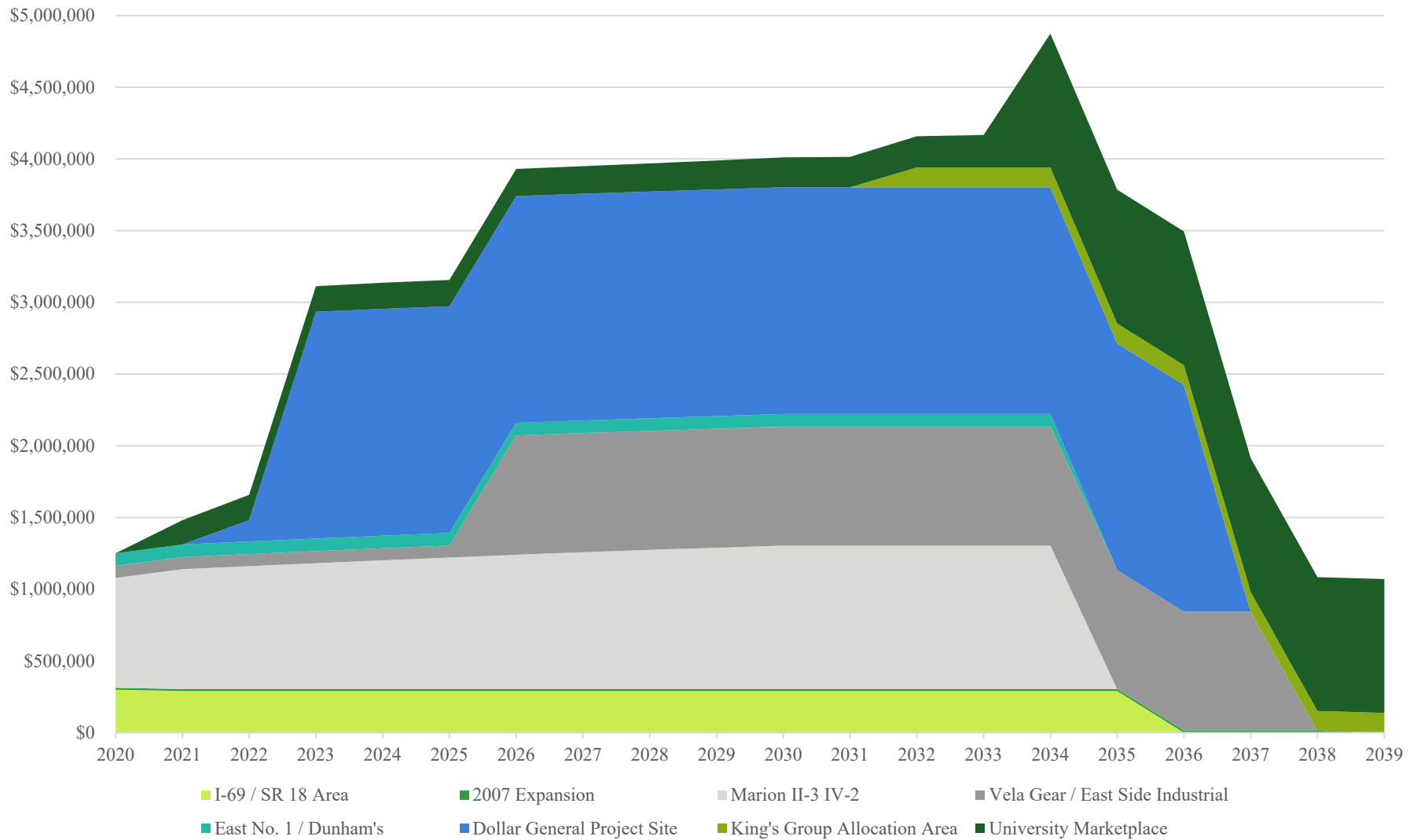
Consolidated Allocation Area

Estimated Annual Combined Tax Increment

Taxes Payable Year	Marion Consolidated Economic Development Areas TIF											Estimated Total Tax Increment	
	Interstate 69 / State Road 18 Area			Vela Gear /			East No. 1 /		Surplus from Additional Allocation Areas				
	Marion IV - I-69 & 18 Monroe Twp.	Marion IV - I-69 & 18 Center Twp.	2007 Expansion Center Twp.	Marion II-3 IV-2 Center Twp.	Marion II-3 IV-2 Franklin Twp.	Marion II-3 IV-2 Pleasant Twp.	East Side Industrial Monroe Twp.	Dunham's Center Twp.	Dollar General Project Site	King's Group Allocation Area	University Marketplace		
2019	\$279,959	\$10,410	\$14,770	\$132,490	\$416,400	\$207,650	\$81,860	\$88,150				\$0	\$1,231,689
2020	285,020	14,410	13,550	129,110	415,310	221,450	83,660	88,070				0	1,250,580
2021	276,240	14,380	13,370	176,990	419,610	239,780	83,660	88,070			168,599		1,480,699
2022	276,240	14,380	13,370	180,270	420,320	256,970	83,660	88,070	\$148,870		175,540		1,657,690
2023	276,240	14,380	13,370	183,290	421,500	272,980	83,660	88,070	1,580,570		178,459		3,112,519
2024	276,240	14,380	13,370	186,310	422,530	288,980	83,660	88,070	1,580,570		182,496		3,136,606
2025	276,240	14,380	13,370	187,960	423,570	304,990	83,660	88,070	1,580,570		182,790		3,155,600
2026	276,240	14,380	13,370	193,060	424,600	320,400	829,829	88,070	1,580,570		189,343		3,929,862
