

**BEECH GROVE REDEVELOPMENT COMMISSION**  
**ANNUAL PRESENTATION TO TAXING UNITS**

May 4, 2023

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## OVERVIEW

The code provision, IC 36-7-25-8 provides:

Sec. (8). Each redevelopment commission shall annually present information for the governing bodies of all taxing units that have territory within an allocation area of the redevelopment commission. The presentation shall be made at a meeting of the redevelopment commission and must include the following:

- (1) The commission's budget with respect to allocated property tax proceeds.
- (2) The long term plans for the allocation area.
- (3) The impact on each taxing unit.

The Beech Grove Redevelopment Commission controls five allocation areas: Beech Grove Regional Medical Center T49171 set to expire 1/31/34; Beech Grove Expanded Allocation Area T49352 set to expire 4/4/30; Northeast Emerson Allocation Area T49753 set to expire 25 years from its first debt obligation; West Albany Street Allocation Area T49178 set to expire 25 years from its first debt obligation; Bethel Avenue Allocation Area T49179 set to expire 25 years from its first debt obligation. These allocation areas provide funding for the projects in the Integrated Redevelopment Plan.

## CASH FLOW / LONG TERM FINANCIAL PLANS FOR THE ALLOCATION AREAS

Beech Grove Redevelopment Commission

TIF Area Estimated Cash Flow

Revised May 3, 2023 {DRAFT}

	Actual <u>2022</u>	BUDGET <u>2023</u>	Projected <u>2024</u>
<b>BEGINNING CASH BALANCE</b>	\$ 915,188	\$ 795,827	\$ 924,418
<b>REVENUES:</b>			
Receipts / Estimated Increment	773,682	968,200	968,200
Future Debt Service Reserve			
<b>TOTAL REVENUES</b>	773,682	968,200	968,200
<b>EXPENDITURES:</b>			
Debt Service	131,560	-	
Projects / Professional Services	362,397 <span style="color: red;">▼</span>	50,000	50,000
LED Lighting	73,025 <span style="color: red;">▼</span>	-	-
Drainage @ Garstang	24,014 <span style="color: red;">▼</span>		
Road Projects	-	180,000	
Hornet Park CC Parking Lot & Drainage	302,047 <span style="color: red;">▼</span>		
Future Projects*	-	609,609	1,900,000
Future Debt Service**	-	-	
<b>TOTAL EXPENDITURES</b>	893,043	839,609	1,950,000
<b>NET INCREASE (DECREASE) IN FUND</b>	(119,361)	128,591	(981,800)
<b>ENDING FUND BALANCE</b>	\$ 795,827	\$ 924,418	\$ (57,382)

\* Future Projects (Infrastructure for New Development and Economic Development Incentives).

\*\* Future Debt Service (To Be Determined).

## COMMENTARY ON COMMISSION'S BUDGET WITH RESPECT TO ALLOCATED PROPERTY TAX

The above Estimated Cash Flow shows the combined allocation areas for the years 2022, 2023, 2024 and future. It shows the beginning cash balance on 1/1/22, the actual revenues and expenditures for 2022, the anticipated revenues and expenditures for 2023, the anticipated revenues and expenditures for 2024 as well as all future expenditures.

The 2022 revenues and expenditures are from the 2022 Beech Grove Annual Financial Report. The 2023 revenues are estimated from the pay 2023 Marion County abstract of property taxes. The 2024 revenues are expected to equal the previous year revenue.

The 2023 estimated expenditures show the approved budget amounts for that year. The 2024 estimated expenditures show all future planned projects, and all future anticipated debt service. The asterisks (\*) at the bottom of the Estimated Cash Flow page denote the current long-term financial plans for the allocation areas.

The ending fund balance at 12/31/24 is negative. Therefore, if all revenues and expenditures were to occur as anticipated, the allocation areas would not raise enough funds by the end of 2024 to cover expenditures for 2024 and beyond. In other words, the commission's budgets with respect to the allocated property tax proceeds are insufficient to complete the projects of the Integrated Redevelopment Plan and therefore additional TIF revenues should be collected in future years.

