

City of Bedford – Minutes

Redevelopment Commission Meeting

July 12th, 2021

Bedford City Hall

Mark E. Scherschel, Sr. Chambers

4:00 PM

Call to Order: Penny May

The Redevelopment Commission of the City of Bedford, Indiana met for the Regular Meeting on July 12th, 2021, at 4:00 PM at City Concourse, Penny May presided and called the meeting to order.

Roll Call:

Members Present

Mayor Samuel J. Craig

Judy Carlisle (By Phone)

Ryan Griffith

Melanie Hacker

Penny May

Members Absent

Shea Hooten

Reading of the Minutes: - June 14th-Regular Meeting

- Melanie Hacker made the motion to approve the minutes,
- Judy Carlisle seconded the motion,

All votes were in favor of the motion, no one opposed, Motion Passed.

New Business:

1. Request Approval and Acceptance of Payment for BNY Mellon Invoice-Redevelopment District Tax Increment Refunding Bonds, Series 2015-\$129,750- Plaza Drive South-Marsha Pfeiffer

- Request for payment in the amount of \$129,750.00 for Redevelopment District Tax Increment Refunding Bond, Series 20105.
- Interest due: \$4,750.00

- Redemption due: \$125,000.00
- Ryan Griffith made the motion to approve,
- Melanie Hacker seconded the motion,
- ***All votes were in favor, No One opposed, Motion Passed, Approved.***

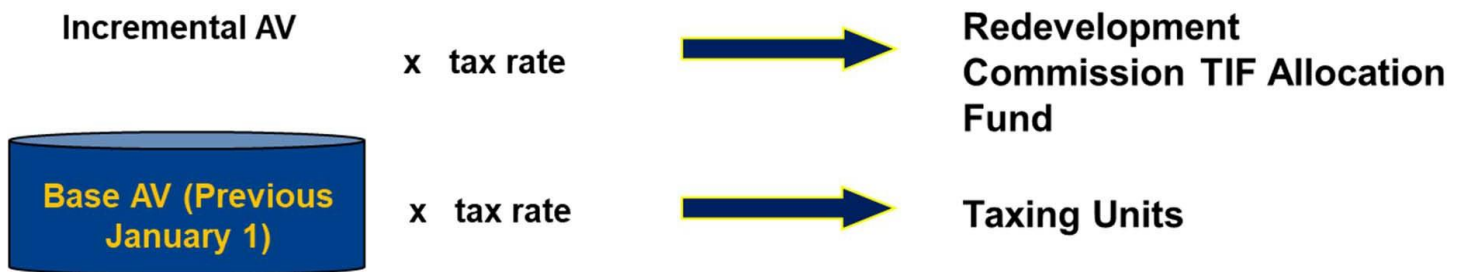
2. Request Approval and Acceptance of Payment for Old National Wealth Management-Lease Rental Agreement for StoneGate Arts & Education Center- \$127,500.00

- Request for payment in the amount of \$127,500.00 for Redevelopment Refunding Bond 2017.
- Debt Service amount to USDA is \$50,283.29 with remainder to escrow account.
- Melanie Hacker made the motion to approve,
- Ryan Griffith seconded the motion,
- ***All votes were in favor, No One opposed, Motion Passed, Approved.***

