

Mr. McPhail: Second

Ms. Renk: We'll just do a voice – anyone opposed? All those in favor?

(All ayes)

NEW BUSINESS

Ms. Renk: No old business under our agenda for today, so we'll get right into the new business. Alyssa?

Ms. Woolard: So, Tim and I met with Stone Table, and they are the owners of some of the land that lies south of the mall. I sent a conceptual plan over, just to remind all of you – I'm sure you've seen it before – but the idea is for those parcels of land. The meeting went really well and coming from it, we wanted to see what the support was for entering into an MOU and doing a combined RFP with Stone Table. We just believe it would be a lot more attractive for developers to see the land all as one, rather than individual parcels. And I can go into more explanation. I did a brief summary on the summary page, but I don't want to go in repeat and bore you guys.

Ms. Renk: Questions? Well, I do have one question. The RFP will mirror the planning document that was created in 2021, right?

Ms. Woolard: Yes, that would be the idea. We would want to leave it somewhat open, to see if developers have other ideas that they can bring forward that maybe we didn't think of originally. But the idea would be to let them have an understanding of what our vision was for the area. And we would obviously go through the MOU and allow you guys to see it, before moving forward with anything.

Ms. Renk: So, you're asking today for our consent to move forward with a combined MOU, correct?

Ms. Woolard: Yes, and the RFP process at the same time.

Mr. McPhail: I do have one question. I was a little bit confused on whether we need to get an appraisal or not, from the document that you sent us.

Ms. Woolard: Yes, so we will do appraisals like a normal RFP process with the RDC, and then I'm going to talk to Council about this at the next meeting as well. And if Council does decide to do the intergovernmental transfer of the land to the RDC, then we would have done the appraisals all under the RDC. But yes, appraisals will need to be done on our portion; we're not going to do them on the portion for Stone Table.

Mr. McPhail: Okay, thank you.

(Consent is given)

Ms. Woolard: Alright, thank you.

Ms. Renk: Thank you. Cam? Updated agreement with the school corporation.

Mr. Starnes: Yes, good evening. I think you had in your materials the draft second amendment to the agreements between the Redevelopment Commission and the Plainfield School Corporation. Some of you may be familiar with the history of that. There's an agreement that goes back quite a ways, that pertains specifically to Six Points TIF. It's been amended once since. I've not been involved with the discussions with the school corporation but the amendment in front of you would essentially document a five-year grant program that would utilize cash on hand in the Six Point TIF, to fund technological purchases by the school corporation, and in keeping with the sort of long-standing cooperative relationship that the Redevelopment Commission has had with the schools, specifically relative to that allocation area, and the funds therein. So, that was just our initial draft attempt to document that. I think in talking to Tim and Alyssa, we wanted to get that in front of you at this evening's meeting. I don't believe that the town staff are asking for approval of that this evening, more of an introduction so that you're all familiar with the purpose and the nature of the agreement, and so you can ask any questions between now and your next meeting, and also provide any comments that you might have.

Mr. McPhail: I might add to that, the amount that's in this agreement is the same amount that we've been paying over a number of years and will pay off the transportation bond in that TIF district. So, same amount of funds they've asked that we contribute (inaudible). (inaudible) technology- that's not the right word but, greater technology equipment.

Ms. Renk: So, the transportation facility is paid off?

Mr. McPhail: It will pay off this year, yes.

Ms. Renk: So, that's why it begins in 24'? Okay, any more questions?

(Brief pause)

Ms. Renk: Thank you. TIF 101 Presentation. Mr. Stone?

