

## **City of Franklin Redevelopment Commission**

Metro FiberNet Economic Development Area

Pleasant Township – CP School Taxing District

### **Tax Impact Statement Distribution List**

- County Council and Board of Commissioners of Johnson County  
c/o Jan Richart, County Auditor  
86 West Court Street  
Franklin, Indiana 46131
- Johnson County Solid Waste Management  
Jessie Biggerman, Director  
900 Arvin Road, Suite A  
Franklin, Indiana 46131
- Township Board of Pleasant Township  
c/o Mary Ann Powell, Township Trustee  
70 North Railroad Street  
Whiteland, Indiana 46184
- Clark-Pleasant Community School Corporation Board of Trustees  
Dr. Keven Caress, Superintendent  
50 Center Street  
Whiteland, Indiana 46184
- Johnson County Public Library  
Beverly Ann Martin, Director  
49 East Monroe Street  
Franklin, Indiana 46131

**NOTICE OF ADOPTION OF A DECLARATORY RESOLUTION BY THE  
FRANKLIN REDEVELOPMENT COMMISSION  
AND OF A PUBLIC HEARING WITH RESPECT THERETO**

Notice is hereby given that the Franklin Redevelopment Commission (the "Commission"), being the governing body of the Franklin Department of Redevelopment, adopted a Declaratory Resolution on October 20, 2011 (the "Declaratory Resolution"), designating an area known as the "Metro FiberNet Economic Development Area" (the "Economic Development Area") as an economic development area pursuant to Indiana Code 36-7-14 (the "Act"); and approving an economic development plan for the Economic Development Area designated as the Metro FiberNet Economic Development Area—Economic Development Plan (the "Plan") and designating the entire area of the Economic Development Area as an "allocation area" for the purpose of allocation and distribution of certain real and personal property taxes (commonly referred to as "tax increment") under Section 39 of the Act.

A general description of the Economic Development Area is included in the Plan.

Notice is hereby given that the Commission will conduct a public hearing on May 17, 2012, at 8:00 a.m., local time, at the City of Franklin City Hall, 70 E. Monroe Street, Franklin, Indiana, to receive and hear remonstrances and objections from all persons interested in or affected by the proposed projects and the proceedings pertaining thereto.

The Commission will determine the public utility and the benefit of the proposed projects. Maps and plats have been prepared and, along with the Plan can be inspected at the offices of the City's Department of Planning & Economic Development, located at 44 North Jackson Street, Franklin, Indiana.

Dated this 7<sup>th</sup> day of May, 2012.

FRANKLIN REDEVELOPMENT COMMISSION

**[TO BE PUBLISHED ONE TIME IN THE *FRANKLIN DAILY JOURNAL*,  
MONDAY, MAY 7, 2012...**

**AND FILED IN THE OFFICE OF THE PLAN COMMISSION, BOARD OF  
ZONING APPEALS, WORKS BOARD, PARK BOARD, AND BUILDING COMMISSIONER  
AND ANY OTHER DEPARTMENT, BODY, OR OFFICERS OF THE CITY HAVING TO  
DO WITH PLANNING, VARIANCES FROM ZONING ORDINANCES, LAND USE, OR  
THE ISSUANCE OF BUILDING PERMITS, AND FILED (ALONG WITH THE TAX  
IMPACT STATEMENT) WITH EACH TAXING UNIT IN THE CITY LOCATED IN THE  
ALLOCATION AREAS]**

## **CITY OF FRANKLIN REDEVELOPMENT COMMISSION**

### **STATEMENT DISCLOSING THE TAX IMPACT WITHIN THE METRO FIBERNET ECONOMIC DEVELOPMENT AREA FOR THE CITY OF FRANKLIN, TOWN OF WHITELAND, TOWN OF NEW WHITELAND, AND CERTAIN UNINCORPORATED AREAS WITHIN JOHNSON COUNTY**

#### **PLEASANT TOWNSHIP – CP SCHOOL TAXING DISTRICT**

The City of Franklin, Indiana (the “City”), Town of Whiteland (the “Town”), and Johnson County, Indiana (the “County”) (the City, the Town, and the County together described as the “Joint Municipalities”) desire to jointly undertake an economic development project by Metro FiberNet, LLC for the Joint Municipalities (the “Metro FiberNet Project”). Pursuant to Indiana Code 36-7-25-4, if two (2) or more civil units desire to jointly undertake economic development projects in contiguous areas that benefit or serve the units’ jurisdiction, then the legislative body of the unit may assign an area within the units’ jurisdiction to the redevelopment commission of another unit to allow for the creation of an allocation area for the purpose of the allocation of property tax proceeds even though the allocation area is outside the jurisdiction of the redevelopment commission to which the new area is assigned.