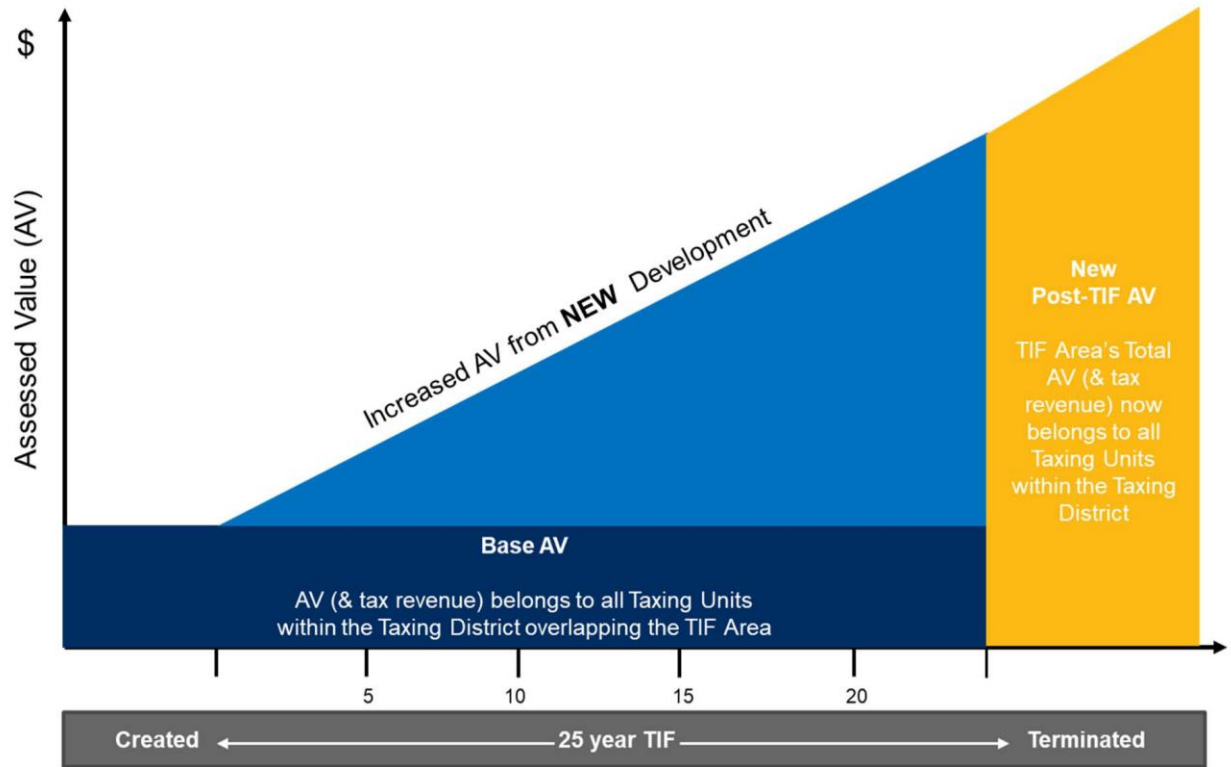
3. TIF Presentation for Taxing Units by Crowe LLP-Angie Steno, Crowe LLC

- City, town, or county legislative body may adopt an ordinance creating a redevelopment commission of the unit comprised of five (5) members, three (3) appointed by the executive and two (2) appointed by the legislative body or fiscal body of the unit.
- The executive of the unit also appoints a non-voting advisory member representing the local school board.
- The redevelopment commission has jurisdiction over the redevelopment district of the unit, which is a special taxing district having the same boundaries as the unit (except for certain counties).
- Within the redevelopment district, the redevelopment commission may designate redevelopment areas or economic development areas as targeted areas for redevelopment or economic development activities and approve a redevelopment plan or economic development plan for each area so designated.
- The redevelopment commission may (but is not required to) designate all or a portion of any redevelopment area or economic development area as an allocation area for purposes of capturing incremental new taxes in the area commonly known as “tax increment” or “TIF.”

