

Montgomery County Redevelopment Commission Annual Meeting

NOVEMBER 10, 2021

Agenda

WELCOME & OPENING REMARKS

MAKING CRAWFORDSVILLE/MONTGOMERY COUNTY OUR “HOME”

OVERVIEW OF WORK FOCUS AREAS:

THOROUGHFARE PLAN UPDATE

WATER INFRASTRUCTURE EXPANSION UPDATE

WASTEWATER INFRASTRUCTURE EXPANSION UPDATE

ECONOMIC DEVELOPMENT & COMMUNICATIONS PLANNING

RESIDENTIAL DEVELOPMENT EFFORTS

LAND DEVELOPMENT EFFORTS

CURRENT TIF BUDGET & IMPACT ON TAXING DISTRICTS

Q&A

Consultants – Full Time

- ▶ Jim Peck – County Engineer
- ▶ HWC Engineering
 - Full-Service Design Firm
 - Planning
- ▶ BCS Management
 - Project Management
- ▶ Peters Franklin LTD
 - Financial Management
- ▶ CRMorphew Consulting
 - Business Attraction Guidance
- ▶ Taylor, Chadd, Minnette, Schneider & Clutter
 - Ongoing Legal and General Advice

Collaboration / Specific Issues

- ▶ Ice Miller LLP
 - Legal Advice regarding Bonds and Ban Resolutions



Making Crawfordsville, Montgomery Co. Our “Home”

TONY SMALLWOOD
TEMPUR SEALY INTERNATIONAL

Why Crawfordsville / Montgomery County?



Why Crawfordsville / Montgomery County?

- Overall study of logistics and sales growth determined that the Midwest or mid-Atlantic region of the country would be the best location.
- After an extensive site search, we decided to partner with Crawfordsville
 - Good position within our Logistics network
 - Interstate proximity
 - Rail spur
 - And most importantly – The people of Crawfordsville and Montgomery County
- Wikipedia defines partnership as “an arrangement where parties, known as [business partners](#), agree to cooperate to advance their mutual interests.” The Crawfordsville and Montgomery County Team did a very thorough job as well of assuring that Tempur-Sealy would be a good long term fit in their community. Tempur-Sealy’s track record of strict environmental controls, zero landfill, renewable energy, state of the art equipment to drive safety and ergonomics, and the focus on the employees allows our company to be a great partner and neighbor.

Timeline of Events

- 9/30/21 – Groundbreaking
- 11/1/21 – Lease of 40,000 sq. ft. building on South Blvd. for a “state of the art” Recruiting and Training Center. Equipment installation to begin late November
- 11/29/21 – Introduction of new Plant Manager to Crawfordsville
- 3/29/22 – Grand opening of Recruiting and Training Center
- 4/18/22 – Begin training of employees at Recruiting and Training Center
- 8/8/22 – Equipment installation start at construction site
- 11/4/22 – Building complete and training begins
- 1/2/23 – Validation of product
- ~ 4/1/23 – Production launch

Current Progress



Current Construction





Overview of Work Focus Areas



Thoroughfare Plan, Water Infrastructure Expansion & Wastewater Infrastructure Expansion Projects Update

JIM PECK, COUNTY ENGINEER



Economic Development & Communications Planning

RON DICKERSON

Economic Development & Communications Planning

- To-date our planning efforts have:
 - ✓ Helped identify the key locations to focus economic development efforts
 - ✓ Provided a basis to support making land use decisions for the types of employers that the county wants to attract
 - ✓ Developed the appropriate strategies to bring infrastructure to key areas to support economic development activity
- This has positioned Montgomery County to market itself for residential and non-residential developments and take advantage of those opportunities when they come
- The new focus is on **communicating** the opportunity of Montgomery County and refining “sub area” plan opportunities around Comfort Dr. and the interchange to enhance ongoing marketing and outreach efforts. Supported by both Holladay’s efforts as well as the County’s Communication Plan.

Economic Development & Communications Planning

- With all of the moving pieces in and around the TIF district, and finite resources at your disposal, it is now critically important to develop a true consolidated Capital Improvement's Plan for the TIF that identifies the County's infrastructure priorities within the TIF area.
- With the Tempur Sealy deal now complete, it is a good time to reflect on how that process went, what lessons are to be learned, and how the County can best position itself to secure the next project that comes to the area.



