

PLYMOUTH REDEVELOPMENT COMMISSION

May 19, 2020

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The Plymouth Redevelopment Commission met in regular session at 5:30 p.m., Tuesday, May 19, 2020, in the Council Chambers of the City Building at 124 North Michigan Street, Plymouth, Indiana.

As allowed by Governor Holcomb’s Executive Order #20-04 and 20-09, Commissioners were able to attend the meeting virtually. President Mike Miley called the meeting to order for Commissioners Billy Ellinger, Nancy Felde, and Craig Hopple. Mayor Mark Senter, City Attorney Sean Surrisi, City Engineer Rick Gaul, and Clerk-Treasurer Jeanine Xaver were also in attendance. Commissioners Tom Pedavoli and Melissa Christiansen were absent.

Commissioners Ellinger and Felde moved and seconded to approve the minutes of the regular session of April 21, 2020 and special session of April 27, 2020. The motion carried.

The following legal notice was advertised in the Pilots Newspaper on May 9, 2020:

NOTICE OF ADOPTION OF A DECLARATORY RESOLUTION OF THE PLYMOUTH REDEVELOPMENT COMMISSION AND OF A PUBLIC HEARING WITH RESPECT THERETO

Notice is hereby given that the Plymouth Redevelopment Commission (the "Commission") adopted a Declaratory Resolution on March 17, 2020 (the "Declaratory Resolution"), which amended the economic development area, the economic development plan, and the allocation area for The US 30/Pine Road Economic Development Area ("TIF #3"), and added to the specific list of projects for TIF #3 support for Marshall County Economic Development Corporation's construction of one or more industrial manufacturing centers for new business attraction, through participation in a lease of said facilities. Notice is hereby given that the Commission will conduct a public hearing on May 19, 2020, at 5:30 p.m., local time, at the Council Chambers, 124 N. Michigan Street (Garro Street Entrance, Second Floor), Plymouth, Indiana 46563, 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 and the determinations in the Declaratory Resolution. A map of the economic development area has been prepared and, along with the Final Confirmatory Resolution and the plan, can be inspected at the Clerk-Treasurer's Office, 124 N. Michigan Street, Plymouth, Indiana 46563.

Dated this 5th day of May, 2020
PLYMOUTH REDEVELOPMENT COMMISSION
May 9, 2020 PM312319 RECEIVED

Commissioners Felde and Ellinger moved and seconded to open the public hearing to receive and hear remonstrances and objections from all persons interested in or affected by the proposed projects and proceedings pertaining to amending the economic development area, the economic development plan, and the allocation area for the US 30 / Pine Road Economic Development Area (TIF #3) and added to the specific list of projects for TIF #3 support for Marshall County Economic Development Corporation’s construction of one or more industrial manufacturing centers for new business attraction, through participation in a lease of said facilities. The motion carried.

City Attorney Surrisi discussed the process for adding this area and project to TIF #3. Heidi Amspaugh of Baker Tilly prepared a tax impact statement, as required by the bonds currently in place for the Aquatic Center.

Amspaugh attended the meeting virtually and presented the following information for the board:

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PLYMOUTH (INDIANA) REDEVELOPMENT COMMISSION

STATEMENT DISCLOSING THE IMPACT OF AMENDING THE US 30/PINE ROAD ECONOMIC DEVELOPMENT PLAN AND EXPANDING THE EXISTING AREA AND EXISTING ALLOCATION AREA ON THE OVERLAPPING TAXING UNITS

The Plymouth Redevelopment Commission (the "Commission") is required by Indiana Code 36-7-14 as amended (the "Act"), to provide a statement disclosing the impact of amending a tax allocation area on the overlapping taxing units. This impact statement discloses and explains the impact on the overlapping taxing units caused by amending the allocation area and capturing Tax Increment (as hereinafter defined).

AMENDMENT OF THE AREA, ALLOCATION AREA AND THE ECONOMIC DEVELOPMENT PLAN

On February 23, 2004, the Commission adopted a declaratory resolution (the "Original Declaratory Resolution") establishing the US 30/Pine Road Economic Development Area (the "Original Area"), a coterminous allocation area the US 30/Pine Road Allocation Area (the "Original Allocation Area"), both commonly referred to now as TIF #3, and approved an Economic Development Plan (the "Original Plan").