2027	276,240	14,380	13,370	193,290	425,450	335,800	829,829	88,070	1,580,570		192,013		3,949,012
2028	276,240	14,380	13,370	193,460	425,780	350,620	829,829	88,070	1,580,570		196,221		3,968,540
2029	276,240	14,380	13,370	193,640	425,920	365,430	829,829	88,070	1,580,570		201,687		3,989,136
2030	276,240	14,380	13,370	193,640	425,920	380,250	829,829	88,070	1,580,570		208,689		4,010,958
2031	276,240	14,380	13,370	193,640	425,920	380,250	829,829	88,070	1,580,570		212,090		4,014,359
2032	276,240	14,380	13,370	193,640	425,920	380,250	829,829	88,070	1,580,570	\$138,420	217,167		4,157,856
2033	276,240	14,380	13,370	193,640	425,920	380,250	829,829	88,070	1,580,570	138,420	226,350		4,167,039
2034	276,240	14,380	13,370	193,640	425,920	380,250	829,829	88,070	1,580,570	138,420	932,430		4,873,119
2035	276,240	14,380	13,370				829,829		1,580,570	138,420	932,430		3,785,239
2036			13,370				829,829		1,580,570	138,420	932,430		3,494,619
2037			13,370				829,829			138,420	932,430		1,914,049
2038			13,370							138,420	932,430		1,084,220
2039										138,420	932,430		1,070,850
Totals	<u>\$4,708,579</u>	<u>\$240,520</u>	<u>\$268,980</u>	<u>\$2,918,070</u>	<u>\$6,770,590</u>	<u>\$5,066,300</u>	<u>\$10,541,768</u>	<u>\$1,409,200</u>	<u>\$22,276,850</u>	<u>\$1,107,360</u>	<u>\$8,126,021</u>		<u>\$63,434,238</u>