Residential Development & Land Development Efforts

JOHN FREY



Current TIF Budget & Impact on Taxing Districts

JEFF PETERS
PETERS FRANKLIN LTD



2021 Montgomery County Redevelopment Commission Annual Presentation

IC 36-7-25-8: 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.

Summary

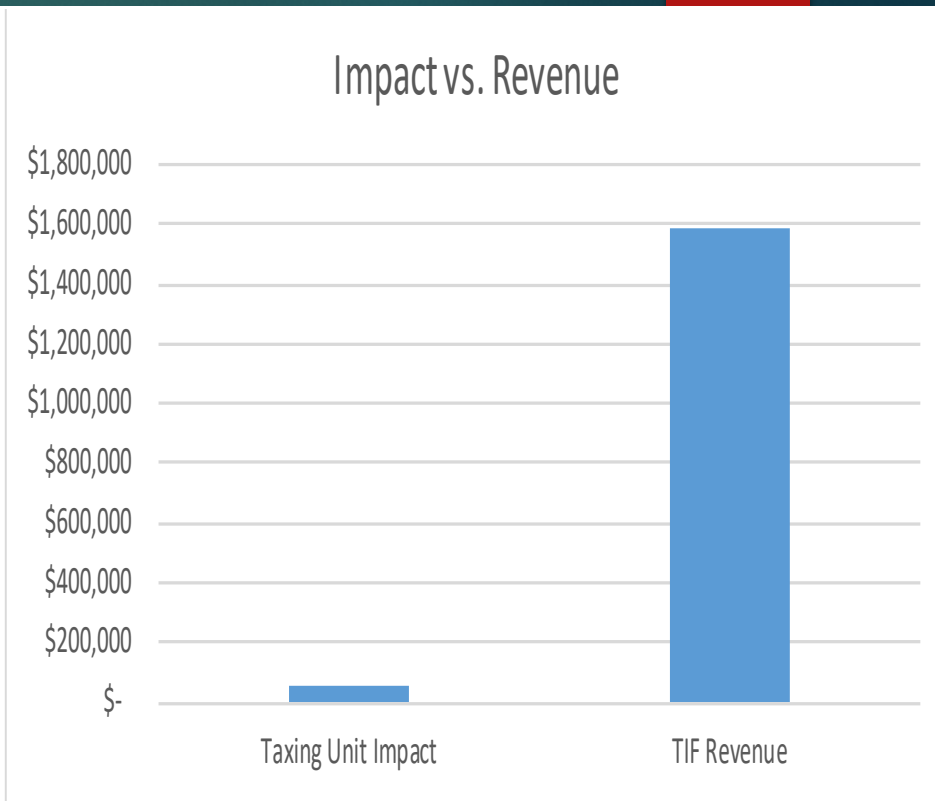
- 1) The commission's budget can be seen on Page 3 and consumes most of the allocated property tax proceeds anticipated through 2024. The budget includes consulting services for engineering, legal, financial, marketing, debt service on bonds and notes, and any other consulting which assists the RDC in fulfilling its functions and plans. The 2022 budget is \$1,420,000.
- 2) The long-term plans for the allocation area include providing incentives and infrastructure needed to attract investment to fully develop the allocation area. The commission has undertaken funding to establish and expand sewer service and to expand water service. Some of the debt service funding this infrastructure is scheduled to continue throughout the life of the allocation area. As additional development and tax increment revenue occur, new infrastructure investment, such as sewer plant expansion, is expected in order to perpetuate further development.

Summary



- 3) The impact on each taxing unit, and the calculation thereof, is shown on Pages 4 – 6. In summary the tax and circuit breaker impact and its comparison to revenue follow.

Local <u>Unit</u>	Circuit <u>Breaker</u>	<u>Tax</u>	Total <u>Impact</u>
Montgomery County	\$ 619	\$ 34,984	\$ 35,603
Franklin Township	0	330	331
Walnut Township	0	36	36
Union Township	96	22,510	22,606
Darlington Public Library	0	-	0
Crawfordsville Public Library	188	-	188
North Montgomery School	4	-	4
South Montgomery School	1,266	-	1,266
Total	\$ 2,173	\$ 57,861	\$ 60,034



- 4) A common misconception is that if the TIF goes away, then all the TIF revenue flows back to the other local units of government. This is not the case. The most important take away is that for a very small annual tax and circuit breaker impact to the local taxing units (\$60,034) the community annually harvests (\$1,589,310) which has provided for the investment of tens of millions of dollars in infrastructure which should lead to substantial assessed value growth both inside and outside the allocation area.

