PLAINFEILD REDEVELOPMENT COMMISSION

June 6, 2019

5:30 p.m.

PLEDGE OF ALLEGIANCE

DETERMINATION OF QUORUM

Ms. Andres: Thank you all for being here on our unusual night. I appreciate everyone accommodating the change in schedule. We will first determine our quorum. We have:

Mr. McPhail- here

Mr. Angle- here

Mr. Kirchoff- here

Ms. Elston and Mr. Anderson are absent this evening.

CONSNET AGENDA

Ms. Andres: On our consent agenda this evening we have approval of the minutes from our May 6, 2019 meeting. I'll entertain discussion of those or a motion to approve, if none.

Mr. Kirchoff: I move that we approve

Mr. Angle: Second

Ms. Andres: First and second, all those in favor, aye.

(All ayes)

Ms. Andres: Any opposed? Minutes are passed, thank you.

OLD BUSINESS

Ms. Andres: Under old business, our first update is on Downtown Redevelopment.

Mr. Webb: Good evening, so Todd left me some notes again, for this. A few things; one, for the project schedule; the old Fire Station and the old Chamber Building have been demolished making way for parking which will supplement the spaces that will be taken up for the new parking structure. That construction will start sometime this month and they did the groundbreaking for that on May 24th. In regard to the Town Hall and CAC; the schematic design of design development, they're still working with Ratio. They recently had a meeting on the 3rd to go over some refinements to the interior and exterior design of the building and they provided some layouts. I don't know if any of you have seen those or not, I can forward those to you, Todd sent those to me last night. They just have some preliminary layouts, nothing is final yet, but they do plan to have another meeting scheduled for the design for June 17th or the 24th to review the theater design and the support space. Ratio will distribute an invite once the date has been set. Ratio is also looking for someone to confirm if any of the invitations need to be extended to anyone outside of the building committee. Also, BF&S is working on the alignment on Krewson, between Center to Avon. They are currently doing that work, and they're still working with Ratio with the programming for the CAC to figure out when they will be doing the opening performance, which is tentatively scheduled for October 1st of 2022. Lastly, the Barlow has been approved by the Plan Commission. I heard the meeting went well, there were no comments. So, they are still working to make sure that they can get their design within the budget that has been proposed, which shouldn't be an issue. They still plan to start demo and construction... start that process sometime in mid-July. Any questions?

Ms. Andres: Thank you, Marlon. I see that the... Todd had supplied us with a spreadsheet of schedules and on there there's also an upcoming date where the Barlow Flats is supposed to be completed, is there an update on that?

Mr. Webb: I do not have that, but I can find it for you.

Ms. Andres: It says it was supposed to be done this week, so I'm just curious as to where that is in the process.

Mr. Klinger: In terms of from the Town's perspective, it went before the Plan Commission on Monday night and the project was approved and so they intend to move forward. I don't know if they have total design of the structure yet, but they are moving forward. I anticipate that you will start seeing demolition over the next couple of months, I think, is what Shelby relayed to us. And then it's a 14-month construction phase. So, you are probably looking at it being open sometime late summer/early fall of next year. That's what I know.

Mr. McPhail: You know, I think he also indicated that Vectren had to move a gas line before they could start demolition.

Mr. Klinger: Right, he was anxious to get demolition going, but the gas line has to be moved before they can go ahead with that. So, it may be a few weeks yet before we see anything happening, but they're moving on it.

Mr. Webb: I connected them with Brian Gildea at Vectren, he's their Economic Development Manager. I know that they have been having discussions with them to try and expedite that process.

Ms. Andres: Great, thank you. Well, I've had a lot of comments on the demo of the Chamber and the Fire Station. People who commented that they drove into work and it was there, and they drove home from work and it was gone, so, very sudden change. So, people are noticing the movement that's going on downtown and I think people really love it, so thank you for that update.

Mr. Webb: No problem.

Ms. Andres: Our next update is on the Community Development Corporation.

Mr. Starnes: Good evening. The Community Development Corporation Board met just this afternoon, in fact. I know that we had a couple of the Board members present some information relative to the CDC's activities and budgets, and so I won't rehash all of that. I think suffice it to say, we're very much in the process of prioritizing the next range of potential acquisition targets and activities in continued support of implementation the Downtown Plan in connection with, particularly Butler, Fairman and Seufert who's charged with a lot of the infrastructure pieces of that to acquire right-of-way and other things that can be involved or implicated in implementation of some of those infrastructure projects. I think we do anticipate working through potential funding options for the Community Development Corporation, but more on that at a later meeting. Any questions about the CDC? Great, thank you.

Ms. Andres: Our next update is on the Rebar Project Agreement Amendment and next steps.