Consolidated Allocation Area

Estimated Annual Combined Tax Increment



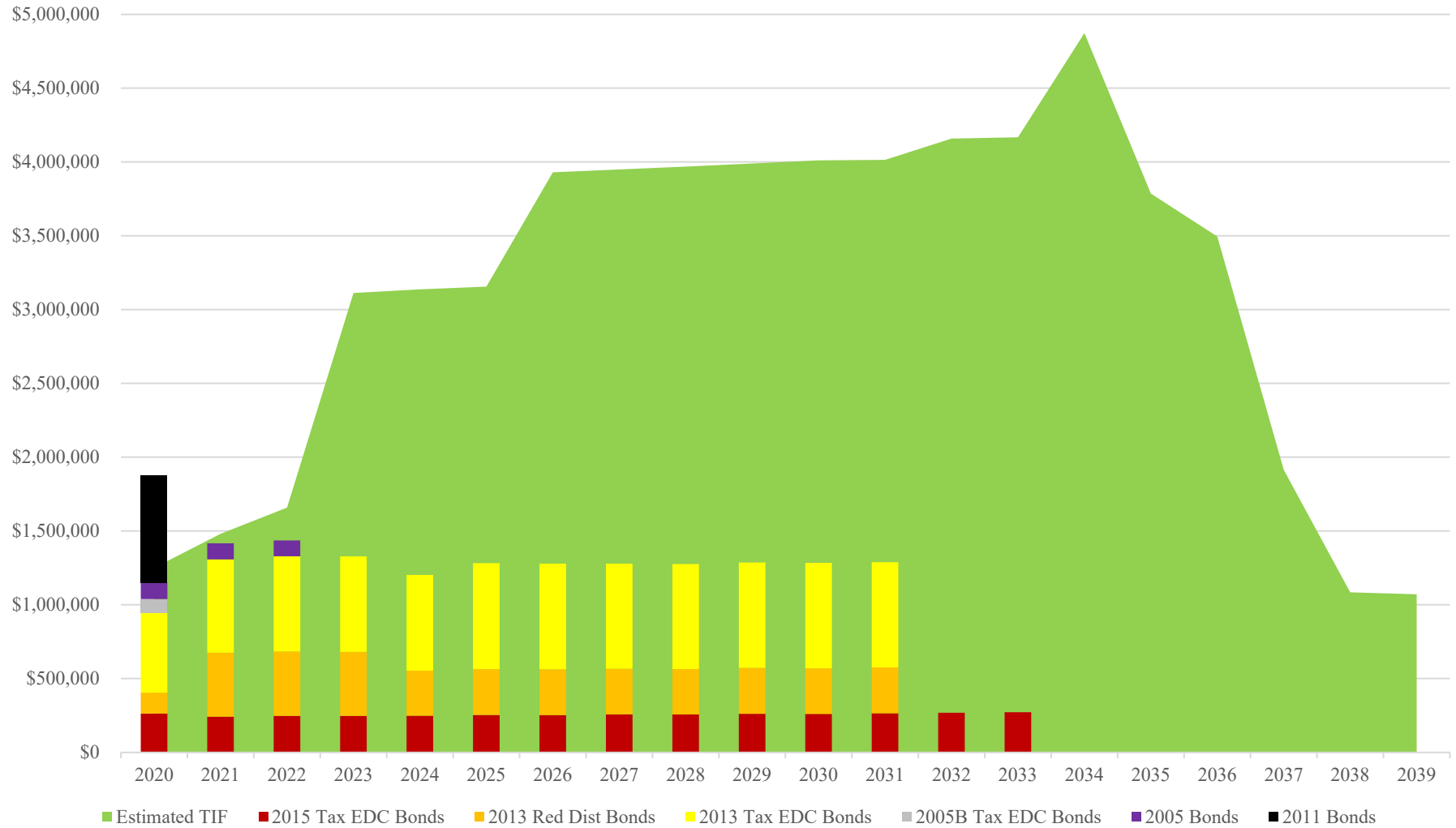
Consolidated Allocation Area

Comparison of Estimated Tax Increment to Debt Payments

Taxes Payable Year	Estimated Tax Increment	Outstanding Obligations						Total Debt	Payable from CRED		Remaining Debt Service 2011 Bonds	Estimated Tax Increment Shortfall/Surplus
		Payable from TIF							CRED Revenues	2011 Bonds		
		2015 Tax EDC Bonds	2013 Red Dist Bonds	2013 Tax EDC Bonds	2005B Tax EDC Bonds	2005 Bonds						
2020	\$1,250,580	(\$262,755)	(\$142,150)	(\$540,013)	(\$93,038)	(\$109,950)	(\$1,147,905)	\$0	(\$729,274)	(\$729,274)	(\$626,599)	
2021	1,480,699	(241,552)	(433,750)	(632,388)		(108,650)	(1,416,340)				64,359	
2022	1,657,690	(247,200)	(435,975)	(645,575)		(107,000)	(1,435,750)				221,940	
2023	3,112,519	(247,592)	(432,775)	(647,350)			(1,327,717)				1,784,802	
2024	3,136,606	(247,856)	(305,113)	(648,925)			(1,201,894)				1,934,712	
2025	3,155,600	(252,992)	(310,213)	(718,900)			(1,282,105)				1,873,496	