Montgomery County Redevelopment Commission
Financial Management Report
Budget & Fund Balance
Revised As Of October 28, 2021 (DRAFT)

	Actual <u>2018</u>	Actual <u>2019</u>	Actual <u>2020</u>	BUDGET <u>2021</u>	PROJECTED <u>2022</u>	PROJECTED <u>2023</u>	PROJECTED <u>2024</u>
BEGINNING CASH BALANCE	\$ 1,144,646	\$ 1,856,467	\$ 2,020,334	\$ 1,838,394	\$ 501,685	\$ 1,625,650	\$ 1,989,497
(Less Encumbrances)	-	-	-	(107,035)	(56,605)	-	-
BEGINNING FUND BALANCE	1,144,646	1,856,467	2,020,334	1,731,359	445,080	1,625,650	1,989,497
REVENUES:							
General Property Tax	1,495,838	1,180,347	1,482,017	1,589,310	1,460,749	1,460,749	1,460,749
Miscellaneous Receipts	4,271	-	-	-	-	-	-
Interest	1,884	-	-	-	-	-	-
Reimbursement	-	-	-	-	954,218	-	-
Other / Proceeds Transfer to Debt Service	-	-	-	-	185,603	-	-
TOTAL REVENUES	1,501,993	1,180,347	1,482,017	1,589,310	2,600,570	1,460,749	1,460,749
EXPENDITURES:							
CRMorphew / Other	66,000	78,000	79,255	72,000	72,000	72,000	72,000
Peters Franklin	16,600	29,537	15,317	25,000	25,000	25,000	25,000
Taylor, Chadd, Minnette	11,247	11,067	6,120	15,000	15,000	15,000	15,000
HWC Engineering	79,703	71,220	33,559	72,000	72,000	72,000	72,000
Other Consulting	167	6,927	457,648	10,000	10,000	10,000	10,000
Other Consulting	-	-	-	31,000	31,000	31,000	31,000
Debt Service 2017 Bonds	567,144	566,203	564,536	567,565	565,136	562,403	564,288
Debt Service 2018 (Sewer \$5,540,000)	-	-	218,573	45,422	275,500	309,500	325,000
Debt Service 2018 (Water \$2,125,000)	47,813	76,500	76,500	76,500	-	-	-
Capital Outlays	-	-	-	-	150,000	-	-
Other Services & Charges	1,500	177,026	212,448	610,513	204,364	-	-
Total	790,172	1,016,480	1,663,958	1,525,000	1,420,000	1,096,903	1,114,288
Additional Appropriations	-	-	-	1,460,000	-	-	-
(Unused) / Overspent Appropriations	-	-	-	(109,411)	-	-	-
TOTAL EXPENDITURES	790,172	1,016,480	1,663,958	2,875,589	1,420,000	1,096,903	1,114,288
NET INCREASE (DECREASE) IN FUND	711,821	163,868	(181,941)	(1,286,278)	1,180,570	363,847	346,462
ENDING FUND BALANCE	\$ 1,856,467	\$ 2,020,334	\$ 1,731,359	\$ 445,080	\$ 1,625,650	\$ 1,989,497	\$ 2,335,958

Montgomery County Redevelopment Commission
Annual Presentation to Overlapping Taxing Units
Property Tax Rate Impact
Revised October 28, 2021 (DRAFT)

Taxing District 014

Local Unit	2021 AV	2021 Rate	2021 Rate Driven Funds	2021 AV Driven Funds	Potential TIF AV	Rate with New AV	2021 Rate Driven Funds	New Rate W/ Driven Funds
Montgomery County	2,185,247,905	0.4656	-0.0333	0.4323	967,035	0.4321	0.0333	0.4654
Franklin Township	103,819,232	0.0200	0.0000	0.0200	967,035	0.0198	0.0000	0.0198
Franklin Township Fire	154,470,174	0.0911	-0.0316	0.0595	967,035	0.0591	0.0316	0.0907
Darlington Public Library	103,819,232	0.0795	0.0000	0.0795	967,035	0.0788	0.0000	0.0788
North Montgomery School	845,107,399	<u>0.9391</u>	<u>0.0000</u>	<u>0.9391</u>	967,035	<u>0.9380</u>	<u>0.0000</u>	<u>0.9380</u>
Total		<u>1.5953</u>	<u>-0.0649</u>	<u>1.5304</u>		<u>1.5278</u>	<u>0.0649</u>	<u>1.5927</u>