The Original Declaratory Resolution has been amended several times and as amended is referenced to throughout as (the "Declaratory Resolution") along with the Original Plan amendments (the "Economic Development Plan"). The Original Area and Original Allocation Area have been amended and as amended are referenced to throughout as (the "Existing Area") and (the "Existing Allocation Area").

On March 17, 2020, the Commission amended the Declaratory Resolution (the "Amending Resolution") to (1) add parcel 50-42-31-301-005.000-019, which is located outside the Existing Area, to the Existing Area (the "Expansion Area" and, together with the Existing Area, the "Area") and to the Existing Allocation Area (the "Expansion Allocation Area" and, together with the Existing Allocation Area, the "Allocation Area") and (2) amend the Economic Development Plan (the "Amended Economic Development Plan") to add a specific list of projects to support Marshall County Economic Development Corporation's construction of an industrial manufacturing center for new business attraction, through participation in a lease of said facilities (collectively, the "Amendments").

The Amending Resolution allows for the capture of incremental real property assessed value from growth within the Expansion Allocation Area. Tax Increment consists of all property tax proceeds from the assessed valuation of non-residential real and depreciable personal property in the Allocation Area as of the assessment date in excess of the base assessed valuation described in Section 39(b)(1) of the Act, multiplied by the current property tax rate, excluding any rate established by referendum (referred to throughout as the "Tax Increment"). The base assessed value means the net assessed value of all property in the allocation Area as finally determined for the assessment date immediately preceding the effective date of the declaratory resolution establishing the allocation area pursuant to Section 39 of Indiana Code 36-7-14. The base assessment date for the Expansion Allocation Area is January 1, 2020. The Expansion Allocation Area shall expire no later than 25 years after the date on which the first obligation is incurred to pay principal and interest on bonds or leases payable from Tax Increment generated in the Expansion Allocation Area. The Expansion Allocation Area is located in the City of Plymouth – Center Township taxing district.

In the Amending Resolution, the Commission finds that the Amendments promote significant opportunities for the gainful employment of the citizens of the City of Plymouth (the "City"), attracts a major new business enterprise to the City, retains or expands a significant business enterprise in the boundaries of the City, or meets other purposes of the Act. Specifically, the construction of an industrial manufacturing center within the Area by Marshall County Economic Development Corporation presents an opportunity to attract new business to the community, bringing many new jobs with it.

The Commission finds that the Amendment cannot be achieved by regulatory processes or by the ordinary operation of private enterprise without resort to the powers allowed under the Act. The Commission further finds that the Amended Economic Development Plan conforms to other development and redevelopment plans for the City and is reasonable and appropriate when considered in relation to the Area's Original Plan. The expansion of the Existing Allocation Area will result in new property taxes that would not have been generated but for the adoption of the allocation provision.

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STATEMENT DISCLOSING THE IMPACT OF AMENDING THE US 30/PINE ROAD ECONOMIC DEVELOPMENT PLAN AND EXPANDING THE EXISTING AREA AND EXISTING ALLOCATION AREA ON THE OVERLAPPING TAXING UNITS

PROJECT SUMMARY

Marshall County Economic Development Commission is proposing to build approximately a 50,000 square foot manufacturing facility located at 2840 Jim Neu Drive in the City of Plymouth – Center Township taxing district with an initial investment of approximately \$2,000,000 in real property improvements (the "New Development").

ESTIMATED TAX INCREMENT

The Commission intends to capture the real property Tax Increment from the New Development in the Allocation Area. For purposes of this impact analysis, the estimated real property Tax Increment from the New Development is based on an estimated real property incremental assessed value of \$2,000,000 in the City of Plymouth - Center Township taxing district. The estimated incremental real property assessed value from the New Development is multiplied by the certified 2020 tax rate of \$3.4728 (per \$100 of assessed value) for the City of Plymouth - Center Township taxing district to generate annual real property Tax Increment of \$60,000, after the application of the Circuit Breaker Tax Credits.