Mr. Starnes: Yeah, thank you. I think I talked a little bit at the last meeting about the amendment. Of course, we did execute an amendment to the Project Agreement to extend the outside closing date to August 1st to allow for some good sequencing of the Plan Commission approval process, along with creation of the new Allocation Area and the addition of that Allocation Area to U.S. 40 Economic Development Area, which was confirmed at the last RDC meeting and Plan Commission approval. That Bond Resolution is before you this evening. Of course, to recap, this is the $21 Million mixed-use project there at East and Main. The Project Agreement specifies that the Town's incentive to that development would be $7 Million. Some of that already went into the acquisition of the real estate that's there. The remainder is what is the subject to the Bond Resolution before you tonight. So, the Community Development Corporation controls that real estate, we're sort of headed toward closing on a few different fronts, likely in July. I think things are lining up to comply with that August 1st date and will close sometime in July on transfer of the real estate to the developer, on the developer's private financing, and on the Bonds as well. So, that would be kind of a multi-part closing, kind of all at once and everything sort of headed in that direction to converge at that point. After which, the Town will have, I think, 21 days under the terms of the Project Agreement to fund post bond sale and then we anticipate that as is almost, really always the case, the private financing will require that the Town's Bond proceeds be spent down first in conjunction with the equity contribution on the developer's side, before the bank's money is spent and the project will go in accordance with the timeline that I think Marlon just mentioned. So, just as an overview, that's where we find ourselves in the process post Plan Commission approval. Now we have the Bond portion to consider, headed toward that perspective closing date in July. Any questions about that sort of three-part process?

Ms. Andres: Thank you very much for that update.

Mr. Starnes: Sure, and I'll touch on too, I think... I know there was some, what seemed to be a flurry of Amendments to the Bond Resolution today. I wanted to be clear, this is still the bond portion of this project that is entirely what was anticipated in the Project Agreement. We were working with the Town's Municipal Advisor, Baker-Tilly to make sure that the Bond Resolution accurately summarizes and authorized the type of Bonds, and is in the nature of what they need to be compliant. There's a "not to exceed" amount there of $4.2 Million, so the Bonds would be payable from the increment from the new Allocation Area that was created, that really is limited to the project parcels, in addition to the U.S. 40 Allocation Area on parity with some prior obligations, including the 2005 and 2015 Bonds and the BOT deal for the Parking Structure. Really, only so much of that is needed to make principal and interest payments. The reserve will be funded from the proceeds and the proceeds will otherwise go to the capital fund that will pay construction expenses on a draw basis as they are incurred by the developer. So, that really is the basic set up the Bonds. I would say those changes, while substantive, were not earth shaking in terms of changing the nature in any sense of the ultimate commitment that is consistent with the Project Agreement. So, any questions about that portion of things, more specifically the Bond Resolution, etc.?

Mr. Angle: The only thing from my perspective is, it's really hard to tell what was changed because there's no tracking or anything. For me, it's not really a big deal because I knew you were going to explain it tonight.

Mr. Starnes: Yeah, I think the Version 3 that we sent around earlier today did include a comparison back to the original version that was circulated.

Mr. Angle: Gotcha

Mr. Starnes: From that, I would say the main difference would be, we removed reference to a surplus fund which won't be applicable to these Bonds, that all came out. And we've essentially, because of the nature of how the debt service will be paid from increment from the East and Main Allocation Area, in addition to some amount of increment from the U.S. 40 Allocation Area, we essentially defined that in a more concise manner as TIF Revenues. So, it's East and Main Allocation Area increment plus that amount of U.S. 40 that we need on parity with all of the prior obligations and made sure that that definition was consistent throughout.

Mr. Angle: Okay

Mr. Starnes: Because it appears many, many times. Like, if you saw the track changes, it would look like a lot, but I think those are the primary operative changes of the last version between the last one that we tracked.

Mr. Angle: Okay

Mr. Starnes: And I think the change from the original to Version 3 that we sent around with the comparison today was to I think, change a couple of definitions and remove some other references to things that would not apply in the context of the Bonds.

Mr. Angle: Thank you

Ms. Andres: Anything else for Cam on the Resolution? Great, thank you.

Mr. Starnes: Thank you

NEW BUSINESS

Ms. Andres: Under new business, we have our TIF Annual Report.

Ms. Amspaugh: All right, well, thank you for having us. Sam Schrader is here with me this evening and we will be tag teaming the presentation of the TIF Annual Report. The presentation has been extended just slightly to meet a new reporting requirement, or annual meeting requirement of the Redevelopment Commission that legislature put into place last July that Redevelopment Commissions throughout the state of Indiana have to hold an annual meeting where they invite the overlapping taxing units to the meeting. And so, all of the overlapping taxing units, the schools, the Township Trustees, the County Libraries, everybody were invited to tonight's meeting. they are not required to be here, but they are required to be extended an invitation, so that has happened. I'm not sure who all is here, I know some of the school corporations are here.

Mr. Angle: How far in advance does the invite have to go out?

Ms. Amspaugh: There is no requirement as far as how far it has to go out.

Mr. Angle: Oh really?

Ms. Amspaugh: So, it's whatever you think is...

Mr. Angle: Appropriate, okay.

Mr. Todisco: We did make sure that we went out of our way to locate and contact everybody.

Ms. Amspaugh: Yeah

Mr. Angle: Awesome

Ms. Amspaugh: So, the presentation in front of you does have a few more slides in it than we have previously presented, due to the fact that it's a good opportunity to educate folks on TIF if they haven't attended meetings of the Redevelopment Commission before, so that they understand what Tax Increment Finance is. So, I'm going to hit on them pretty quick because I know the folks, at least the school folks in the room, have come to a majority of your meetings and are familiar with TIF and how it works and then I'll hand it over to Sam to talk about each one of the TIF areas. I do want to start out by thanking all of the Town staff for all of their level of diligence and patience with us and all of our questions and everything that we have to have, to put together the larger part. I think it's almost up to 150 pages that you have in front of you. A lot of time is spent on their part on providing us with all of the information on all of the new developments that are coming up out of the ground that we are projecting TIF out for, for all of the projects that are in each one of the Cash Flow Schedules. So, I really, truly do appreciate the diligence that's taken on their behalf. The Cash Flow Schedules are in there. We hadn't planned to go through all of the detail of those this evening, but if you have questions, the necessary folks are in the room to answer those, but it is a cash flow that's based on the Council's priorities as far as projects go, so there have been some additions to the cash flows that you all had time, hopefully, to look at beforehand. Todd did send around an electronic copy of that report.