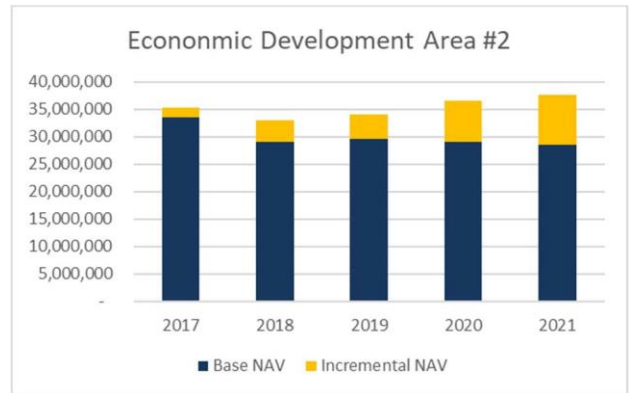
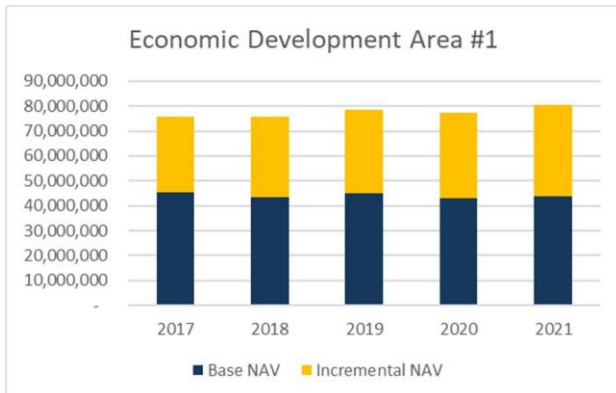
- After an allocation area is established, all the assessed value in the area as of the immediately preceding January 1 plus property assessed as residential (the **base assessed value**) continues to generate property taxes for various taxing units located in the area, while subsequent increases in assessed value due to new investments in that area (**incremental assessed value**) are temporarily captured and set aside into a TIF allocation fund.

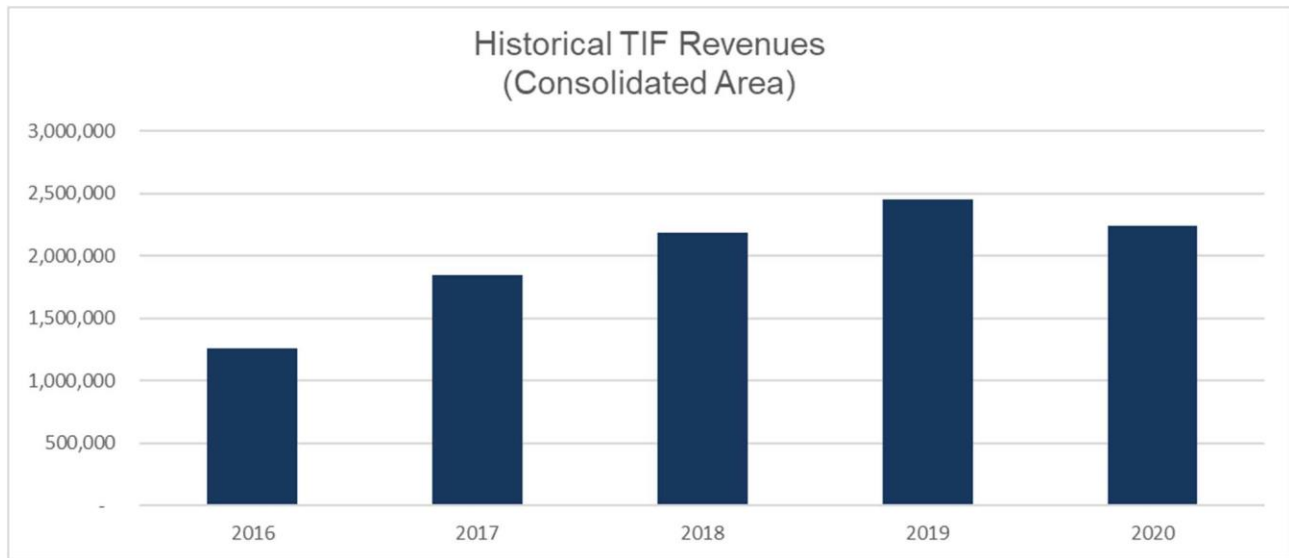
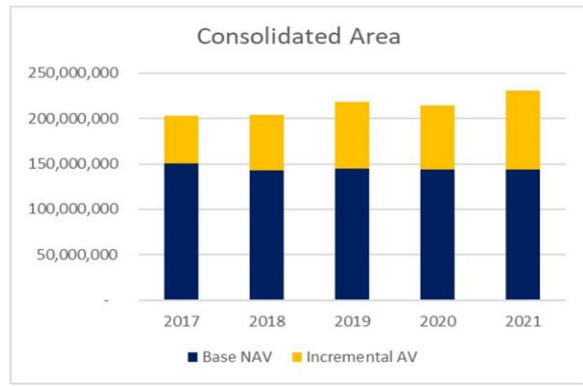
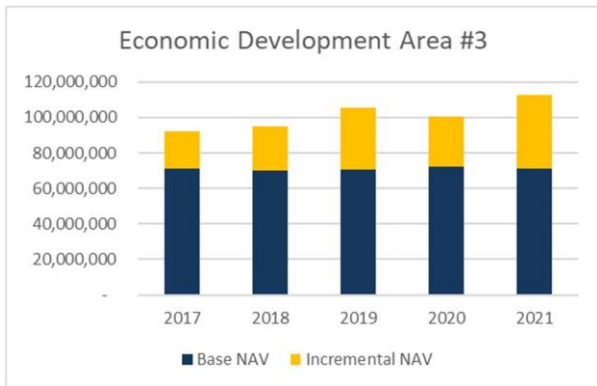