## TAX IMPACT: CENTER TOWNSHIP

Beech Grove Redevelopment Commission  
 Estimate of Tax Impact and Circuit Breaker  
 Revised May 3, 2023 {DRAFT}

Local Unit	2022 AV	2022 Rate	2022 Rate Driven Funds	2022 AV Driven Funds	2022 TIF AV	Rate with TIF AV	2022 Rate Driven Funds	New Rate W/ Driven Funds
Marion County	47,348,842,945	0.4063	-0.0262	0.3801	1,310,463	0.3801	0.0262	0.4063
Center Township Civil	7,463,195,358	0.0551	0.0000	0.0551	1,310,463	0.0551	0.0000	0.0551
Beech Grove School Normal	516,727,803	1.8152	0.0000	1.8152	1,310,463	1.8106	0.0000	1.8106
Beech Grove School Referendum	543,487,906	0.7691	0.0000	0.7691	1,310,463	0.7672	0.0000	0.7672
Marion County Library	46,674,037,441	0.1189	0.0000	0.1189	1,310,463	0.1189	0.0000	0.1189
Beech Grove City	544,378,886	1.4502	0.0000	1.4502	1,310,463	1.4467	0.0000	1.4467
Special Transportation	44,835,465,754	0.0957	-0.0093	0.0864	1,310,463	0.0864	0.0093	0.0957
Health & Hospital	47,348,842,945	0.2081	-0.0006	0.2075	1,310,463	0.2075	0.0006	0.2081
Consolidated County	47,348,842,945	<u>0.1452</u>	<u>0.0000</u>	<u>0.1452</u>	1,310,463	<u>0.1452</u>	<u>0.0000</u>	<u>0.1452</u>
Total		<u>5.0638</u>	<u>-0.0361</u>	<u>5.0277</u>		<u>5.0177</u>	<u>0.0361</u>	<u>5.0538</u>

New Rate                      5.0538                      2,074,073

Taxing District	2022 Rate	2022 CB
102	5.0638	2,078,171

Estimated Reduction of Circuit Breaker                      \$ 4,098

		% of Dist Rate
Marion County	\$ 388	9.46%
Center Township Civil	53	1.28%
Beech Grove School Normal	1,732	42.27%
Beech Grove School Referendum	-	0.00%
Marion County Library	113	2.77%
Beech Grove City	1,384	33.77%
Special Transportation	91	2.23%
Health & Hospital	199	4.85%
Consolidated County	<u>139</u>	<u>3.38%</u>
	<u>\$ 4,098</u>	<u>100.00%</u>

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

Circuit Breaker Impact:

	Property Tax	Other Tax (\$0.055/\$1)	Total Tax	Circuit Breaker	Total Impact
Marion County	\$ 343	\$ 19	\$ 362	\$ 388	\$ 750
Center Township Civil	-	-	-	53	53
Beech Grove School Normal	-	-	-	1,732	1,732
Beech Grove School Referendum	-	-	-	-	-
Marion County Library	-	-	-	113	113
Beech Grove City	-	-	-	1,384	1,384
Special Transportation	122	7	129	91	220
Health & Hospital	8	0	8	199	207
Consolidated County	<u>-</u>	<u>-</u>	<u>-</u>	<u>139</u>	<u>139</u>
Total	<u>\$ 473</u>	<u>\$ 26</u>	<u>\$ 499</u>	<u>\$ 4,098</u>	<u>\$ 4,597</u>

## TAX IMPACT: FRANKLIN TOWNSHIP

Beech Grove Redevelopment Commission  
 Estimate of Tax Impact and Circuit Breaker  
 Revised May 3, 2023 {DRAFT}

