

AGENDA RESERVATION REQUEST

CITY OF FRANKLIN COMMON COUNCIL

Please type or print

Date Submitted:	7/16/21	Meeting Date:	8/2/21
Contact Information:			
Requested by:	Krista Linke		
On Behalf of Organization or Individual:			
Franklin Redevelopment Commission			
Telephone:	317-736-3631		
Email address:	klinke@franklin.in.gov		
Mailing Address:	70 E. Monroe St., Franklin, IN 46131		
Describe Request:			
City of Franklin Redevelopment Commission Tax Impact for Annual Presentation to Taxing Units.			
List Supporting Documentation Provided:			
Presentation from Peters Municipal Consultants			
Cash Flow Analysis Worksheet			
June 2021 Financial Statements			
Who will present the request?			
Name:	Krista Linke	Telephone:	317-736-3631

The Franklin City Council meets on the 1st and 3rd Monday of each month at 6:00 p.m. in the Council Chambers of City Hall located at 70 E. Monroe Street. In order for an individual and/or agency to be considered for new business on the agenda, this reservation form and supporting documents must be received in the Mayor's office no later than 12:00 p.m. on the Wednesday before the meeting.

CITY OF FRANKLIN REDEVELOPMENT COMMISSION
TAX IMPACT FOR ANNUAL PRESENTATION TO TAXING UNITS

July 13, 2021

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TAX IMPACT: FRANKLIN TOWNSHIP

City of Franklin Redevelopment Commission
 Estimate of Tax Impact and Circuit Breaker
 2021 Certified Incremental AV
 Revised July 13, 2021 {DRAFT}

FRANKLIN - FRANKLIN TOWNSHIP TAXING DISTRICT (Excluding Metro Fibernet)

Local Unit	2021 AV	2021 Rate	2021 Rate Driven Funds	2021 AV Driven Funds	2021 TIF AV	Rate with TIF AV	2020 Rate Driven Funds	New Rate W/ Driven Funds
Johnson County	7,756,686,760	0.3012	-0.0333	0.2679	78,088,320	0.2652	0.0333	0.2985
Franklin Township - Civil	972,722,976	0.0198	0.0000	0.0198	78,088,320	0.0182	0.0000	0.0182
Franklin City	1,091,180,204	1.2905	-0.0410	1.2495	78,088,320	1.1601	0.0410	1.2011
Franklin School Normal	1,518,385,211	1.4733	0.0000	1.4733	78,088,320	1.3975	0.0000	1.3975
Franklin School Referendum	1,692,452,490	0.2300	0.0000	0.2300	-	0.2300	0.0000	0.2300
Johnson Library	6,358,629,366	0.0658	0.0000	0.0658	78,088,320	0.0650	0.0000	0.0650
JC Solid Waste	7,756,686,760	<u>0.0073</u>	<u>0.0000</u>	<u>0.0073</u>	78,088,320	<u>0.0072</u>	<u>0.0000</u>	<u>0.0072</u>
Total		<u>3.3879</u>	<u>-0.0743</u>	<u>3.3136</u>		<u>3.1432</u>	<u>0.0743</u>	<u>3.2175</u>

New Referendum

Adjusted Rate 2.9875 3,936,461 [▼]

Referendum

Adjusted

	Rate	CB
2021	3.1579	4,736,282
2020	3.0901	3,850,129
2019	3.2630	4,286,804

Estimated
 Reduction of
 Circuit Breaker

\$ 799,821

		% of Dist Rate
Johnson County	\$ 76,287	9.54%
Franklin Township	5,015	0.63%
Franklin City	326,853	40.87%
Franklin School Normal	373,152	46.65%
Franklin School Referendum	-	0.00%
Johnson Library	16,666	2.08%
JC Solid Waste	<u>1,849</u>	<u>0.23%</u>
	<u>\$ 799,821</u>	<u>100.00%</u>

Tax Loss (Fixed Rate Funds & Excise, Etc.):