2026	3,929,862	(252,872)	(309,750)	(716,125)			(1,278,747)				2,651,115	
2027	3,949,012	(257,624)	(308,838)	(711,838)			(1,278,299)				2,670,713	
2028	3,968,540	(257,120)	(307,475)	(711,313)			(1,275,908)				2,692,633	
2029	3,989,136	(261,488)	(310,663)	(713,863)			(1,286,013)				2,703,123	
2030	4,010,958	(260,600)	(308,175)	(714,488)			(1,283,263)				2,727,696	
2031	4,014,359	(264,584)	(310,125)	(713,325)			(1,288,034)				2,726,325	
2032	4,157,856	(268,312)					(268,312)				3,889,544	
2033	4,167,039	(271,784)					(271,784)				3,895,255	
2034	4,873,119										4,873,119	
2035	3,785,239										3,785,239	
2036	3,494,619										3,494,619	
2037	1,914,049										1,914,049	
2038	1,084,220										1,084,220	
2039	1,070,850										1,070,850	
Totals	<u>\$62,202,549</u>	<u>(\$3,594,331)</u>	<u>(\$3,915,000)</u>	<u>(\$8,114,100)</u>	<u>(\$93,038)</u>	<u>(\$325,600)</u>	<u>(\$16,042,069)</u>	<u>\$0</u>	<u>(\$729,274)</u>	<u>(\$729,274)</u>	<u>\$45,431,206</u>	