Mr. Kirchoff: I know, but I looked at how big it was, and I went, "I think I'll wait until I get the hard copy."

Ms. Amspaugh: Okay. The report, as in the years past, is in draft right now. So, if there are additional amendments that you would like to make in the report, if you could just give those to us within the next couple of weeks, and then we'll finalize the report and get that final version out to everybody.

Mr. Kirchoff: I think it would be good if we did that, if we copied everybody, so that the whole Commission would know what kind of questions that we had.

Ms. Amspaugh: Yeah, I think that's a great idea. So, just some overall changes to what we've seen as far as assessed value in tax rates within your TIF areas and within the Town. The tax rate did decrease as the assessed values are continuing to go up. Remember they are inverse of each other, so if AV is going up, tax rate is going down, and so, that did happen. Overall, all of the TIF areas, for the most part, increased, which is great to see. You have new developments, or abatements rolling off in every single one of your TIF areas, and so in the detail of your TIF report and the TIF estimate schedules, you can see all of those new developments that we have in our assumptions, if you are interested in that level of information. We did work very closely with the County Auditors Office this go around, with your TIF Annual Report, as there were several decreases in assessed value in the AllPoints TIF area. And so, we have had extensive conversations with them about why it decreased, but I think everybody is probably aware of some of those conversations. Some of the abatements too, we had to work through diligently with them, but we feel very comfortable with where we are at, at this point in time going forward and we feel that everything that is shown in the TIF report is accurately reflected in the County's databases that the TIF areas are based on. One other thing that's new in the TIF Annual Report is we have updated maps. So, your map department worked very closely with us to get really nice GIS maps. So, those are now implemented into your TIF reports as well. Again, because this is your annual meeting, we are always going to start off with who the Redevelopment Commission members are. The Baker-Tilly team that you have on your side are all of the folks listed above. Loren and Emma unfortunately could not be here this evening due to other commitments, but as you know, they are always involved. So, TIF just in general, this is a quick slide, a visual slide of... the blue is the Base Assessed Value that is within a TIF area. So, whenever a TIF area is created, the Net Assessed Value that is within that area at that point in time, makes up the Base Assessed Value. All of the overlapping taxing units with that TIF continue to get that Assessed Value, as well as the taxes that are generated off of it. The Incremental Assessed Value, which is illustrated in the green, represents the Assessed Value Growth in the TIF area from the date that the Base was set, and that Assessed Value is taken times the tax rate and divided by 100, and that Tax Revenue comes solely to the Redevelopment Commission in Plainfield. And so, those taxes are not distributed amongst any of the overlapping tax units, but then come to you guys to utilize for the projects that we're going to talk about this evening. Once the TIF areas end, there in the orange section, all of that Assessed Value, all of the Incremental Assessed Value, is then released to the Base Assessed Value of each one of the overlapping taxing units, and that's Assessed Value levels. So, what happens again, when Assessed Values go up, tax rates go down. So, there are strategies and discussions already being had about when your TIF areas start to expire, to have a strategy ahead of time to start maybe passing through some of that Assessed Value, so that it's not such a huge hit to all of the overlapping taxing units when the TIF areas end. This is just a terminology chart, that's what I like to call it. It's just describing the Redevelopment District, which is essentially the Town boundaries and how EDAs, Economic Development Areas, and the TIF Allocation Areas work. The Tax Allocation Areas, the legal terminology that allows you to actually capture the increases within that area to be coming back to you guys as a Redevelopment Commission. I'm going to keep going but feel free to ask questions. This slide just talks about how the TIF areas do have maturity dates and it is all dependent upon when the TIF area was created and how long the life of that TIF area is. And Sam will hit on each one of your TIF areas and when they expire, in the slides ahead. So, I am going to turn it over to him now just to go over each one of your TIF areas in high level. Again, the format of these schedules is pretty similar to what you have seen in the past, but don't hesitate to ask questions as we go.

Mr. Angle: Thank you

Mr. Schrader: Thank you, as Heidi mentioned, in order to be conscious of everyone's time, I'm just going to hit on the high points; some of the new things that are going on in the Town at a very high level. Although, by the end, when I'm finished you may not think this was the quick version. So, the first Economic Development Area we're going to be talking about is the U.S. 40 EDA, which up until about two months ago when we had one allocation area, the U.S. 40 allocation area. Here's some general characteristics of the area. We're kind of going to hit on these same points for each EDA, so again, just going to hit the highlights and it may seem a little bit repetitive but... U.S. 40 was created in 1995 and has since been amended and expanded several times, currently generating just shy of $4 Million of TIF. It's important to note the area currently has four parcels with appeals outstanding and we did take those into consideration when estimating our TIF. Those are also all noted in the TIF report in the parcel list at the end of each Allocation Area. Moving on, as mentioned, the newest Allocation Area for Plainfield is East and Main which was just created in April. No Bonds outstanding yet, that's soon to change, as Cam kind of mentioned and talked about the Bond Resolution earlier. Later this year the Commission will be issuing Bonds to finance a portion of the Barlow, which we anticipate will generate $161,000 of TIF once fully assessed in pay 2022. But based on the agreement with Rebar there's a minimum taxpayer payment in place, so at least throughout the life of the Bond, they will be obligated to pay at least $210,000. However, if the TIF exceeds $210,000, they'll pay what the TIF is actually generating. Here's just a few outstanding obligations for U.S. 40; 2005 Bonds refunded several Bonds payable solely from TIF. And then you have your two 2015 Lease Revenue Bonds and it's important to note the final maturity for the Series A Bonds sets the term of the life for the Allocation Area, the U.S. 40 Allocation Area. Also, at the end of last year...