	Property Tax	Other Tax (\$.09/\$1)	Total Tax
Johnson County	\$ 26,003	\$ 2,340	\$ 28,344
Franklin Township	-	-	-
Franklin City	32,016	2,881	34,898
Franklin School Normal	-	-	-
Franklin School Referendum	-	-	-
Johnson Library	-	-	-
JC Solid Waste	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 58,020</u>	<u>\$ 5,222</u>	<u>\$ 63,241</u>

Circuit Breaker Impact:

	Circuit Breaker	Total Impact
Johnson County	\$ 76,287	\$ 104,631
Franklin Township	5,015	5,015
Franklin City	326,853	361,751
Franklin School Normal	373,152	373,152
Franklin School Referendum	-	-
Johnson Library	16,666	16,666
JC Solid Waste	<u>1,849</u>	<u>1,849</u>
Total	<u>\$ 799,821</u>	<u>\$ 863,063</u>

TAX IMPACT: NEEDHAM TOWNSHIP

City of Franklin Redevelopment Commission
 Estimate of Tax Impact and Circuit Breaker
 2021 Certified Incremental AV
 Revised July 13, 2021 (DRAFT)

FRANKLIN - NEEDHAM TOWNSHIP TAXING DISTRICT (Excluding Metro Fibernet)

Local Unit	2021 AV	2021 Rate	2021 Rate Driven Funds	2021 AV Driven Funds	2021 TIF AV	Rate with TIF AV	2021 Rate Driven Funds	New Rate W/ Driven Funds
Johnson County	7,756,686,760	0.3012	-0.0333	0.2679	89,607,160	0.2648	0.0333	0.2981
Needham Township - Civil	357,510,344	0.0077	0.0000	0.0077	89,607,160	0.0058	0.0000	0.0058
Franklin City	1,091,180,204	1.2905	-0.0410	1.2495	89,607,160	1.1469	0.0410	1.1879
Franklin School Normal	1,518,385,211	1.4733	0.0000	1.4733	89,607,160	1.3864	0.0000	1.3864
Franklin School Referendum	1,692,452,490	0.2300	0.0000	0.2300	-	0.2300	0.0000	0.2300
Johnson Library	6,358,629,366	0.0658	0.0000	0.0658	89,607,160	0.0649	0.0000	0.0649
JC Solid Waste	7,756,686,760	<u>0.0073</u>	<u>0.0000</u>	<u>0.0073</u>	89,607,160	<u>0.0072</u>	<u>0.0000</u>	<u>0.0072</u>
Total		<u>3.3758</u>	<u>-0.0743</u>	<u>3.3015</u>		<u>3.1059</u>	<u>0.0743</u>	<u>3.1802</u>

New Referendum

Adjusted Rate 2.9502 1,932,784

	Referendum Adjusted Rate	CB
2021	3.1458	2,171,371
2020	3.0780	1,809,394
2019	3.2506	1,871,922

Estimated
 Reduction of
 Circuit Breaker

\$ 238,587

		% of Dist Rate
Johnson County	\$ 22,756	9.54%
Needham Township - Civil	1,496	0.63%
Franklin City	97,500	40.87%
Franklin School Normal	111,311	46.65%
Franklin School Referendum	-	0.00%
Johnson Library	4,971	2.08%
JC Solid Waste	<u>552</u>	<u>0.23%</u>
	<u>\$ 238,587</u>	<u>100.00%</u>

Tax Loss (Fixed Rate Funds & Excise, Etc.):

Circuit Breaker Impact:

	Property Tax	Other Tax (\$/09/\$1)	Total Tax	Circuit Breaker	Total Impact
Johnson County	\$ 29,839	\$ 2,686	\$ 32,525	\$ 22,756	\$ 55,281
Needham Township - Civil	-	-	-	1,496	1,496
Franklin City	36,739	3,307	40,045	97,500	137,546
Franklin School Normal	-	-	-	111,311	111,311
Franklin School Referendum	-	-	-	-	-
Johnson Library	-	-	-	4,971	4,971
JC Solid Waste	<u>-</u>	<u>-</u>	<u>-</u>	<u>552</u>	<u>552</u>
Total	<u>\$ 66,578</u>	<u>\$ 5,992</u>	<u>\$ 72,570</u>	<u>\$ 238,587</u>	<u>\$ 311,157</u>