Mr. Stone: Good evening. I appreciate you all letting me come present today. This was at the request – we've been working with the Town Manager, the Clerk Treasurer, interim Controller with the town – and through those discussions with the members of Council on that committee, we've been working through – one of the items that came up was just, we'll be making sure to make it clear for the public and others, just TIF 101, and making sure that's a very transparent process. So, while I know a lot of you have been members for a while – I know that the newest member isn't here today but what we wanted to do was just come here and make this presentation. It'll be concise but it's really just to provide that general knowledge, both to any of

the members, put that on record, and also any of the public or schools or overlapping units that may benefit from having this 101 understanding. So, my name's Adam. I'm a municipal advisor in the state of Indiana. I've been working in local government finance, specifically around redevelopment, for the last ten years. And so, I'm not an expert on all the laws from a financial standpoint, I feel like I'll hopefully be able to provide some insights and some understanding that may be helpful to you all for projects, now and in the future. A couple of the things that I want to talk about are where a TIF fits in – make sure we can clear up how it can be used as an economical tool and in support of other tools that the town uses. We'll define and walk through various different mechanics of TIF, as well as touch on a few projects that TIF has enabled for the town. So, the standard TIF model, you have likely seen a chart like this. What I really wanted to focus on today is, while the statutory life of a TIF currently is 25 years after its first indebtedness of a new allocation area, there are nuances to that. Depending on when an allocation area was formed in the town, it may have, it may have different useful lives and whether it has any indebtedness to that allocation area also sets different terms or links of that. So, the other aspect is when an allocation area is formed it will – whether that's one parcel or 1,000 parcels – obviously that establishes that certain set assessed value, establishes as the base and that continues to go for the schools and libraries, town and county, and it's in the incremental that's captured and can then be pledged to repayment of TIF bonds or captured as surplus TIF for new projects. One of the things that sometimes gets lost in this is actually the situation kind of on the right-hand side of that chart. So, when you think about some of the allocation areas of the town that are now maybe two thirds of the way through their life, there is a potential windfall of windows AVs are released. So, you all have already taken steps to have a release process and from a finance perspective that's good for both the town and underlining districts because you want to make sure that that end of life TIF, all of that captured incremental value, is actually planned in such a way to where the other (inaudible) tax rates don't decrease materially all in the same year. Especially when you get to that last 5-10 years of a given TIF's capture period. It's really good to start collaborating with the other units to start to make sure, from a financial planning perspective, everyone is managing that because ultimately TIF plays a pretty significant – while it doesn't impact the levies and the base, at the end of the TIF life, if it was very successful, it can have a significant impact on the units tax rate when that AV is released. I won't bore you with it but this, in the packet, Accelerate Indiana Municipalities (AIM), a few years ago put out a short 2-minute video about how TIF can be used to really kind of further downtown development, and I just thought it was relevant with everything going on with the town. So, it's a great short little video that you can send to constituents or members. It's very easy to watch and easy to follow. A couple things that I would want to make sure anyone knows, from a general knowledge perspective of Tax Increment Financing is that there's a – I can sum up a lot of complexity in the “but for” test. I learned this from someone years ago and it's a really great benchmark in standard for really any disbursement or project funded by Tax Increment Finance dollars. Essentially you can think about it as “but for TIF intervention”. “But for” the TIF participating in the cost of infrastructure, or these issuing of TIF bonds, whichever, the project would otherwise not happen, okay. And if you can clear that hurdle on each of your projects and each of your requests then really, it shows you that “but for” the TIF's involvement, there would have been no impact to the