Mr. Angle: Repeat the sentence again. So, you said the maturity date of the Series A Bond, sets the life cycle of the TIF Area?

Mr. Schrader: Yeah, so you'll notice here, back a couple of slides, the expiration date for the original area is February 1, 2040.

Mr. Angle: Right

Mr. Schrader: I'm not sure when the law was in put place, but for any allocation area... we can actually back up a few slides... and this illustrated it perfectly...

Mr. Angle: Imagine that

Mr. Schrader: Yeah, this will make it a bit easier on me, but for any areas established before July 1, 1995, the TIF would expire at the later of 2025, or if the Redevelopment District decided to issue Legacy Bonds in 2015, it would be the maturity of those Bonds, which is 25 years from the closing date of the Bonds.

Ms. Amspaugh: Yeah, you guys made that decision back in 2015, to extend the life of those TIF areas.

Mr. Angle: Yeah, I think I remember that.

Ms. Amspaugh: So, you'll see several 2015 Bond Issues because of the...

Mr. Angle: I don't know why that sparked in me, but it just triggered something in me to ask.

Mr. Schrader: No, it's a good question and you're going to see it throughout the presentation. That's actually the mechanism you did...

Ms. Amspaugh: Because before, the TIF area did not have a sunset date.

Mr. Angle: Right

Ms. Amspaugh: So, it would have been either 2015 or 2040.

Mr. Angle: Okay, thank you.

Mr. Schrader: Again, good question though. At the end of last year, the Commission entered into the BOT obligation to finance the construction of the parking facility downtown, which we're hearing is breaking ground which is great news; that's payable solely from TIF and is kind of kicking off a lot of the downtown development. Listed here are the Illustrative Tax Increment Revenue Bonds of 2019, ultimately the East and Main Bonds, par amount and day to day, although preliminary, are listed here. So, that kind of takes us to this comparison of the Tax Increment and the Debt Service payments. In blue you'll see the U.S. 40 Allocation Area TIF. That is sufficient in covering all the debt outstanding in the East and Main TIF, it's stacked on top of that TIF. One important thing to note here, we've included a very illustrative amount for future projects, that in discussion with the Town, the illustrative Town Hall and Cultural Arts Center projects we've been discussing and just want to show basically, although very illustrative and preliminary numbers, that the Commission does have the capacity to take on those projects and fund them with Bonds and have ample Tax Increment numbers still.

Ms. Amspaugh: That's in the gray?

Mr. Schrader: Kind of gray, I believe, kind of gray. Here's just a brief list of projects that the U.S. 40 TIF has funded and will fund. These projects can be illustrative on the TIF Report on page 16 in detail. Here we just kind of show a cash flow of 5-year Capital Plan put together by members of the Town staff and prioritized by the Council. But again, those future projects are listed on the estimated pay as you go projects line here and again, we just compared the TIF with some of the annual debt payments, the East and Main Bonds and the illustrative Lease Rental Bonds for the Town Hall and Cultural Arts Center. We're just putting a dollar amount with that so that you can see the estimated ending cash balances for a few years. Moving on to the Consolidated I-70 EDA which also has two Allocation Areas. I-70 was created in 1992. Again, it will expire February 1, 2040 based on the life of the 2015 Lease Rental Bonds, Series C. It's currently generating $1.1 Million in TIF. It has three appeals outstanding. And the East End Allocation Area, also part of the Consolidated I-70 EDA was created in 2017; has no TIF pledge to any outstanding obligations. It currently isn't generating that much TIF, and a lot of that has to do with the type of developments that are being captured in that area that do have abatements. But that area was established to capture and fund infrastructure on the east side of Town, like some developments such as Greenpark II and Greenpark III. Here's our one outstanding obligation for I-70, and here it is, compared to the TIF. Again, you see in purple, the estimated East End Tax Increment with a gradual linear climb based on those abatements rolling off.

Ms. Amspaugh: Please feel free to interrupt at any time with questions, by the way.

Mr. Kirchoff: I guess I'd look to Tim and Andrew; this is what we're thinking of for the Nature Preserve...

Mr. Klinger: And the supporting infrastructure for development of the area.

Mr. Kirchoff: That's what I'm talking about, that whole area, as we develop the Nature Preserve, this is where our infrastructure financing will...?

Ms. Amspaugh: Correct, yes.

Mr. Klinger: They're kind of making it look like a really good picture, but we haven't got $50 Million worth of infrastructure there.