Local Unit	2022 AV	2022 Rate	2022 Rate Driven Funds	2022 AV Driven Funds	2022 TIF AV	Rate with TIF AV	2022 Rate Driven Funds	New Rate W/ Driven Funds
Marion County	47,348,842,945	0.4063	-0.0262	0.3801	9,994,647	0.3800	0.0262	0.4062
Franklin Township Civil	3,386,109,261	0.0244	0.0000	0.0244	9,994,647	0.0243	0.0000	0.0243
Beech Grove School Normal	516,727,803	1.8152	0.0000	1.8152	9,994,647	1.7801	0.0000	1.7801
Beech Grove School Referendum	543,487,906	0.7691	0.0000	0.7691	-	0.7691	0.0000	0.7691
Marion County Library	46,674,037,441	0.1189	0.0000	0.1189	9,994,647	0.1189	0.0000	0.1189
Beech Grove City	544,378,886	1.4502	0.0000	1.4502	9,994,647	1.4236	0.0000	1.4236
Special Transportation	44,835,465,754	0.0957	-0.0093	0.0864	9,994,647	0.0864	0.0093	0.0957
Health & Hospital	47,348,842,945	0.2081	-0.0006	0.2075	9,994,647	0.2075	0.0006	0.2081
Consolidated County	47,348,842,945	<u>0.1452</u>	<u>0.0000</u>	<u>0.1452</u>	9,994,647	<u>0.1452</u>	<u>0.0000</u>	<u>0.1452</u>
Total		<u>5.0331</u>	<u>-0.0361</u>	<u>4.9970</u>		<u>4.9350</u>	<u>0.0361</u>	<u>4.9711</u>

New Rate                      4.9711                      1,947,552

Taxing District	2022 Rate	2022 CB
302	5.0331	1,971,844

Estimated Reduction of Circuit Breaker                      \$ 24,293

		% of <u>Dist Rate</u>
Marion County	\$ 2,315	9.53%
Franklin Township Civil	139	0.57%
Beech Grove School Normal	10,341	42.57%
Beech Grove School Referendum	-	0.00%
Marion County Library	677	2.79%
Beech Grove City	8,262	34.01%
Special Transportation	545	2.24%
Health & Hospital	1,186	4.88%
Consolidated County	<u>827</u>	<u>3.41%</u>
	<u>\$ 24,293</u>	<u>100.00%</u>

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

Circuit Breaker Impact:

	Property Tax	Other Tax (\$ .055/\$1)	Total Tax	Circuit Breaker	Total Impact
Marion County	\$ 2,619	\$ 144	\$ 2,763	\$ 2,315	\$ 5,077
Franklin Township Civil	-	-	-	139	139
Beech Grove School Normal	-	-	-	10,341	10,341
Beech Grove School Referendum	-	-	-	-	-
Marion County Library	-	-	-	677	677
Beech Grove City	-	-	-	8,262	8,262
Special Transportation	930	51	981	545	1,526
Health & Hospital	60	3	63	1,186	1,249
Consolidated County	<u>-</u>	<u>-</u>	<u>-</u>	<u>827</u>	<u>827</u>
Total	<u>\$ 3,608</u>	<u>\$ 198</u>	<u>\$ 3,807</u>	<u>\$ 24,293</u>	<u>\$ 28,099</u>

## TAX IMPACT: PERRY TOWNSHIP

Beech Grove Redevelopment Commission  
 Estimate of Tax Impact and Circuit Breaker  
 Revised May 3, 2023 {DRAFT}