TAX IMPACT: COMBINED

City of Franklin Redevelopment Commission
Estimate of Tax Impact and Circuit Breaker
2021 Certified Incremental AV
Revised July 13, 2021 {DRAFT}

FRANKLIN - FRANKLIN TOWNSHIP TAXING DISTRICT (Excluding Metro Fibernet)

FRANKLIN - NEEDHAM TOWNSHIP TAXING DISTRICT (Excluding Metro Fibernet)

<u>Local Unit</u>	<u>Circuit Breaker</u>	<u>Total Tax</u>	<u>Total Impact</u>
Johnson County	\$ 99,043	\$ 60,868	\$ 159,912
Franklin Township - Civil	5,015	-	5,015
Needham Township - Civil	1,496	-	1,496
Franklin City	424,353	74,943	499,297
Franklin School Normal	484,463	-	484,463
Franklin School Referendum	-	-	-
Johnson Library	21,637	-	21,637
JC Solid Waste	2,400	-	2,400
	<u>\$ 1,038,408</u>	<u>\$ 135,812</u>	<u>\$ 1,174,220</u>

COMMENTARY ON TAX IMPACTS

The above Tax Impact and Circuit Breaker analyses show the result of releasing all of the captured TIF incremental assessed value (AV) back into the tax base. Contrary to the belief of some, the full amount of the incremental revenue captured by the allocation areas do not return to the other taxing units in the taxing district.

This results largely because the majority of property taxes of the taxing units are “levy” driven, either by the maximum statutory levy formula for operations or by the minimized debt service levies which only meet principal and interest payments as due. Therefore, a release of previously restricted AV to these levy driven funds only drives down the tax rate and spreads the cost of the levy across a larger tax base.

In contrast to levy driven funds, some taxing units have “rate” driven funds outside of the maximum levy controls such as Cumulative Capital Development (CCD Fund) for a County, Cumulative Capital Development (CCD Fund) for a City, and Cumulative Funds for a Township or Special Taxing District. The release of previously restricted AV to these rate driven funds will result in additional property taxes being levied and collected for those specific rate driven funds. Please note that the above tax impacts illustrate 2021.

Further, a residual impact of driving down the tax rate is that fewer properties will meet the property tax caps and therefore each taxing unit will net collect more of the property tax which it levied.

Specifically, in looking at the Franklin Township example above, if ~\$78.08 million of AV is released back into the tax base, then the estimated taxing district rate would fall from \$3.3879 to \$3.2175. After adjusting both rates for School Referendum, the estimated reduction to circuit breaker would be ~\$799,821 which would proportionately benefit the taxing units which make up the taxing district. ~\$76,287 to the County, ~\$326,853 to the City, ~\$373,152 to the School, etc. However, for the rate driven funds, the new assessed value would produce more property tax as well as “piggy back” taxes of financial institutions, auto excise, and commercial vehicle excise. For each dollar of property tax levied a proportionate percentage of these “piggy back” taxes are distributed to the same fund as the property tax levy. Total estimated property and “piggy back” taxes, for the Franklin Township example, are ~\$28,344 for the

County, ~\$34,898 for the City. The Needham Township example follows the identical methodology.

In summary, everyone should look at the annual revenue collected versus the annual tax impact to see how much is received by the TIF and how little the cost is to each taxing unit and gauge the benefit received from all by the undertaking of the TIF projects. For the Combined Areas, the estimated revenue is ~\$5.0 million and the estimated impact is ~\$1,174,220.