The actual assessed value of the New Development and other future development will be determined by the Marshall County Assessor upon completion. No adjustment for future statewide reassessments or trending was made in this analysis. Future tax rates and assessed value may differ from the tax rates and assessed value used in this illustrative analysis, and the differences could have a material impact on the actual Tax Increment but should not significantly change the impact of amending the Area on the overlapping taxing units. See the sections below for additional information about the Circuit Breaker Tax Credit as it relates to property tax changes.

The calculation of Tax Increment may not include a tax rate that is imposed as a result of a referendum passed after 2009. Currently, no post-2009 referendum tax rates are in place in the City of Plymouth – Center Township taxing district. Assuming no change in law, any future referendum-approved tax rates will not be included in the calculation of Tax Increment in the Allocation Area. The incremental assessed value that will result from the New Development or any additional future development will be included in the tax base of the applicable taxing unit for the purposes of calculating the property tax levy associated with a referendum-approved tax rate.

Circuit Breaker Tax Credits (Property Tax Caps)

Article 10, Section 1 of the Constitution of the State of Indiana (the "Constitutional Provision") provides that, for property taxes first due and payable in 2012 and thereafter, the Indiana General Assembly shall, by law, limit a taxpayer's property tax liability to a specified percentage of the gross assessed value of the taxpayer's real and personal property. Indiana Code § 6-1.1-20.6 (the "Statute") authorizes such limits in the form of a tax credit for all property taxes in an amount that exceeds the gross assessed value of real and personal property eligible for the credit (the "Circuit Breaker Tax Credit"). For property assessed as a homestead (as defined in Indiana Code § 6-1.1-12-37), the Circuit Breaker Tax Credit is equal to the amount by which the property taxes attributable to the homestead exceed 1% of the gross assessed value of the homestead. Property taxes attributable to the gross assessed value of other residential property, agricultural property, and long-term care facilities are limited to 2% of the gross assessed value, property taxes attributable to other non-residential real property and personal property are limited to 3% of the gross assessed value. The Statute provides additional property tax limits for property taxes paid by certain senior citizens.

If applicable, the Circuit Breaker Tax Credit will result in a reduction of property tax collections for each political subdivision in which the Circuit Breaker Tax Credit is applied. Political subdivisions may not increase their property tax levy or borrow money to make up for any property tax revenue shortfall due to the application of the Circuit Breaker Tax Credit.

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Circuit Breaker Tax Credits (Property Tax Caps) (Cont'd)

The Constitutional Provision excludes from the application of the Circuit Breaker Tax Credit property taxes first due and payable in 2012, and thereafter, that are imposed after being approved by the voters in a referendum. The Statute codifies this exception, providing that, with respect to property taxes first due and payable in 2012 and thereafter, property taxes imposed after being approved by the voters in a referendum will not be considered for purposes of calculating the limits to property tax liability under the provisions of the Statute.

In this analysis, the Circuit Breaker Tax Credit is estimated to reduce the total Tax Increment for the Allocation Area, due to the fact that the estimated Tax Increment, based on the certified pay 2020 tax rates, is above the maximum threshold of 3.0% of the gross assessed value for commercial property for the City of Plymouth - Center Township taxing district. There can be no assurance that the levies and tax rates of the City and the overlapping taxing units will not increase in some future year to cause the Circuit Breaker Tax Credit to be further applied to taxpayers' tax bills.

ESTIMATED IMPACT OF AMENDING THE US 30/PINE ROAD ECONOMIC DEVELOPMENT PLAN AND EXPANDING THE EXISTING AREA AND EXISTING ALLOCATION AREA ON THE OVERLAPPING TAXING UNITS

The schedule entitled "Estimated Impact of Amending the US 30/Pine Road Economic Development Plan and Expanding the Existing Area and Existing Allocation Area on the Overlapping Taxing Units" provides an estimate of the effect on the tax rates of the overlapping taxing units (*holding all other factors constant*) of amending the allocation area provision to capture incremental real and depreciable personal property assessed value from the New Development in the Allocation Area.