Local Unit	2022 AV	2022 Rate	2022 Rate Driven Funds	2022 AV Driven Funds	2022 TIF AV	Rate with TIF AV	2022 Rate Driven Funds	New Rate W/ Driven Funds
Marion County	47,348,842,945	0.4063	-0.0262	0.3801	17,206,732	0.3800	0.0262	0.4062
Perry Township Civil	4,653,992,947	0.0096	0.0000	0.0096	17,206,732	0.0096	0.0000	0.0096
Beech Grove School Normal	516,727,803	1.8152	0.0000	1.8152	17,206,732	1.7548	0.0000	1.7548
Beech Grove School Referendum	543,487,906	0.7691	0.0000	0.7691	-	0.7691	0.0000	0.7691
Marion County Library	46,674,037,441	0.1189	0.0000	0.1189	17,206,732	0.1189	0.0000	0.1189
Beech Grove City	544,378,886	1.4502	0.0000	1.4502	17,206,732	1.4044	0.0000	1.4044
Special Transportation	44,835,465,754	0.0957	-0.0093	0.0864	17,206,732	0.0864	0.0093	0.0957
Health & Hospital	47,348,842,945	0.2081	-0.0006	0.2075	17,206,732	0.2074	0.0006	0.2080
Consolidated County	47,348,842,945	<u>0.1452</u>	<u>0.0000</u>	<u>0.1452</u>	17,206,732	<u>0.1451</u>	<u>0.0000</u>	<u>0.1451</u>
Total		<u>5.0183</u>	<u>-0.0361</u>	<u>4.9822</u>		<u>4.8755</u>	<u>0.0361</u>	<u>4.9116</u>

New Rate                      4.9116                      4,641,273

Taxing District	2022 Rate	2022 CB
502	5.0183	4,742,063

Estimated Reduction of Circuit Breaker                      \$ 100,791

		% of Dist Rate
Marion County	\$ 9,637	9.56%
Perry Township Civil	228	0.23%
Beech Grove School Normal	43,056	42.72%
Beech Grove School Referendum	-	0.00%
Marion County Library	2,820	2.80%
Beech Grove City	34,399	34.13%
Special Transportation	2,270	2.25%
Health & Hospital	4,936	4.90%
Consolidated County	<u>3,444</u>	<u>3.42%</u>
	<u>\$ 100,791</u>	<u>100.00%</u>

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

Circuit Breaker Impact:

	Property Tax	Other Tax (\$ .055/\$1)	Total Tax	Circuit Breaker	Total Impact
Marion County	\$ 4,508	\$ 248	\$ 4,756	\$ 9,637	\$ 14,394
Perry Township Civil	-	-	-	228	228
Beech Grove School Normal	-	-	-	43,056	43,056
Beech Grove School Referendum	-	-	-	-	-
Marion County Library	-	-	-	2,820	2,820
Beech Grove City	-	-	-	34,399	34,399
Special Transportation	1,600	88	1,688	2,270	3,958
Health & Hospital	103	6	109	4,936	5,045
Consolidated County	-	-	-	<u>3,444</u>	<u>3,444</u>
Total	<u>\$ 6,212</u>	<u>\$ 342</u>	<u>\$ 6,553</u>	<u>\$ 100,791</u>	<u>\$ 107,344</u>

## TAX IMPACT: WARREN TOWNSHIP

Beech Grove Redevelopment Commission  
 Estimate of Tax Impact and Circuit Breaker  
 Revised May 3, 2023 {DRAFT}

Local Unit	2022 AV	2022 Rate	2022 Rate Driven Funds	2022 AV Driven Funds	2022 TIF AV	Rate with TIF AV	2022 Rate Driven Funds	New Rate W/ Driven Funds
Marion County	47,348,842,945	0.4063	-0.0262	0.3801	1,725,331	0.3801	0.0262	0.4063
Warren Township Civil	4,107,675,625	0.0100	0.0000	0.0100	1,725,331	0.0100	0.0000	0.0100
Beech Grove School Normal	516,727,803	1.8152	0.0000	1.8152	1,725,331	1.8091	0.0000	1.8091
Beech Grove School Referendum	543,487,906	0.7691	0.0000	0.7691	-	0.7691	0.0000	0.7691
Marion County Library	46,674,037,441	0.1189	0.0000	0.1189	1,725,331	0.1189	0.0000	0.1189
Beech Grove City	544,378,886	1.4502	0.0000	1.4502	1,725,331	1.4456	0.0000	1.4456
Special Transportation	44,835,465,754	0.0957	-0.0093	0.0864	1,725,331	0.0864	0.0093	0.0957
Health & Hospital	47,348,842,945	0.2081	-0.0006	0.2075	1,725,331	0.2075	0.0006	0.2081
Consolidated County	47,348,842,945	<u>0.1452</u>	<u>0.0000</u>	<u>0.1452</u>	1,725,331	<u>0.1452</u>	<u>0.0000</u>	<u>0.1452</u>
Total		<u>5.0187</u>	<u>-0.0361</u>	<u>4.9826</u>		<u>4.9719</u>	<u>0.0361</u>	<u>5.0080</u>