July 2021			Through	Quarter	Quarter	Quarter	Quarter	Year	Quarter	Quarter	Quarter	Quarter	Year
Task	Fee	Resolution	2020	Mar-21	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022
APPROVED PROJECTS													
Franklin East Bypass Design	\$821,401	2014-14	\$692,027	\$16,172	\$16,172	\$16,172	\$16,172	\$64,687	\$34,344	\$34,344	\$7,358		\$76,046
S. Main Street to US 31 Reconstruction Design	\$402,500	2016-31	\$383,656					\$0					\$0
Urban Trail Supplement (ROW services and land costs)	\$234,315	2018-10	\$205,183					\$0					\$0
Yandes Street Design	\$309,500	2018-41	\$227,748	\$1,000	\$40,876	\$39,211		\$81,087					\$0
Urban Trail Construction Inspection	\$160,500	2019-12	\$101,743	\$15,667	\$43,090			\$58,757					\$0
S. Main Street to US 31 Inspection service	\$325,000	2019-21	\$254,498	\$36,791	\$33,700			\$70,491					\$0
S. Main St Parking Lot Construction Estimate	\$600,500	2019-22	\$582,095					\$0					\$0
Westview RAB Construction (Local Match)	\$100,000	2019-40	\$97,266					\$0					\$0
Forest Rd (Formerly CR 525 E) Design & Inspection	\$407,120	2020-06	\$266,180	\$11,065	\$39,875			\$50,940					\$0
Utilities, Maintenance & Upkeep	\$35,000	2021-01	\$20,012	\$33	\$8,750	\$8,750	\$8,750	\$26,283					\$0
Legal and Financial Services	\$50,000	2021-02	\$49,858	\$6,471	\$12,500	\$12,500	\$12,500	\$43,971					\$0
2015 TIF Bond Payments	\$1,356,195	2021-03	\$1,353,372	\$758,142		\$678,098		\$1,436,240	\$677,589		\$677,589		\$1,355,178
Shell Building No. 2 Loan Payments for 2021	\$218,024	2021-04	\$74,172	\$0		\$0		\$0	\$37,288		\$37,288		\$74,576
Sale of Shell Building 2		Refund for land purchased			-\$490,860			-\$490,860					\$0
Shell Building No. 2 (Close Account Balance)	\$41,800	2021			-\$41,800			-\$41,800					\$0
Commerce and Arvin Right-of-Way	\$7,250	2021-06		\$7,250				\$7,250					\$0
Truck Route Bypass RAB Construction (Commerce Pkwy/Hurricane St/Arvin Rd)	\$1,496,000	2021-07		\$3,925	\$748,000	\$744,075		\$1,496,000					\$0
Old Oren Wright Parking Lot Improvements	\$36,485	2021-08			\$45,503			\$45,503					\$0
Commerce Pkwy/Hurricane St ROW	\$23,940	2021-11		\$23,940				\$23,940					\$0
Jim Black Road Construction Phase 1 (Design paid by City)	\$550,000	2021-12			\$275,000	\$275,000		\$550,000					\$0
Economic Development Agreement with G + H (Shell Building)	\$100,000	2021-13			\$100,000			\$100,000					\$0
FUTURE ITEMS								\$0					\$0
Utilities, Maintenance & Upkeep	\$35,000/year	2021-2022						\$0	\$8,750	\$8,750	\$8,750	\$8,750	\$35,000
Legal & Financial Expenses	\$50,000/year	2021-2022						\$0	\$12,500	\$12,500	\$12,500	\$12,500	\$50,000
PROJECTS UNDER CONSIDERATION								\$0					\$0
Commerce & Graham ROW land purchase funds	\$20,000	2021		\$20,000				\$20,000					\$0
Truck Route Bypass RAB Construction (Commerce & Graham Rd)	\$1,400,000	2022						\$0		\$700,000	\$700,000		\$1,400,000
Commerce & Graham Inspection	\$200,000	2022						\$0		\$100,000	\$100,000		\$200,000
Earlywood Dr. and Graham Rd. RAB Design & Inspection	\$390,105	2021-09					\$195,055	\$195,055	\$195,050				\$195,050
Truck Route Bypass RAB Construction (Earlywood & Graham)	\$1,400,000	2023						\$0					\$0
Yandes Construction Match 2022 (Letting Late Nov. 2021)	\$400,000	2021-2022					\$400,000	\$400,000					\$0
Yandes Construction Inspection (80% remimbursed)	\$248,400	2022						\$0		\$124,200	\$124,200		\$248,400
FDC Programming		2021-2022			\$100,000			\$100,000		\$100,000			\$100,000
Roundabout at SR 44 and CR 600 E		2022						\$0					
Bartram Parkway Improvements (Patching)	\$100,000	2021				\$100,000		\$100,000					
Bartram Parkway Mill and Overlay	\$500,000	2022						\$0			\$500,000		\$500,000
Jim Black Road Phase 2 Construction (Design and inspection through BOW)	\$1,100,000	2023						\$0					\$0
Commerce & Simon Rd RAB (Design, ROW, Inspection \$371,375)	US 31 TIF	2023						\$0					
		Expenditure Total		\$900,455	\$930,806	\$1,873,805	\$632,477	\$4,337,543	\$965,521	\$1,079,794	\$2,167,685	\$21,250	\$4,234,250
		Fund Balance		\$2,843,483	\$1,943,028	\$3,310,687	\$1,436,882		\$2,816,991	\$1,851,470	\$2,767,328	\$798,363	
		Tax Receipts			\$2,250,508		\$2,012,586			\$1,995,652		\$2,012,586	
		Interest Income, and INDOT Reimbursement			\$47,957						\$198,720		
		Net Cash Outflow		-\$900,455	-\$930,806	-\$1,873,805	-\$632,477		-\$965,521	-\$1,079,794	-\$2,167,685	-\$21,250	
		Projected Total Funds Balance		\$1,943,028	\$3,310,687	\$1,436,882	\$2,816,991		\$1,851,470	\$2,767,328	\$798,363	\$2,789,699	