base units because a project wouldn't have happened. So, that is a high hurdle, but it's a big hurdle, philosophically and from a financial standpoint. The other thing I would like to make it clear, for the public and others, is that a lot of the time the focus in redevelopment commissions and Tax Increment Financing agreements, it's really focused on just the real estate and personal property taxes being generated, when even in a 100% pledge scenario or agreement, that is a very narrow view of the economic impact of a project. So, depending on the employees, where those employees are going to live, whether or not they're new to the town or not, all of those really kind of factor in. So, from a redevelopment's perspective, TIF, when used, stimulates that growth. It obviously not only generates the assessed value, the real estate taxes, it also leads to more individuals working here, more local income tax, more property tax, etcetera. So, just a couple quick examples, just to connect it: obviously Hobbs Station, the Government Center, are all big marquee legacy projects that are made possible through the Redevelopment Commission and then the pledge of Tax Increment Finance. In a procedural matter, state law outlines the formation process. You have economic development areas and allocation areas. Essentially, in layman's terms, allocation area is where the money is generated, it's where the taxes are paid from, it's where the actual border of the parcels that are being captured. The economic development area, as I interpret it, is where that money can be spent, okay. Plainfield currently has seven different economic development areas, town wide. And there are fifteen separate allocation areas nested within those seven. So, this is kind of the example of that chart we saw earlier. This is more of how the kind of economic of the development community looks at this. So, when we think of Tax Increment Finance and redevelopment, and their role in other economic development tools, you have things like – you've probably heard of abatements and those types of things – well, they actually are contradictory to Tax Increment Finance because abatement actually reduces taxes paid and you're in and investment of taxes paid. So, they play a role together. The best way I can summarize it for the public would be just an illustration of a \$100 bill. So, in applications of the "but for" test, without this project if this new \$100 in tax revenue is not feasible, okay, then there's no dollar to share. If there is a request that requires infrastructure bonds or something of the sort to be created, then there's a pledge of those future incremental taxes to be repaid, ultimately then get added to the tax base. So, the first section would go to the base; what was theirs is always theirs, okay. It actually does trend annually. And then as you saw in that previous example, increases exponentially at the end of the TIF. The next section is if the schools in the district has a referendum rate, specifically that is rate based, they have significant positive impact by new AV in an allocation area. The next would be any sort of pledge or debt service amount that would be through the life of the bonds. And then any remaining amount would be deemed surplus. And those surpluses then from certain allocation areas, depending on how the plans are written, can be used in various different locations and projects within the economic development area, as long as it's within the plan. So, as far as just good housekeeping, I won't bore you with all this, but we do have kind of our little fun, tongue-in-cheek sort of approach here. The biggest thing I would say is I'm a big advocate for small and specific allocation areas. I know that this is debatable, but from my perspective, it's pretty clear. So, I like large, and would recommend large economic development areas. It gives you, as the Commission, the broadest ways to – the largest geographical area to use any surplus TIF, the

most flexibility. But also, in light of the new 25-year life from the first indebtedness of an allocation area, I'm a big believer in very small and project specific allocation areas. That way if there are any sort of pledge revenues within an allocation area, that 25-year life starts at the smallest number of parcels possible, okay. So, I'll leave you with a bunch of resources. There's much more than this that could be available. And then I know that between Taft and Baker Tilly, they have a wealth of information for you as well, but I just picked a few that I think would be relevant bookmarks and items that would be helpful. So, one, the DLGF Tax Increment Finance presentation from 2019 kind of outlines some of the mechanics and some of the reporting. The Handbook for Indiana Redevelopment is great; it walks through the whole process to set up, the establishment process. If you're interested in how others in the County or others in the State are performing, or you just want to look at TIF in aggregate, in the state of Indiana. Gateway to TIF viewers is fantastic. It's also good to know that all of your activities are also publicly made available to on that as well. I just went ahead and put the state statute in there, as well as some history information at both Perdue and Indiana University. So, anyway, I'm happy to answer any questions. I will be sharing an electronic version of this with Jessica and Phillip as well, and we'll be following up again if you have any questions, but I hope that was helpful and if you have any questions let us know.

Ms. Renk: Thank you.

Mr. Stone: Thank you.

WISHES TO BE HEARD

Ms. Renk: Moving along, we don't have anything for public hearing; no resolutions. Any wishes to be heard?

(Brief pause)

Mr. McPhail: I'll just make one comment. The Drinkard property is scheduled to close on Friday.

Ms. Renk: Great. That's great news.

Mr. McPhail: Right?

Mr. Starnes: It's Wednesday.

Mr. McPhail: Wednesday, alright.

Ms. Renk: Wednesday, even better news.

Mr. McPhail: Even better.

Ms. Renk: Thank you. Thank you for sharing that.

ADJOURNMENT

Ms. Renk: Anyone want to move to adjourn?

Mr. Kirchoff: So moved.

Mr. McPhail: Second

Ms. Renk: Thank you.

Philip Clay, President

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Lance Angle, Secretary