Mr. Schrader: Yeah, here we've got a lot of the future projects listed; the south of I-70 project obviously, incorporated here. And again, as we move on to the cash flow and you look on page 37 of the TIF Report where it's detailed with the project costs, there certainly are a lot of projects going on, as you mentioned.

Mr. McPhail: Now, that TIF area wraps from east to west, right?

Mr. Kirchoff: Yeah, it was two, and we combined them.

Mr. McPhail: Yeah, but...

Mr. Klinger: So, it goes from the Reagan interchange and really, the County line all of the way to SR 267.

Mr. McPhail: And everything south of I-70?

Mr. Schrader: There will be maps that illustrate the EDA and then actually outlines the Allocation Areas too. Which again, we received from the Town and we're very gracious for that. All right, so if you don't have any questions, I'll move on to SR 267; created in 1992, it's currently generating about $883,000 in TIF. There's currently one outstanding obligation. The Redevelopment District Bonds of 2015 would finance some road lighting and streetscape improvements. Those are payable from the SR 267 Property Tax Backup and again, set the term for the Allocation Area. Here's the comparison between the TIF and the Bonds.

Ms. Amspaugh: So, for people who are visual people, like me, that's why we continue to show the graphs.

Mr. Angle: Appreciate that.

Mr. Schrader: Here we are listing some of the recent projects funded with the SR 267 TIF and future projects. Important to note here is the Marsh Plaza Incentive, which has been in discussion on and off. From my understanding, right now, based on the five year outlook, we anticipate that in 2020, as you can see here from the broad cash flow, $4.5 Million in pay as you go projects. $4 Million of that is kind of a place holder for that Marsh Plaza incentive project. That's obviously very preliminary as well. Moving on to Six Points; created in 2003. Six Points is unique in the fact that it's the only area that passes through AV to the overlapping units. Historically the Commission has determined that $100 Million of pass-through has been appropriate for that area, as is the case in 2019. And for the purposes of our report, we've continued that assumption. Obviously, that's up to the discretion of the Commission on an annual basis. That being said, the Six Points area still is generating just shy of $6 Million. However, that is taking into consideration 24 parcels with appeals outstanding, several of which are also receiving tax abatements.

Mr. Kirchoff: That's a big number, is that fairly new? The 24?

Ms. Amspaugh: There's always been several I would say, in the Six Points area, but their assessed values went up, so I'm not really surprised.

Mr. Klinger: Yeah, we saw an 8% bump in Assessed Value in Washington Twp. So yeah, I guess that doesn't surprise me that you're seeing appeals.

Mr. Angle: Considering the types of developments, it's pretty standard practice to do that. Not necessarily granted it, but to appeal.

Mr. Kirchoff: So, how do you factor in the potential impact? Or do you?

Ms. Amspaugh: So, for appeals, when a company goes to appeal they don't specify an amount typically, they just go all in, in that they're going to appeal their value and so, we take 10% of their Gross Assessed Value, that's typically a good assumption as far as what like, what we've seen with the settled appeals, and we assume 10% of their Gross Assessed Values. So, we've reduced the TIF estimate by that amount for all 24 of those appeals going forward.

Mr. Kirchoff: So, we might really have a conservative number here then because if you're saying 10% and it doesn't...?

Ms. Amspaugh: Yeah, but I would say, for the most part, they typically do get settled at some lower level. But yeah, we are assuming at 10% of the Gross Assessed Value.

Mr. Kirchoff: Thank you

Ms. Amspaugh: And we assume that they all get settled this year, so for 2019, we have an overly large kind of refund number shown.

Mr. Todisco: Are these from last year, or are they current?

Ms. Amspaugh: They include multiple years. So, if one company has appealed for the last three years, we assume that they all get settled this year.

Mr. Todisco: Because the 15^{th} is the next deadline.

Ms. Amspaugh: Yeah

Mr. Kirchoff: Thank you

Mr. Schrader: Those are also all illustrated on the TIF page. So, if you wanted to actually put a dollar amount, or Assessed Value amount to what those 24 appeals looks like, you can, based on our assumptions that Heidi just illustrated. So, here's the outstanding obligations for Six Points; there's two outstanding obligations that were issued in 2003, and Lease Rental Bonds of 2016. The Six Points Allocation Area and Commission are also in an agreement with the school where they pay the Plainfield School Transportation Center Building Bonds. This year, that Lease Rental amount is about $435,000. Final payment on those Bonds will be in 2023. And this is a subordinate obligation, which means when the TIF comes in, those prior three obligations that we just showed the last slide would be paid first if there was ever a shortfall on the TIF. You'll see on our comparison graph, on one of the next few slides, that we don't anticipate that happening but it's just important to specify the subordinate obligation. The Commission, through an agreement with the school also, considers passing through TIF assessed value when 150% coverage is exceeded, and that's above the $100 million and the School Corporation approves all additional projects in the Six Points EDA. Again, here's the graph I was referring to, so obviously plenty of coverage here. Important to note, as noted in the U.S. 40 area, here's the amount that we have applied to the illustrative Town Hall and Cultural Arts Center Bonds, illustrated in orange. Again, very preliminary, but ultimately just wanted to get the point across that there is capacity to take on these projects. Here are some of the recent and future projects of the area. Again, you see Town Hall and Cultural Arts. Also, another high priority is the Higher Education Facility. That's illustrated on the cash flow, page 70, as a pay as you go project. Again, that was the easiest way to kind of just put in a place holder. At this point we don't know the size of the project or the timing, or what method will be used to fund that project, but it is a larger project that we are consciously thinking about and planning for. That takes us to Ronald Reagan AllPoints EDA, which was created in 2006; currently generating $4 Million in TIF. It has seven parcels with appeals outstanding. There are two obligations outstanding for the Ronald Reagan area; the 2014 Bonds, which are the senior TIF obligations, and the 2015 Series D Bonds, which are the junior TIF Bonds. The final maturity for these Bonds is also the expiration date of the Allocation Area. Here we're seeing the TIF versus the Lease Rental Bonds. Again, that linear climb in Assessed Value is attributed to several tax abatements that are located on parcels in the Reagan TIF. Here we just list again, some of the recent projects and future projects. Those future projects translate to our cash flow and our place on the estimated pay as you go projects line here, in comparison with the Ronald Reagan TIF and the lease payments. Page 87 has that more detailed in the TIF report.