Scenario I: Present Situation (Prior to Expanding the Existing Area and Existing Allocation Area)

Scenario I represents the current situation (based on payable 2020 property tax information) prior to the expansion of the Existing Area and Existing Allocation Area. Scenario I presents the payable 2020 assessed values, property tax levies, and tax rates for the overlapping taxing units in the City of Plymouth - Center Township taxing district.

Scenario II: Assumes the Existing Area and Existing Allocation Area are Expanded

Scenario II depicts the impact on the overlapping taxing units (*holding all other factors constant*) if the Existing Area and Existing Allocation Area are expanded and assumes that the estimated \$2,000,000 of incremental assessed value from the New Development is captured. The illustrative incremental assessed value from the New Development is estimated to generate approximately \$60,000 of annual Tax Increment in the Allocation Area (after application of Circuit Breaker Tax Credits).

Scenario III: Assumes the Existing Area and Existing Allocation Area are NOT Expanded

Scenario III represents the impact on the overlapping taxing units if the Existing Area and Existing Allocation Area are not expanded and therefore, assumes the Project cannot be funded and the New Development does not occur.

Impact Summary

The Commission finds that the expansion of the Existing Area and Existing Allocation Area will result in new property taxes that would not have been generated without this new allocation provision. Without the expansion of the Existing Area and Existing Allocation Area, the Commission lacks the ability to provide incentives to attract private investment to the Area. The Project cannot be funded by the regulatory processes or by the ordinary operations of private enterprise without resort to the powers of the Commission under the Act because of the lack of local public improvements. Neither the Commission nor the City has the financial capacity to fund the Project.

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Impact Summary (Cont'd)

The City does not have any other method of financing the Project (with the underlying assumption that the City would not issue bonds payable from property taxes or from another source of funding, without the prospect of replacing some or all of that source with Tax Increment). Therefore, by expanding the Existing Area and Existing Allocation Area and capturing Tax Increment in the Expansion Area, the Commission believes that there is not an impact on the taxpayers or the overlapping taxing units and the Commission would not be able to fund the Project as described in the Plan without the need to rely upon other City funds. During the period of the Tax Increment capture, the tax base of the overlapping taxing units would remain the same (holding other factors constant). After the expiration of the Allocation Area, the additional assessed value will increase the property tax base of all the overlapping taxing units.

Please note that for purposes of estimating the impact of Tax Increment financing, certain factors were held constant in this analysis. No other growth in assessed value was assumed to take place anywhere in the City or within the Allocation Area. No increases in the budgets of the overlapping taxing units were assumed for purposes of this analysis. Potential impacts from future statewide reassessments or trending were not included in this analysis.

NON-PROPERTY TAX IMPACTS

Additional local income taxes could potentially be generated from any new jobs associated with the New Development, assuming new employees will be new residents of Marshall County or from incremental growth in wages and income of current and new employees. Increases in employees and wages, would, in turn, increase local spending and commercial activity. Additional revenue sources, which would potentially increase as a result of new business enterprises which locate in the Allocation Area include food and beverage revenues, motor vehicle highway funds, local road and street funds and excise taxes.

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ESTIMATED IMPACT OF AMENDING THE US 30/PINE ROAD ECONOMIC DEVELOPMENT PLAN AND EXPANDING THE SORTING AREA AND EXISTING ALLOCATION AREA ON THE OVERLAPPING TAXING UNITS(1)

City of Plymouth - Center Township Taxing District	Tax Rate	Net Assessed Value of Taxing Unit	Estimated Property Tax Levy
SCENARIO 1: PRESENT SITUATION			
Represents 2019 taxes payable 2020 property tax levies, assessed valuation, and tax rates.			
Marshall County	0.3323	\$2,617,084,737	\$8,879,769
Marshall County Cumulative Fund (2)	0.0323	2,617,084,737	845,318
Center Township	0.0167	654,571,737	70,039
Plymouth Civil City	1.7479	395,019,065	6,904,537
Plymouth Civil City Cumulative Fund (2)	0.0485	395,019,065	191,584
Plymouth Community School Corporation	1.1280	687,532,858	7,765,771
Plymouth Public Library	0.1530	687,532,858	1,057,125
Marshall County Solid Waste Management	0.0131	2,617,084,737	342,838
Total Tax Rate (per \$100 AV)	33.4728		

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SCENARIO II: ASSUMES THE EXISTING AREA AND EXISTING ALLOCATION AREA ARE EXPANDED
Assumes the Existing Area and Existing Allocation Area are expanded and the incremental assessed value from the New Development is captured.