	A	B	C	D	E	F	G
1	June 2021 Financial Report Amended & Integrated EDA	CASH BALANCE	+ RECEIPTS	- YTD EXPENDITURES	CASH BALANCE	- REMAINING	ESTIMATED
2		1/1/2021	thru	thru		APPROPRIATIONS	CASH BALANCE
3		475 TIF Control Fund	12/31/2021	6/30/2021	12/31/2021		12/31/2021
4		\$2,138,439					
5		\$0					
6		475 TIF Control Fund Investment					
7		406 Capital Fund Investment					
8							
9		Total	\$2,843,483	\$4,801,912	\$942,788	\$6,702,606	\$3,722,221
10							
11							
12							
13							
14							
15	DESCRIPTION OF RECEIPTS:						
16	May 2020 pay 2021 Property Tax			\$2,250,508.34			
17	Estimated December 2020 pay 2021 Property Tax			\$2,012,586.00			
18	Revenue YTD: Interest & Grant Reimbursements			\$47,957.07			
19	Sale of Shell Building (Reimbursement for Land Purchased)			\$490,860.17			
20							
21	DESCRIPTION OF EXPENDITURES:						
22	(MAXIMUM =)		\$7,058,335	\$3,336,113.81	\$3,722,221		
23	Res. 2014-14: Franklin East Bypass Proposal		\$821,401.00	\$750,092.11	\$71,308.89		
24	Res. 2018-41: Yandes Street Reconstruction Project		\$309,500.00	\$283,850.25	\$25,649.75		
25	Res. 2019-12: Urban Trail Project Construction Inspection		\$160,500.00	\$125,757.20	\$34,742.80		
26	Res. 2019-21: S. Main St. Project Construction Inspection		\$325,000.00	\$304,537.02	\$20,462.98		
27	Res. 2019-40: Westview Dr. RAB Construction Match		\$100,000.00	\$97,266.33	\$2,733.67		
28	Res. 2020-06: Forest Rd. (CR 525 E) Engineering		\$407,120.00	\$313,311.93	\$93,808.07		
29	Res. 2021-01: Utilities & Maintenance for RDC Owned Properties		\$35,000.00	\$55.80	\$34,944.20		
30	Res. 2021-02: Legal and Financial Professional Services		\$50,000.00	\$22,731.36	\$27,268.64		
31	Res. 2021-03: Bond Payments		\$1,356,195.00	\$758,142.40	\$598,052.60		
32	Res. 2021-04: Shell Building No. 2 Loan Payments		\$218,024.00	\$0.00	\$218,024.00		
33	Res. 2021-05: RDA Bond Payments		\$591,500.00	\$296,500.00	\$295,000.00		
34	Res. 2021-06: Commerce and Arvin ROW		\$7,250.00	\$7,250.00	\$0.00		
35	Res. 2021-07: Arvin/Commerce Pkwy/Hurricane St RAB		\$1,496,000.00	\$308,572.48	\$1,187,427.52		
36	Res. 2021-08: Oren Wright Parking Lot Improvements		\$75,000.00	\$0.00	\$75,000.00		
37	Res. 2021-09: Earlywood Dr. and Graham Road		\$390,105.00	\$0.00	\$390,105.00		
38	Res. 2021-10: Close Shell Building Account		\$41,799.60	\$41,799.60	\$0.00		
39	Res. 2021-11: Arvin/Commerce Pkwy/Hurricane St. ROW		\$23,940.00	\$23,940.00	\$0.00		
40	Res. 2021-12: Jim Black Rd. Phase 1		\$550,000.00	\$2,307.33	\$547,692.67		
41	Res. 2021-13: G & H Economic Development Agreement		\$100,000.00	\$0.00	\$100,000		