Mr. Kirchoff: Now, this is the one where the AllPoints got some reductions, and you've reflected that in here?

Ms. Amspaugh: Correct

Mr. Kirchoff: Okay

Ms. Amspaugh: Yeah, we actually... so, for our TIF estimate for that, I don't know if you recall, but, the Assessor historically, and still does have, for a certain square footage of buildings, Assessed Value per square foot. But what we have seen, based on the appeals that have come in, based on income numbers, they've been appealing to income approach which actually lowers the Assessed Value than the standard AV per square foot that she's using, so we have used the lower number that we come up with.

Mr. McPhail: Do you have any idea when you project that out over the next 7-8 years, what that effect is?

Ms. Amspaugh: What the total effect is? We haven't done that analysis.

Mr. McPhail: Could you do that?

Ms. Amspaugh: We can.

Mr. McPhail: All because that referendum was an 8-year referendum and that's caused the problem. They've already reduced us $30 Million and seven are under appeal at this point.

Ms. Amspaugh: Under appeal, yeah.

Mr. McPhail: Yeah, so we can expect those to get further reductions.

Ms. Amspaugh: Yeah, so all of the new developments that we are anticipating happening in that TIF area, which there are several new developments, we all have coming in at that lower assessed value when possible, so that we're conservative.

Mr. Schrader: We'll move on to the northwest EDA. Again, two allocation areas here; Vandalia and Saratoga which were created in early 2014. In order to fund infrastructure and aid construction of Del Webb age restricted development, as a whole, this EDA is currently generating about $650,000 in TIF. Saratoga has one appeal outstanding, there's no outstanding obligations, and as a fairly new area, they haven't taken on many recent projects, especially without issuing any Bonds. But obviously the Town and Commission members have the plan and will be spending money, as you can see, on several pay as you go projects in the next few years, as a plan. This is illustrated in detail in page 104 of the TIF report. Last, but not least, Klondike EDA; created in 2016, later amended in 2017, no Bonds outstanding yet. The purpose of the area was to capture Real and Personal Property Tax Increment from Ambrose, which is now the UPS Hub. Important to note that this is the only area in Plainfield that does capture Personal Property. It doesn't look like much right now; it's only generating $20,000 in Personal and $80,000 in Real Property. However, there are some severe tax abatements right now that, as those roll off, there will be some opportunities to generate and pay for several projects. Here's a few that the Town has identified and are illustrated here on the pay as you go projects line of the cash flow. Also illustrated in detail on page 121.

Mr. Klinger: Just to kind of refresh us from memory; the Council essentially funded some of the road and the work there using the Rainy Day Funds and so, the intent was, through the TIF, to be able to eventually kind of repay the Rainy Day Fund for the money already invested in that site. So, that's kind of what you're seeing there. And then also, when the project originally was proposed it was going to be two buildings, and then Ambrose let us know that UPS... when UPS was brought in as the tenant for that first building everything changed, and the second building got scrapped. UPS bought the entire site; they've made significant improvements to it and continue to do so, but we did make the decision to include the Personal Property because we were losing the Assessed Value from what was supposed to be a second building. However, there's substantial opportunity with the Personal Property, with what UPS is intending to invest there and my understanding is they really haven't made their full investment in terms of personal property at this point...

Ms. Amspaugh: They have not

Mr. Klinger: That's going to come in the next couple of years.

Mr. Kirchoff: How long is the lag on that?

Mr. Klinger: Why is there a lag?

Mr. Kirchoff: No, is it just like your house, is it two years before you... get impacted?

Mr. Klinger: Well, with the Personal Property in particular, my understanding was that UPS is actually making improvements to all of their facilities in the central Indiana region.

Mr. Kirchoff: Right

Mr. Klinger: So, they have been shifting operations from other locations to this one, and so it's basically been a place holder. And then when they're done making those investments in the other facilities, then they will make the full investment in the facility here to get it up and running the way that it's supposed to be. So, right now they're using it almost as a waystation for other operations; once they're done with that, then they'll be able to get it going full blast.

Mr. Kirchoff: But is there a one-year lag or two-year lag, before we see it?

Mr. Klinger: In terms of assessment, yeah, there's a lag...

Ms. Amspaugh: So, right now we have an estimate that they've invested $85 Million, but they are anticipated to invest $140 Million. So, we have made assumptions in our TIF report for that bump up. It should have come on for this year but again, they're still working through things.

Mr. Klinger: And then there were abatements put in place too...