				Rate	Levy
				Difference From Scenario I	Difference From Scenario I
Marshall County	\$0.3393	\$2,617,084,737	\$8,879,769	\$0.0000	\$0
Marshall County Cumulative Fund (2)	0.0323	2,617,084,737	845,318	0.0000	0
Center Township	0.0107	654,571,737	70,039	0.0000	0
Plymouth Civil City	1.7479	395,019,065	6,904,537	0.0000	0
Plymouth Civil City Cumulative Fund (2)	0.0485	395,019,065	191,564	0.0000	0
Plymouth Community School Corporation	1.1280	687,532,858	9,785,771	0.0000	0
Plymouth Public Library	0.1530	687,532,858	1,327,325	0.0000	0
Marshall County Solid Waste Management	0.0131	2,617,084,737	342,838	0.0000	0
Total Tax Rate (per \$100 AV)	\$3.4728			\$0.0000	\$0

	Net Tax Rate	Incremental Assessed Value	Gross Incremental	Circuit Breaker (2)	Net Incremental
TIF Allocation Fund					
Illustrative New Development - Real Property	\$3.4728	\$2,600,000	\$89,458	(\$0,458)	\$89,000

SCENARIO III: ASSUMES THE EXISTING AREA AND EXISTING ALLOCATION AREA ARE NOT EXPANDED
Assumes the Existing Area and Existing Allocation Area are not expanded and therefore, the New Development does not occur.

				Rate	Levy
				Difference From Scenario I	Difference From Scenario I
Marshall County	\$0.3393	\$2,617,084,737	\$8,879,769	\$0.0000	\$0
Marshall County Cumulative Fund (2)	0.0323	2,617,084,737	845,318	0.0000	0
Center Township	0.0107	654,571,737	70,039	0.0000	0
Plymouth Civil City	1.7479	395,019,065	6,904,537	0.0000	0
Plymouth Civil City Cumulative Fund (2)	0.0485	395,019,065	191,564	0.0000	0
Plymouth Community School Corporation	1.1280	687,532,858	9,785,771	0.0000	0
Plymouth Public Library	0.1530	687,532,858	1,327,325	0.0000	0
Marshall County Solid Waste Management	0.0131	2,617,084,737	342,838	0.0000	0
Total Tax Rate (per \$100 AV)	\$3.4728			\$0.0000	\$0

(1) Based on information provided from the 2020 Budget Order.
 (2) Tax rates are not adjusted for rate-driven funds. Assumes these funds are at their maximum rates.
 (3) Commercial/Industrial parcels are limited to 3% of the gross assessed value.

Amspaugh summarized by saying that there will be no tax impact to the overlapping taxing unit with the addition of this parcel to the TIF district.

There were no comments from the commissioners nor the public. City Attorney Surrisi added that he feels this a perfect example for the public to see that this has no impact on the overlapping taxing units because the parcel was previously held by the county and did not generate any of the taxes that will now come from the development.

Commissioners Ellinger and Hopple moved and seconded to close the public hearing. The motion carried.

**TIF #1
Update on Hoham Drive Reconstruction Project**

City Engineer Gaul provided an update on this project. He said the property acquisition phase has started and noted that the underground detention basin will be in the front of the property out by the street. Storm water will run close to the street, into the underground basin, and go through a single pipe out to the ditch. The original construction estimate was \$150,000. The project is potentially eligible for the 80% / 20% split with the state, but written confirmation is pending. Due

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to the changes in the underground water detention area, the project is looking at increased design fees.

Gaul requested the commission's approval to obtain an updated cost including the increase in design fees, obtain a more accurate estimate on construction fees, and coordinate with INDOT so that he can present documents to the commission at the June 2020 meeting.

Commissioners Felde and Ellinger moved and seconded to allow Gaul to move forward with updated estimates.