New Rate                    5.0080                    24,757

Taxing District	2022 Rate	2022 CB
702	5.0187	24,810

Estimated Reduction of Circuit Breaker                    \$                    53

		% of Dist Rate
Marion County	\$                    5	9.56%
Warren Township Civil	0	0.24%
Beech Grove School Normal	23	42.71%
Beech Grove School Referendum	-	0.00%
Marion County Library	1	2.80%
Beech Grove City	18	34.13%
Special Transportation	1	2.25%
Health & Hospital	3	4.90%
Consolidated County	<u>2</u>	<u>3.42%</u>
	<u>\$                    53</u>	<u>100.00%</u>

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

Circuit Breaker Impact:

	Property Tax	Other Tax (\$0.055/\$1)	Total Tax	Circuit Breaker	Total Impact
Marion County	\$                    452	\$                    25	\$                    477	\$                    5	\$                    482
Warren Township Civil	-	-	-	0	0
Beech Grove School Normal	-	-	-	23	23
Beech Grove School Referendum	-	-	-	-	-
Marion County Library	-	-	-	1	1
Beech Grove City	-	-	-	18	18
Special Transportation	160	9	169	1	170
Health & Hospital	10	1	11	3	14
Consolidated County	-	-	-	<u>2</u>	<u>2</u>
Total	<u>\$                    623</u>	<u>\$                    34</u>	<u>\$                    657</u>	<u>\$                    53</u>	<u>\$                    710</u>

## TAX IMPACT: COMBINED

Beech Grove Redevelopment Commission  
 Estimate of Tax Impact and Circuit Breaker  
 Revised May 3, 2023 {DRAFT}

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

Circuit Breaker Impact:

	<u>Property Tax</u>	<u>Other Tax (\$ .055/\$1)</u>	<u>Total Tax</u>	<u>Circuit Breaker</u>	<u>Total Impact</u>
Marion County	\$ 7,922	\$ 436	\$ 8,358	\$ 12,345	\$ 20,703
Center Township Civil	-	-	-	53	53
Franklin Township Civil	-	-	-	139	139
Perry Township Civil	-	-	-	228	228
Warren Township Civil	-	-	-	0	0
Beech Grove School Normal	-	-	-	55,152	55,152
Beech Grove School Referendum	-	-	-	-	-
Marion County Library	-	-	-	3,613	3,613
Beech Grove City	-	-	-	44,062	44,062
Special Transportation	2,812	155	2,967	2,908	5,874
Health & Hospital	181	10	191	6,323	6,514
Consolidated County	-	-	-	4,412	4,412
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	\$ 10,916	\$ 600	\$ 11,516	\$ 129,234	\$ 140,750

## 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 does not return to the other taxing units in the taxing district.

This results from the majority of property taxes in the taxing units being “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 and Cumulative Funds for Special Taxing Districts. 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 2022.

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

Specifically, in looking at the Franklin Township example above, if ~\$9,994,647 of AV is released back into the tax base, then the estimated taxing district rate would fall from \$5.0331 to \$4.9711 which would be estimated to reduce circuit breaker loss by ~\$24,293 which would proportionately benefit the taxing units which make up the taxing district. ~\$2,315 to the County, ~\$139 to the Township, etc. 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 ~\$2,763 for the County, ~\$981 for Special Transportation, and ~\$63 for the Health & Hospital Fund.

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 revenue is ~\$773,682 and the estimated impact is \$140,750.