Ms. Amspaugh: Seven years

Mr. Klinger: Which gives you another you know, year lag before you start seeing anything coming on and it's you know, brought in on a gradual basis.

Mr. Kirchoff: But the abatement isn't Personal Property, right?

Ms. Amspaugh: Yes, there's a seven-year abatement on the Personal Property if you look on page 1...

Mr. Klinger: There was an abatement on the building as well as on the Personal Property. Because of the abounding investment, it qualified for a Personal Property Abatement. But I guess what I'm saying is, what I've heard from UPS, there are no guarantees in this, but what we've heard is that that was just their initial investment to be able to use it as a waystation while they're making improvements in other buildings. Then they will come back with potentially another $200 Million investment in Personal Property to get this facility operating the way that they want it to. So, I think there's going to be another investment in the next couple of years, but you never know what's going to happen with the economy, so I get that they can't promise anything, but that was the plan.

Mr. Kirchoff: Thank you

Mr. Schrader: If there are no other questions, I'm going to turn it over to Heidi to finish.

Mr. Angle: Thanks for going through all of those, appreciate it.

Ms. Amspaugh: That was a lot of information so we try to hit it fast but... Okay, so as a part of the annual meeting, besides going over your budget and your long term plan, which are two of the requirements, which we just went through, the third requirement is to talk about the impact on the overlapping taxing units. We're going to hit that just really quick. So, the overlapping taxing units; they're just listed out here, which we have already mentioned and talked about. Some of those folks are here. This line just states and points out a study that was done regarding Tax Increment Finance by Larry DeBoer who is a Professor out of Purdue; just stating that the TIF areas, but for the TIF areas being there, that the infrastructure improvements and all of the Assessed Value Growth that has happened within the area would not happen and the "but, for test" is the test that you guys have met on all of your TIF areas. I also always like to point out that in the blue represents the Town's Net Assessed Value over the past several years. So, you can see that it's continuing to grow. At the same time, in the red shows you the Historical TIF Captured Assessed Value that also has been continuing to grow. So, it just shows that the Town's Assessed Value is still growing while the TIF Captured AV is also growing. So, I think it's just important to point out, in the whole impact discussion, that really, the TIF is just a minimal portion of the Assessed Value within the Town. Here is a slide that shows the impact of your $100 Million Pass-Through that you currently have in place for your Six Points TIF Area. And so, because you have that $100 Million in Assessed Value going to all of the overlapping taxing units tax bases, again, when AV goes up, tax rates go down. When tax rates go down, then your Circuit Breaker losses go down. And so, with that, we're showing that in the decreased Tax Revenue from limited rate funds, those are all Cumulative Funds. Cumulative Funds in local government finance are the only funds that actually get revenue. And so, you see small amounts some of the Cumulative Funds that are in place. And then the column next to it; decreased Tax Revenue due to increase in Circuit Breaker loss; that is basically, they're not getting... they're getting more revenue because the Circuit Breaker loss is less. Because of the credit system and how it works, taxpayers are just not paying those taxes, and so each overlapping taxing unit is technically losing less. So, in total we show that the overlapping taxing units are gaining $690,000 from you guys passing through $100 Million in Assessed Value. And you can see each one of the overlapping taxing units, and the school in this case in Plainfield Community Schools; and so all of the units gained $690,000 and the Tax Rate is increased 0.7%. And then because of that, Six Points, because you are passing through that Assessed Value and not capturing it, the Six Points TIF is technically losing $2.2 Million. So again, in the discussion about Pass-Through, you can see that if you capture it, you get more bang for your buck. Because the $690,000 is not technically revenue in the pockets of the overlapping taxing units, it's just a reduction of their loss of Circuit Breaker, if that makes sense.

Mr. Angle : Yes, it does.

Ms. Amspaugh: Just a couple of other things that we point out when talking about impacts are some direct and indirect benefits. The school has been paying over $400,000/year from the TIF funds for several years now. And then the Town issued $16.6 Million of Bonds to fund roads around the new high school. As Sam mentioned, in all of your TIF areas except one now, you don't capture any of the Personal Property Assessed Value, and so all of that Assessed Value is going into the Tax Base of the overlapping taxing unit. So, you do have the opportunity to capture that, but you decided not to, and so that is an advantage to all overlapping taxing units. Then obviously all of the public infrastructure projects that the Town has funded. If you didn't use TIF then you would have had to use an additional tax, income tax or a utility rate on all of the overlapping units. So, just points that have to be pointed out when we talk about impacts. Also, if you go back to a point in time in 2010 when really, before a majority of the projects were funded with the TIF, if you did not have the TIF in place at that point in time and would have had to of levied for those projects, you would have had to of levied a $0.64 rate on all of the tax payers, which would have increased your Tax Rate above $3.00, but you guys are below $3.00. So, that estimated rate would be $3.11 compared to your actual rate of $2.12. And so again, it just points out the benefits of TIF being available to fund all of the public infrastructure needs here in the Town. Lastly, just to point out; with Assessed Values and the school referendum, because Avon Schools now has a referendum in place; I think it's important to point out, just for education purposes, that all of the Assessed Value within the Plainfield-Washington Township portion of any if your TIF areas, so your Ronald Reagan TIF, that Assessed Value goes on top of the school's Assessed Value when calculating the referendum rate because the Redevelopment Commission does not capture the operating referendum rate into the TIF. So, in our TIF estimate we take the total tax rate, minus the $0.34, and then that's the taxes that you guys get as a Redevelopment Commission. And so, all of the development and everything that's going on in that AllPoints TIF area is extremely important for the schools because it's continuing to increase that Assessed Value in which their referendum rate is being calculated off of. So, the AllPoints TIF AV is $144 Million; Avon School's assessed value is at $2.9 Billion and then so, their referendum rate is being calculated off of approximately the $3 Billion. This is the kumbaya slide; you guys all, as overlapping taxing units, have to work together. You have to know what each other wants to do and is planning to do because of Circuit Breaker tax caps. There's only so much money that gets spread amongst units, so it's just important that all units of government are talking to each other.