The Board of Commissioners of the County adopted its resolution on October 17, 2011 assigning an allocation area in the County to the City’s Redevelopment Commission (the “County Allocation Area”). The Town Council of the Town adopted its resolution on October 12, 2011 assigning an allocation area in the Town to the City’s Redevelopment Commission (the “Town Allocation Area”). The City of Franklin Redevelopment Commission adopted its resolution on October 20, 2011 assigning an allocation area within the City to be combined with the County Allocation Area, the Town Allocation Area to be designated the Metro FiberNet Economic Development Area (the “Area”) relating to the establishment of the Metro FiberNet Economic Development Plan (the “Plan”). The Area is designated as the Metro FiberNet Project Allocation Area (the “Allocation Area”). The City of Franklin Redevelopment Commission (the “Commission”) has been assigned the responsibility of reviewing and establishing the Area.

This Plan for providing fiber optic lines and electronic equipment required to bring high speed internet services to the Area is for the review and consideration by the Commission pursuant to IC 36-7-14. The Plan for the Area will promote significant opportunities for growth and the gainful employment of the citizens of the Joint Municipalities by providing the means to extend state of the art fiber optic lines and high speed internet services to the Area. This 21<sup>st</sup> Century infrastructure is necessary to attract employers engaged in advanced manufacturing, logistics, distribution, food processing, energy, health care and value added agriculture.

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**PROJECT SUMMARY:**

The Plan will develop and maintain adequate 21<sup>st</sup> century infrastructure to support the needs of 21<sup>st</sup> century businesses by providing fiber optic cable lines and electronic equipment required to bring high speed internet services to the Area. The Plan promotes significant opportunities for gainful employment of its citizens, attracts a new major business enterprise to the Joint Municipalities, retains and expands significant business enterprises existing in the boundaries of the Joint Municipalities, and meets other statutory purposes, as set forth in Indiana Code Sections 36-7-14-2.5 and 36-7-14-43.

The Joint Municipalities estimate that the cost of implementing the Total Plan will not exceed \$20,000,000 excluding interest.

| <b>Total Project</b>                                                                                                                                                         | <b>Total Estimate</b>        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Assistance with installation of fiber optic cable lines and electronic equipment required to bring high speed broadband services. (Internet, Television, and Communications) | \$17,000,000 to \$20,000,000 |

The Commission will create a Tax Incremental Finance (TIF) District to capture the incremental increases in depreciable personal property within the Area in order to finance the necessary projects. Bonds will be issued, based on the incremental ad valorem property taxes allocated under IC 36-7-14-39, in order to raise money to cover a portion of the cost of projects in the Area.

**ESTIMATED TAX INCREMENT**

The source of estimated tax increment revenue to be generated in the Allocation Area will come from growth and expansion of new investment in depreciable business personal property by Metro FiberNet with the Area. The estimated incremental assessed value is based on (1) a review of the property tax assessments obtained from the Johnson County Assessor and (2) estimated project costs provided by representatives of the taxpayer, which estimates were then used to determine the potential incremental assessed value generated using acceptable industry standards and practices prescribed by the Indiana Department of

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#### **PLEASANT TOWNSHIP – CP SCHOOL TAXING DISTRICT**

Local Government Finance. The annual incremental assessed value is multiplied by the applicable 2011 payable 2012 property tax rate to calculate the annual net tax increment. In the attached schedule of “New Developments Within the Allocation Area,” business personal property with approximately \$400,000 of net annual assessed value of tax increment is estimated to be captured and deposited to the Allocation Fund. See Attachment A.