Taxing District 032

Local Unit	2021 AV	2021 Rate	2021 Rate Driven Funds	2021 AV Driven Funds	Potential TIF AV	Rate with New AV	2021 Rate Driven Funds	New Rate W/ Driven Funds
Montgomery County	2,185,247,905	0.4656	-0.0333	0.4323	258,654	0.4322	0.0333	0.4655
Walnut Township	83,167,138	0.0223	0.0000	0.0223	258,654	0.0222	0.0000	0.0222
Walnut Township Fire	76,808,846	0.0388	-0.0130	0.0258	258,654	0.0257	0.0130	0.0387
South Montgomery School	867,897,427	<u>0.9551</u>	<u>0.0000</u>	<u>0.9551</u>	258,654	<u>0.9548</u>	<u>0.0000</u>	<u>0.9548</u>
Total		<u>1.4818</u>	<u>-0.0463</u>	<u>1.4355</u>		<u>1.4350</u>	<u>0.0463</u>	<u>1.4813</u>

Taxing District 024

Local Unit	2021 AV	2021 Rate	2021 Rate Driven Funds	2021 AV Driven Funds	Potential TIF AV	Rate with New AV	2021 Rate Driven Funds	New Rate W/ Driven Funds
Montgomery County	2,185,247,905	0.4656	-0.0333	0.4323	144,556	0.4323	0.0333	0.4656
Union Township	1,345,150,118	0.0253	0.0000	0.0253	144,556	0.0253	0.0000	0.0253
Union Township Fire	676,821,182	0.0468	-0.0217	0.0251	144,556	0.0251	0.0217	0.0468
Crawfordsville Public Library	1,345,150,118	0.1420	0.0000	0.1420	144,556	0.1420	0.0000	0.1420
North Montgomery School	845,107,399	<u>0.9391</u>	<u>0.0000</u>	<u>0.9391</u>	144,556	<u>0.9389</u>	<u>0.0000</u>	<u>0.9389</u>
Total		<u>1.6188</u>	<u>-0.0550</u>	<u>1.5638</u>		<u>1.5636</u>	<u>0.0550</u>	<u>1.6186</u>

Taxing District 025

Local Unit	2021 AV	2021 Rate	2021 Rate Driven Funds	2021 AV Driven Funds	Potential TIF AV	Rate with New AV	2021 Rate Driven Funds	New Rate W/ Driven Funds
Montgomery County	2,185,247,905	0.4656	-0.0333	0.4323	95,815,074	0.4133	0.0333	0.4466
Union Township	1,345,150,118	0.0253	0.0000	0.0253	95,815,074	0.0235	0.0000	0.0235
Union Township Fire	676,821,182	0.0468	-0.0217	0.0251	95,815,074	0.0215	0.0217	0.0432
Crawfordsville Public Library	1,345,150,118	0.1420	0.0000	0.1420	95,815,074	0.1319	0.0000	0.1319
South Montgomery School	867,897,427	<u>0.9551</u>	<u>0.0000</u>	<u>0.9551</u>	95,815,074	<u>0.8497</u>	<u>0.0000</u>	<u>0.8497</u>
Total		<u>1.6348</u>	<u>-0.0550</u>	<u>1.5798</u>		<u>1.4399</u>	<u>0.0550</u>	<u>1.4949</u>

Montgomery County Redevelopment Commission
Annual Presentation to Overlapping Taxing Units
Circuit Breaker Impact
Revised October 28, 2021 (DRAFT)

Taxing District 014

New Rate 1.5927 2,383

2021 Rate CB
 1.5953 2,387

Estimated
Change In
Circuit Breaker

\$	4
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		% of <u>Dist Rate</u>
Montgomery County	\$ 1	29.19%
Franklin Township	0	1.25%
Franklin Township Fire	0	5.71%
Darlington Public Library	0	4.98%
North Montgomery School	<u>2</u>	<u>58.87%</u>
	<u>\$ 4</u>	<u>100.00%</u>

Taxing District 032

New Rate 1.4813 3,582

2021 Rate CB
 1.4818 3,583

Estimated
Change In
Circuit Breaker

\$	1
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		% of <u>Dist Rate</u>
Montgomery County	\$ 0	31.42%
Walnut Township	0	1.50%
Walnut Township Fire	0	2.62%
South Montgomery School	<u>1</u>	<u>64.46%</u>
	<u>\$ 1</u>	<u>100.00%</u>