- The redevelopment statute requires the DLGF to adjust the base assessed value after each general reassessment of property and after each annual adjustment to assessed values (commonly known as “trending”) to neutralize the effects of these adjustments on TIF revenues.
- Special provisions in statute allow the capture of **depreciable personal property** assessed value of **designated taxpayers** for certain types of projects (industrial, manufacturing, warehousing, research and development, processing, distribution, or transportation related projects or regulated amusement devices and related improvements).



Historical Net Assessed Value (NAV)





Redevelopment District Tax Increment Refunding Revenue Bonds, Series 2015

- Issuance Amount - \$1.905M
- Outstanding - \$500K
- Interest Rate – 1.90%
- Final Payment - 1/15/2023
- Purpose - Refund the 2007 Bonds**
- Resulted in \$125K Savings

Redevelopment Authority Taxable Lease Rental Revenue Bonds, Series 2017 (USDA Loan)

- Issuance Amount - \$3.55M
- Outstanding - \$3.12M
- Interest Rate – 3.25%
- Final Lease Payment –
2/1/2037
- Purpose - StoneGate Arts and
Education Center Project

As of July 12, 2021. Also secured by Special Benefits Tax of the Redevelopment District.

**The 2007 Bonds were originally issued to finance the extension of Plaza Drive North from 16th Street (SR 450) to John Williams Boulevard; the extension/expansion of water and sewer infrastructure into the corridor of John Williams Boulevard and 5th Street (Hwy. 58); and the extension/expansion of water and sewer infrastructure to the west side of SR 37, including an extension to the Bex Addition.

Estimated annual revenues compared to annual expenditures provides 196% annual TIF coverage.

Source: Estimated TIF Revenues calculated by Crowe LLP based on information provided by the Lawrence County Auditor's Office and Department of Local Government Finance. Estimated Expenditures and Uses provided by the City of Bedford.