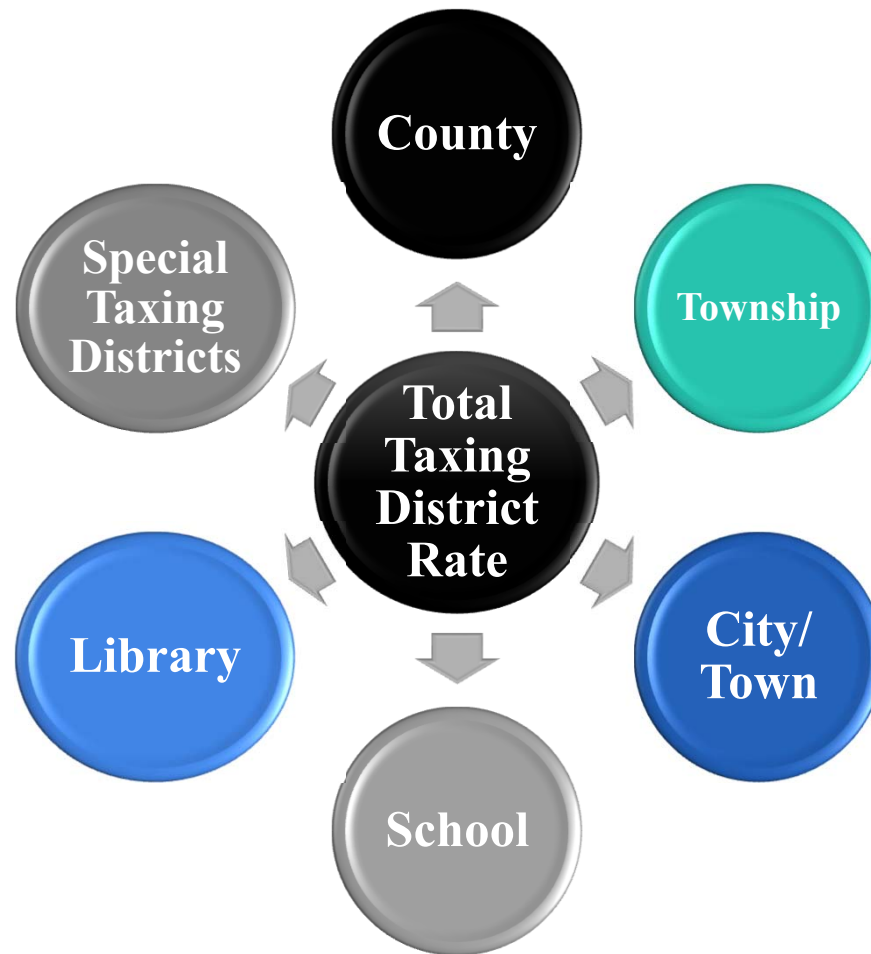
Consolidated Allocation Area

Comparison of Estimated Tax Increment and Obligations



Impacts

Overlapping Taxing Units



Impact of TIF

Does it take away funds from other units?

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**

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

How Property Tax Caps Work

- Computed property tax bill is compared to the “cap”
- Taxes over the cap are simply not paid
- Shortfall in property taxes collected and distributed to taxing units
- Circuit breaker credits are allocated to taxing units based on the percentage of overall tax district tax rate. **Revenue shortfall** for all taxing units

Sample Tax Bill

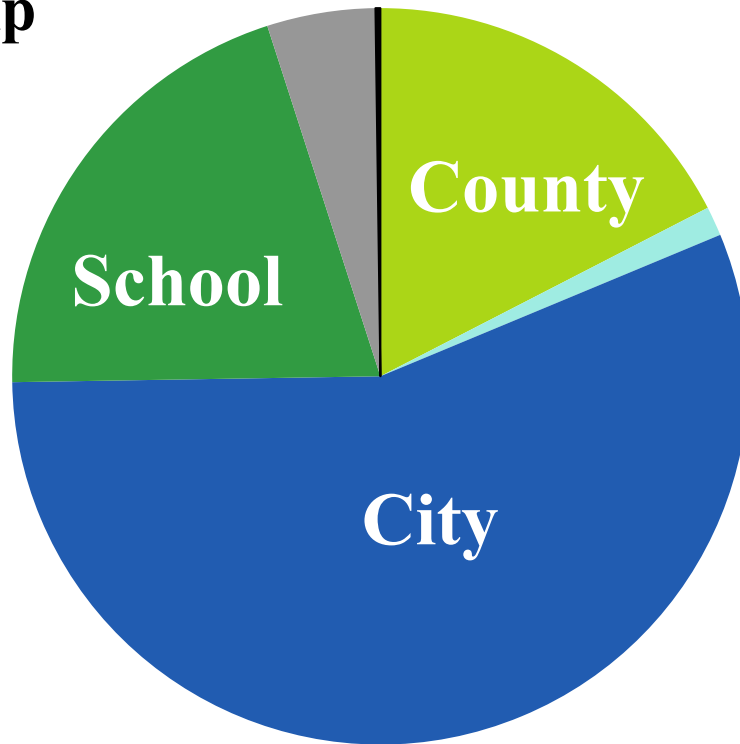
Commercial Value	\$10,000,000
Net Assessed Value (after deductions)	\$10,000,000
Tax Bill with \$4.00 Tax Rate	\$400,000
Tax limit @ 3%	\$300,000
Circuit Breaker Tax Credit	(\$100,000)

Sample Tax Bill

Residential Home Value	\$100,000
Net Assessed Value (after deductions)	\$30,000
Tax Bill with \$4.00 Tax Rate	\$1,200
Tax limit @ 1%	\$1,000
Circuit Breaker Tax Credit	(\$200)

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.

**Marion – Center
Township**



**Tax Rate
Components**

- County
- Township
- City
- School
- Library
- Special Taxing District