Ms. Andres: That was really helpful, thank you for sharing that. Any questions?

Mr. Angle: Great presentation.

Ms. Amspaugh: Thank you

Mr. Angle: Sam too, thank you very much.

Ms. Amspaugh: I didn't want to say it in the beginning, but it's his first presentation.

Ms. Andres: Well done!

Mr. McPhail: Good job.

Ms. Amspaugh: All right, anything else?

Ms. Andres: I don't think so.

Ms. Amspaugh: I just... if you could get...

Mr. Angle: But we can follow up with questions, if we have them...?

Ms. Amspaugh: Yeah, so please feel free to follow up with us directly with questions with any one of us.

Mr. Angle: As a group?

Ms. Amspaugh: You can send and email, but yeah, as a group. As far as Baker-Tilly folks, you can include one or all of us and we can pass it to whoever.

Mr. Angle: Okay

Ms. Amspaugh: If you could provide us questions in the next two weeks, then we'll get the report finalized and get you guys out a final version.

Mr. Kirchoff: Now that you mentioned it, I was cleaning out files in my office today and I found my list of questions from the last time. So...

Mr. Angle: You dusted them off and now you're going to bring them out?

Mr. Kirchoff: You may get double dipped here; you never know.

Ms. Amspaugh: Great, bring it on.

Mr. Todisco: Can you send... like, if someone requests this, the other units, do you send digital copies, or what do you do?

Ms. Amspaugh: That's a decision that is up to this body.

Mr. Todisco: Absolutely

Ms. Amspaugh: I would say that at this point in time, it is in draft, so I wouldn't recommend giving it out to too many people...

Mr. Todisco: Yeah, it's a draft now, but I meant... I didn't know if we had...

Ms. Amspaugh: I did provide the schools that are in attendance today a draft hard copy, so they do have that. But I would say that at the point in time that it's a final signed version that, yeah...

Mr. Todisco: I just think the law had mentioned that if they requested it, we had to honor that.

Ms. Amspaugh: Yeah, we can send you a PDF of the presentation, too, if you want to forward that to anybody. All right, thank you.

Ms. Andres: Thank you.

RESOLUTIONS

Ms. Andres: Moving on then, we have two Resolutions for consideration and discussion today. The first is Resolution 2019-09 – Resolution of the Plainfield Redevelopment Commission Making Findings Regarding The Pass-Through of Excess Incremental Revenue and Taking Certain Other Actions Related Thereto. We heard a little bit about this in your presentation today. We received this before the meeting, is there any discussion on this Resolution?

Mr. Kirchoff: This is the $100 Million?

Ms. Andres: Yes

Mr. Kirchoff: Yeah, okay. And we got an email about another possibility of Pass-Through? What was that? Oh, that was the...

Mr. McPhail: Double Creek

Mr. Kirchoff: Double Creek

Mr. McPhail: You know, it looks like the negative effect... you know, if we pass that through... which, we had made a commitment to pass that through before this referendum went through. Now this referendum has already reduced our Assessed Value by more than, by $10 Million more than Double Creek is assessed at. Right, it's about $20 Million? Double Creek is about $20 Million, I think. Yeah, $20,659,200 according to the tax rate. And we lost $30 Million already, and we're going to lose more based on the appeals. And Double Creek's taxes went up about $100,000...

Mr. Angle: That doesn't affect this Resolution?

Ms. Andres: No, it does not, I don't believe.

Mr. Kirchoff: No, but I thought that's what we were talking about; Pass-Through. That's why I thought I would bring it up because we had the email about the possibility and I just didn't want us to forget that.

Mr. Angle: Gotcha. I move to approve Resolution 2019-09.

Mr. Kirchoff: Second

Ms. Andres: First and second, all those in favor, aye.

(All ayes)

Ms. Andres: Any opposed? Resolution passed unanimously, thank you. Up next, we have Resolution No. 2019-10 – A Resolution of the Plainfield Redevelopment Commission Authorizing the Issuance of Plainfield Redevelopment District Bonds of 2019, and Regarding Other Related Matters. That's what Cam discussed with us earlier today, are there any further discussions? If not, I'll entertain a motion.

Mr. McPhail: I would move to approve.

Mr. Angle: Second

Ms. Andres: First and second, all those in favor, aye.

(All ayes)

Ms. Andres: Any opposed? Resolution passes unanimously, thank you.

WISHES TO BE HEARD/ADJOURNMENT

Ms. Andres: Do we have any wishes to be heard from the audience this evening? Seeing none, then our next meeting is back on Monday again, as usual. July 1st at 5:30 p.m. and with that, we are adjourned.

Jennifer Andres

Jennifer Andres, President

Lance Angle

Lance Angle, Secretary