**For illustrative purposes only, we have elected to assume an estimated reported assessed value of \$1,000,000 of Business Personal Property by Metro FiberNet; which, when adjusted for the effect of the allowance for depreciation in the initial year of taxation, would result in \$400,000 of incremental assessed value.**

#### **ESTIMATED IMPACT OF ESTABLISHING ECONOMIC DEVELOPMENT AREA- FRANKLIN – NEEDHAM TOWNSHIP AREA**

The “Estimated Impact of the Economic Development Area on the Overlapping Taxing Units” schedule provides an estimate of the effect on the tax rates of the overlapping taxing units (holding all other factors constant) of establishing the Allocation Area and capturing tax increment. See Attachment B.

##### ***Scenario I***

Scenario I represents the current situation (based on 2011 pay 2012 property tax information) prior to the establishment of the Allocation Area.

##### ***Scenario II***

Scenario II depicts what happens after the Allocation Area is established and assumes all incremental assessed value from new and proposed developments, estimated at \$400,000 is captured in the Allocation Fund for tax increment financing (holding all other factors constant).

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#### **PLEASANT TOWNSHIP – CP SCHOOL TAXING DISTRICT**

##### ***Scenario III***

Scenario III represents the impact of the overlapping taxing units if the Allocation Area is not established, assumes that no incremental assessed value is captured as tax increment and, therefore, assumes that there is no method of financing infrastructure and other improvements, which limits the attractiveness of the Area for additional expansion and growth. Scenario III conservatively assumes that all of the estimated incremental assessed value from the new business developments and expansions currently underway would have occurred regardless of the potential Redevelopment Project, and, therefore assumes that if the Area were not established, the incremental assessed value would be passed on to the other taxing units.

##### **IMPACT SUMMARY**

The Commission has determined that the capturing of the increases in assessed valuation of the existing development in the Allocation Area may have a short-term impact on anticipated revenues from the tax rates of the taxing units that are wholly or partially located in the Allocation Area. However, because significant additional Development is currently being considered and such Development may not occur “but for” the inducements (i.e. the lack of economic development would not be corrected by regulatory processes or the ordinary operation of private enterprise without resorting to the powers of the Commission), the Commission concludes that the assessed value and revenues of the other taxing units are not negatively affected.

Please note that for purpose of estimating the impact of tax increment financing, certain factors were held constant in this analysis. No other growth or decline in depreciable personal property assessed value was assumed to take place anywhere in the Area. No increases in the budgets of the overlapping taxing units were assumed for purposes of this analysis.

The establishment of the Allocation Area would have several positive affects on the overlapping taxing units and on the taxpayers of the Joint Municipalities. The taxpayers will benefit from the additional revenues as they are generated and restored. The Plan promotes significant opportunities for gainful employment of its citizens, availability of high speed broadband services, and will promote development and permit the extension

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of electric, gas, and sanitary utilities. Also, the earning power of local residents is expected to be improved, as a result of the new jobs created by businesses in the economic development area, which will allow those residents to provide more of their resources to health care and health maintenance issues, which would be expected to improve the overall physical health of the community. The Plan will provide the infrastructure system capacity to handle increased economic growth.

**METRO FIBERNET ECONOMIC DEVELOPMENT AREA**

Assessed Value for New Developments Within the Allocation Area

| Taxing District                                  | Property Owner                           | 2011 Payable<br>2012 | Estimated 2011<br>Payable 2013 | Estimated Increase                                   |
|--------------------------------------------------|------------------------------------------|----------------------|--------------------------------|------------------------------------------------------|
|                                                  |                                          | Assessed Value       | Assessed Value                 | Assessed Value 2010<br>pay 2011 vs. 2011<br>pay 2012 |
| Pleasant Township - CP School Taxing<br>District | Metro FiberNet Project - (Estimated) (1) | <u>0</u>             | <u>400,000</u>                 | <u>400,000</u>                                       |
|                                                  |                                          | <u>0</u>             | <u>400,000</u>                 | <u>400,000</u>                                       |