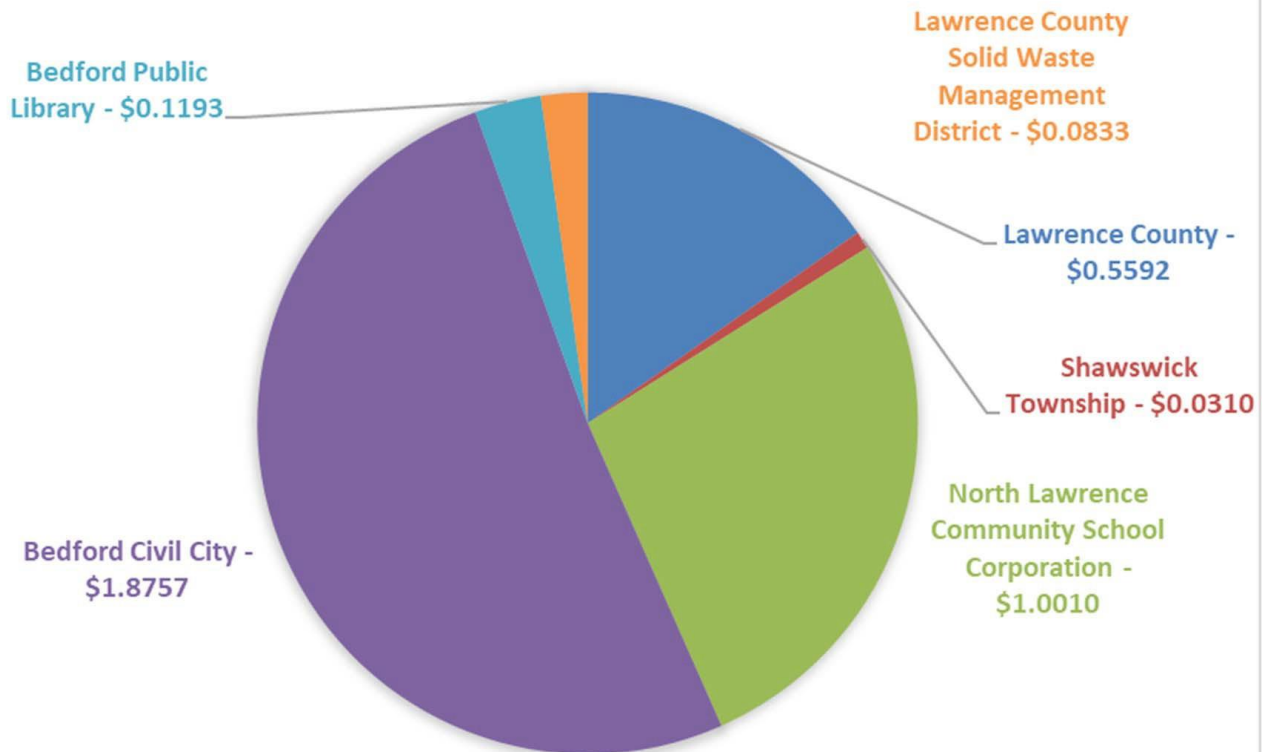
Long Term Plans:

- Road construction improvements to improve access to Consolidated Area (improve road conditions and paving)
- Utility infrastructure
- Roundabout construction at Beech Street and John Williams Blvd.

- Public safety/service equipment and buildings
- Restoration/relocation of City Hall

- Potential early redemption of Redevelopment Authority Taxable Lease Rental Revenue Bonds, Series 2017 (USDA Loan)

TAXING DISTRICT BEDFORD CITY



Impact On Taxing Units

- 87M Incremental 2021 NAV (retained by RDC)
- \$143M Base 2021 (shared among taxing units)
- Increased tax base at expiration dates of respective TIF Allocation Areas
- Improved quality of place
- Stimulates new development that would not occur “but for” the TIF incentives
- Increase in jobs contributing to an increase in local income tax
- Support of education and the arts (StoneGate Arts and Education Center)

TIF Legislative Updates and Changes

- **Tax Increment Financing Districts**

- On April 8, 2021, Gov. Eric J. Holcomb signed into law the House Enrolled Act 127-2021 (“HEA 1271”).
- Certain sections of HEA 1271 provide that a parcel of land may not be included in more than one allocation area of a TIF district unless the parcel was included in more than one TIF district allocation area on or before May 1, 2021.

- **TIF Excess AV Allocation**

- Sections 88 through 90 of HEA 1271 amend Indiana Code 36-7-14-139, Indiana Code 36-7-14-48, and Indiana Code 36-7-14-15, respectively, to require the county auditor (rather than the redevelopment commission) to report the notice of TIF excess AV allocations to the Department of Local Government Finance.
- Report must be forwarded no later than June 15 of each year

4. Discussion

- No Discussion

Adjourn

- Melanie Hacker made the motion to approve,
- Ryan Griffith seconded the motion,
- **All votes were in favor, No One opposed, Motion Passed, Meeting Adjourned**

The Redevelopment Commission 2021

- *Samuel J. Craig, Mayor* _____
- *Penny May, President* _____

- *Judy Carlisle, Vice-President* _____
- *Ryan Griffith, Secretary* _____
- *Shea Hooten, Member* _____
- *Melanie Hacker, Member* _____

Attest: Ryan Griffith
Secretary, Redevelopment Commission _____