Taxing District 024

New Rate 1.6186 20,193

2021 Rate CB
 1.6188 20,195

Estimated
Change In
Circuit Breaker

\$	3
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		% of <u>Dist Rate</u>
Montgomery County	\$ 1	28.76%
Union Township	0	1.56%
Union Township Fire	0	2.89%
Crawfordsville Public Library	0	8.77%
North Montgomery School	<u>2</u>	<u>58.01%</u>
	<u>\$ 3</u>	<u>100.00%</u>

Taxing District 025

New Rate 1.4949 23,147

2021 Rate CB
 1.6348 25,313

Estimated
Change In
Circuit Breaker

\$	2,166
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		% of <u>Dist Rate</u>
Montgomery County	\$ 617	28.48%
Union Township	34	1.55%
Union Township Fire	62	2.86%
Crawfordsville Public Library	188	8.69%
South Montgomery School	<u>1,265</u>	<u>58.42%</u>
	<u>\$ 2,166</u>	<u>100.00%</u>

Montgomery County Redevelopment Commission
Annual Presentation to Overlapping Taxing Units
Tax Impact
Revised October 28, 2021 (DRAFT)

Taxing District 014

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

	<u>Property Tax</u>	<u>Other Tax (\$.081/\$1)</u>	<u>Total Tax</u>
Montgomery County	322	26	348
Franklin Township	-	-	-
Franklin Township Fire	306	25	330
Darlington Public Library	-	-	-
North Montgomery School	-	-	-
Total	<u>628</u>	<u>51</u>	<u>678</u>

Taxing District 032

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

	<u>Property Tax</u>	<u>Other Tax (\$.081/\$1)</u>	<u>Total Tax</u>
Montgomery County	86	7	93
Walnut Township	-	-	-
Walnut Township Fire	34	3	36
South Montgomery School	-	-	-
Total	<u>120</u>	<u>10</u>	<u>129</u>

Taxing District 024

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

	<u>Property Tax</u>	<u>Other Tax (\$.081/\$1)</u>	<u>Total Tax</u>
Montgomery County	48	4	52
Union Township	-	-	-
Union Township Fire	31	3	34
Crawfordsville Public Library	-	-	-
North Montgomery School	-	-	-
Total	<u>80</u>	<u>6</u>	<u>86</u>

Taxing District 025

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

	<u>Property Tax</u>	<u>Other Tax (\$.081/\$1)</u>	<u>Total Tax</u>
Montgomery County	31,906	2,584	34,491
Union Township	-	-	-
Union Township Fire	20,792	1,684	22,476
Crawfordsville Public Library	-	-	-
South Montgomery School	-	-	-
Total	<u>52,698</u>	<u>4,269</u>	<u>56,967</u>

Comments & Notes

- ▶ The RDC maintains a current budget document which quarterly looks at the current year budget to actual and also extends through 2024. Typically, the largest expenditures in the budget are for debt service payments on the bonds outstanding. However, for 2021, there is significant budget allocated to fleshing out infrastructure for the Tempur Sealy manufacturing plant and the surrounding areas. The future budgets also include debt service payments. The payments for the sewer extension project include principal and interest which is scheduled to continue through the life of the allocation area. The extension of the sewer collection system may necessitate an expansion of the sewage treatment plant which may require the expenditure of cash reserves and or another bond issuance with repayment throughout the remaining life of the allocation area. The water extension project was funded through a Bond Anticipation Note or BAN in which interest only was scheduled to be paid. The BAN was paid off with cash on hand, during 2021.

Comments & Notes

- ▶ The projects previously undertaken by the RDC support various commercial properties which contribute to the funding of the RDC. For pay 2021, the RDC is expected to have ~97,185,319 in assessed value designated as increment. The vast majority of that assessed value resides in taxing district 025 which impacts Montgomery County, Union Township, South Montgomery Schools and the Crawfordsville Library (see page 4). If the TIF were to expire with the current pay 2021 incremental assessed value, then that assessed value would fall back to the tax base. That increase in assessed value to the tax base would reduce some property tax rates (see page 4) which would in turn lower circuit breaker impacts (see page 5) and drive up the net collection of property tax. Other property tax rates could remain the same as they are statutorily regulated by rate and if those rates remained at their current levels, then tax revenue would increase (see page 6). Pages 4 – 6 show our estimated impacts of the incremental AV returning to the tax base.



Questions & Wrap-up

RON DICKERSON