**(1) For illustrative purposes only, we have elected to assume an estimated reported assessed value of \$1,000,000 of Business Personal Property by Metro FiberNet MetroNet. Which, when adjusted for the effect of the allowance for depreciation in the initial year of taxation, would result in \$400,000 of incremental assessed value.**



**Attachment B**

**METRO FIBERNET ECONOMIC DEVELOPMENT AREA**

*Tax Allocation Area*

ESTIMATED IMPACT OF THE ALLOCATION AREA ON OVERLAPPING TAXING UNITS

| Pleasant Township - CP School Taxing District                                      | Tax<br>Rate     | Net Assessed<br>Value of<br>Taxing Unit | Estimated<br>Property<br>Tax Levy |
|------------------------------------------------------------------------------------|-----------------|-----------------------------------------|-----------------------------------|
| <b>SCENARIO I: <u>PRESENT SITUATION - Prior to establishment of the Area</u></b>   |                 |                                         |                                   |
| 2011 taxes payable 2012 property tax levies, assessed valuation and tax rates. (1) |                 |                                         |                                   |
| Johnson County                                                                     | \$0.2267        | \$5,752,492,596                         | \$13,040,901                      |
| Johnson County (Cum Bridge Fund) (2)                                               | 0.0229          | 5,752,492,596                           | 1,317,321                         |
| Johnson County (CCD Fund) (2)                                                      | 0.0177          | 5,752,492,596                           | 1,018,191                         |
| Pleasant Township                                                                  | 0.0046          | 1,764,929,859                           | 81,187                            |
| Pleasant Township (Fire)                                                           | 0.1355          | 20,784,748                              | 28,163                            |
| Clark-Pleasant Community School Corporation                                        | 1.6284          | 1,056,980,738                           | 17,211,874                        |
| Clark-Pleasant Community School Corporation (CPF Fund) (2)                         | 0.3310          | 1,056,980,738                           | 3,498,606                         |
| Johnson County Public Library                                                      | 0.0703          | 4,563,472,972                           | 3,208,121                         |
| Johnson County Solid Waste Management                                              | 0.0074          | 5,752,492,596                           | 425,684                           |
| Total Tax Rate<br>(per \$100 AV)                                                   | <u>\$2.4445</u> |                                         |                                   |

**SCENARIO II: ASSUMES ESTABLISHMENT OF THE ALLOCATION AREA WHICH ENABLES  
THE COST OF IMPROVEMENTS TO BE FINANCED WITH BONDS PAYABLE  
FROM TAX INCREMENT REVENUES.**  
(Assumes incremental real property assessed value from proposed and new developments is captured.)

|                                                            |                 |                 |              | Tax Rate<br>Difference<br>From<br>Scenario I (4) | Levy<br>Difference<br>From<br>Scenario I |
|------------------------------------------------------------|-----------------|-----------------|--------------|--------------------------------------------------|------------------------------------------|
| Johnson County                                             | \$0.2267        | \$5,752,492,596 | \$13,040,901 | \$0.0000                                         | \$0                                      |
| Johnson County (Cum Bridge Fund) (2)                       | 0.0229          | 5,752,492,596   | 1,317,321    | 0.0000                                           | 0                                        |
| Johnson County (CCD Fund) (2)                              | 0.0177          | 5,752,492,596   | 1,018,191    | 0.0000                                           | 0                                        |
| Pleasant Township                                          | 0.0046          | 1,764,929,859   | 81,187       | 0.0000                                           | 0                                        |
| Pleasant Township (Fire)                                   | 0.1355          | 20,784,748      | 28,163       | 0.0000                                           | 0                                        |
| Clark-Pleasant Community School Corporation                | 1.6284          | 1,056,980,738   | 17,211,874   | 0.0000                                           | 0                                        |
| Clark-Pleasant Community School Corporation (CPF Fund) (2) | 0.3310          | 1,056,980,738   | 3,498,606    | 0.0000                                           | 0                                        |
| Johnson County Public Library                              | 0.0703          | 4,563,472,972   | 3,208,121    | 0.0000                                           | 0                                        |
| Johnson County Solid Waste Management                      | 0.0074          | 5,752,492,596   | 425,684      | 0.0000                                           | 0                                        |
| Total Tax Rate<br>(per \$100 AV)                           | <u>\$2.4445</u> |                 |              | <u>\$0.0000</u>                                  | <u>\$0</u>                               |

|                            |                 |                  |                |                          |
|----------------------------|-----------------|------------------|----------------|--------------------------|
| <b>TIF ALLOCATION FUND</b> | <b>\$2.4445</b> | <b>\$400,000</b> | <b>\$9,778</b> | <b>Net Tax Increment</b> |
| Circuit Breaker Limit (3)  | 3%              |                  | 12,000         | Net Tax Increment        |