June 2021 Financial Report US 31 TIF Districts

	CASH BALANCE 1/1/2021	+ RECEIPTS thru 12/31/2021	- EXPENDITURES thru 6/30/2021	CASH BALANCE 12/31/2021	- REMAINING APPROPRIATIONS	ESTIMATED CASH BALANCE 12/31/2021
473 South Allocation Area	\$793,321					
474 North Allocation Area	\$719,791					
Total	\$1,513,113	\$858,776	\$296,500	\$2,075,389	\$1,106,463	\$968,926

DESCRIPTION OF RECEIPTS:	
May 2020 pay 2021 US 31 North Allocation Area	\$206,600.68
May 2020 pay 2021 US 31 South Allocation Area	\$211,972.70
Estimated December 2020 pay 2021 US 31 North Allocation Area	\$231,326.01
Estimated December 2020 pay 2021 US 31 South Allocation Area	\$208,876.69

Expenditures	\$0.00	\$296,500.00	\$1,106,463
Res. 2021-05 Required Yearly Bond Payment (January 2021 Payment)	\$296,500.00	\$296,500.00	\$0.00
Res. 2021-05 Required Yearly Bond Payment (July 2021 Payment)	\$295,000.00	\$0.00	\$295,000
Res. 2021-XX Amphitheater Playground		\$0.00	\$267,463
Res. 2021-XX Amphitheater SplashPad		\$0.00	\$240,000
Res. 2021-XX Pickelball Courts		\$0.00	\$96,000
Playground Surfacing (Additional)		\$0.00	\$108,000
Amphitheater Signage		\$0.00	\$100,000

June 2021 Financial Report

RDA LEASE BOND 2019 (US 31 TIF DISTRICTS)

BALANCE BEGINNING OF YEAR	+ REVENUE YTD	- EXPENDITURES YTD	- INVESTMENTS	- REMAINING APPROPRIATIONS	*BOND BALANCE
\$6,466,486.34	\$553,272.02	\$3,731,026.62	\$683,852	\$4,835,757.48	-\$863,173.74
US 31 Deisgn: CrossRoad Engineers \$100,000		\$0.00		\$31,672.00	
US 31 Deisgn: CrossRoad Engineers \$3,178,340		\$2,181,241.98		\$997,098.02	
Young's Creek Redevelopment Area Design Contract: \$343,206		\$339,848.54		\$3,357.46	
Young's Creek Redevelopment Area Construction: \$5,672,672.70		\$2,882,721.97		\$2,789,950.73	
Young's Creek Redevelopment Area Inspection: \$593,000		\$390,783.73		\$202,216.27	
Demolition		\$178,924.00			
Duke Energy Relocation		\$40,942.92			
Environmental		\$34,249.50			
Amphitheater Playground		\$257,537.00		\$267,463.00	
Amphitheater SplashPad				\$240,000.00	
Pickelball Courts (paid out of US 31 TIF)				\$96,000.00	
Playground Surfacing (Additional)				\$108,000.00	
Amphitheater Signage				\$100,000.00	

*BOND BALANCE: Negative bond balance will be paid out of the US 31 TIF Districts.