(1) Based on information provided by the Johnson County Auditor's and Assessor's Offices for the 2011 pay 2012 tax collection cycle.

(2) Funds are Rate Controlled rather than Levy Controlled

(3) Per HEA 1001 of 2008, the circuit breaker credit limits property taxes to a percentage of the gross assessed value of the property equal to three (3) percent for commercial property.

(4) Rounded to the nearest ten thousandth

**Attachment B (CONTINUED)**

**METRO FIBERNET ECONOMIC DEVELOPMENT AREA**

*Tax Allocation Area*

ESTIMATED IMPACT OF THE ALLOCATION AREA ON OVERLAPPING TAXING UNITS

| Pleasant Township - CP School Taxing District | Tax<br>Rate | Net Assessed<br>Value of<br>Taxing Unit | Estimated<br>Property<br>Tax Levy |
|-----------------------------------------------|-------------|-----------------------------------------|-----------------------------------|
|-----------------------------------------------|-------------|-----------------------------------------|-----------------------------------|

**SCENARIO III: ASSUMES THE AREA IS NOT ESTABLISHED AND THE ASSESSED VALUE  
FROM NEW DEVELOPMENT IS PASSED ALONG TO OTHER TAXING UNITS.**

(Assumes an estimated \$400,000 in assessed value for new development in the Area that would have occurred and would have been passed on to the other taxing units assuming the Area was not established.)

|                                                            |                 |                 |              | Tax Rate<br>Difference<br>From<br>Scenario I (4) | Levy<br>Difference<br>From<br>Scenario I |
|------------------------------------------------------------|-----------------|-----------------|--------------|--------------------------------------------------|------------------------------------------|
| Johnson County                                             | \$0.2267        | \$5,752,892,596 | \$13,040,901 | \$0.0000                                         | \$0                                      |
| Johnson County (Cum Bridge Fund) (2)                       | 0.0229          | 5,752,892,596   | 1,317,412    | 0.0000                                           | 92                                       |
| Johnson County (CCD Fund) (2)                              | 0.0177          | 5,752,892,596   | 1,018,262    | 0.0000                                           | 71                                       |
| Pleasant Township                                          | 0.0046          | 1,765,329,859   | 81,187       | 0.0000                                           | 0                                        |
| Pleasant Township (Fire)                                   | 0.1329          | 21,184,748      | 28,163       | (0.0026)                                         | 0                                        |
| Clark-Pleasant Community School Corporation                | 1.6278          | 1,057,380,738   | 17,211,874   | (0.0006)                                         | 0                                        |
| Clark-Pleasant Community School Corporation (CPF Fund) (2) | 0.3310          | 1,057,380,738   | 3,499,930    | 0.0000                                           | 1,324                                    |
| Johnson County Public Library                              | 0.0703          | 4,563,872,972   | 3,208,121    | 0.0000                                           | 0                                        |
| Johnson County Solid Waste Management                      | 0.0074          | 5,752,892,596   | 425,684      | 0.0000                                           | 0                                        |
| Total Tax Rate<br>(per \$100 AV)                           | <u>\$2.4413</u> |                 |              | <u>(\$0.0032)</u>                                | <u>\$1,486</u>                           |

(1) Based on information provided by the Johnson County Auditor's and Assessor's Offices for the 2011 pay 2012 tax collection cycle.

(2) Funds are Rate Controlled rather than Levy Controlled

(3) Per HEA 1001 of 2008, the circuit breaker credit limits property taxes to a percentage of the gross assessed value of the property equal to three (3) percent for commercial property.

(4) Rounded to the nearest ten thousandth