Update on Pioneer Drive Reconstruction Project

City Engineer Gaul updated the commission members on the Pioneer Drive Project. He said Street Superintendent Marquardt was consulted regarding the construction inspections for this project. Marquardt said the street department is not comfortable conducting the inspection, as it will take too much time away from an already full schedule for his employees. Lochmueller provided the following fee schedule for inspection services:

Part-Time inspection services:

1. Provide services related to the subgrade preparation, proof-rolling, undercut, and subgrade treatment installation. For this we would anticipate approximately 3 weeks, at 40 hrs/week. The fee would be approximately \$17,800.00
2. Provide part-time services for storm sewer installation (2 days), subgrade preparation/proof-rolling/undercut/subgrade treatment installation (3 weeks), paving operations (3 days), misc. questions/meetings/scheduling (2 days). This fee would be approximately \$26,000.00

Full Time Inspection Services:

1. As an alternative I wanted to provide a fee for full-time inspection services on this project as well. Assuming a 9 week project duration at 40 hrs/week, the full-time inspection fee would be approximately \$52,8000.00. This would be on-site inspection but does not include the reporting or development of any final construction records as required for INDOT projects.

These prices do not include the final construction records, but the plan is for the city to complete these documents. Gaul explained that this project is part of the Community Crossings Matching Grant, however if the project goes over budget the city would be responsible for paying the full cost of overruns. He provided an updated project cost of \$857,251.11 with the city's share being \$428,625.56. Gaul said that he would need to re-prioritize his schedule to accommodate the oversight and inspection of this project if the commission chose not to utilize Lochmueller's services.

Felde asked if the part time services would suffice for this project or if the full-time services are needed to get the project done. Gaul said we do not know who the contractor will be at this point and it could make a difference. He noted that the school corporation hired a project manager to come in and oversee the daily operations of their school renovation project; as did the city with the Greenway Trails project. He said the benefit of hiring full-time is that it less work on the city. In addition, the project manager will be very familiar with the design and knowledgeable about this type of project.

Miley asked if hiring for full-time inspection services will potentially save the city in overruns. Gaul said someone present full-time can watch and see what is going on each day, keep people out of trouble, and help try to avoid cost overruns.

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Ellinger said he would hate to spend the extra money, but it will be important to have someone there with a set of eyes on everything happening. He thinks it could save the city money in the long run.

Commissioners Ellinger and Felde moved and seconded to approve to addition of the Full Time Inspection Services with Lochmueller. The motion carried.

TIF #2

COVID-19 Relief Funds

City Attorney Surrisi said the COVID-19 Relief funds approved by the Redevelopment Commission and Common Council at the April 27 special session have not yet been transferred. The city is waiting on an invoice from United Way. Surrisi said there is a conference tomorrow with a broad group of community members to discuss relief options for small business using some of these funds that were designated by the city out of TIF #2. This will be the subcommittee that will determine how funds will be dispersed.

Felde said the plan for the distribution of the funds is that 50% would go to “Fund the Essentials” and 50% to help businesses. She asked if that was still the plan. Surrisi said yes; that was guidance that the commission provided when they approved the funds in April. He noted that all the funds will go to United Way of Marshall County towards the “Fund the Essentials” campaign. From there, the 50% for businesses will be distributed based on the small business relief subcommittee.

TIF #3

Aquatic Center Update

City Attorney Surrisi said the aquatic center is reopening on Sunday with certain limitations and enhanced cleaning practices with social distancing. Felde asked if there is a new manager. Surrisi said they are still working on that process.

Manufacturing Center Discussion

City Attorney Surrisi presented Resolution No. 2020-904, A Confirmatory Resolution by the Plymouth Redevelopment Commission Amending the Economic Development Area, the Economic Development Plan, and the Allocation Area for the US 30 / Pine Road Economic Development Area (TIF #3) for the Purposes of Tax Increment Financing.

Surrisi noted that this is not entering into any agreement or lease for the project, it is simply adding this parcel of land to the TIF district and adding the development to the project list.

Commissioners Hopple and Ellinger moved and seconded to approve Resolution No. 2020-904, A Confirmatory Resolution by the Plymouth Redevelopment Commission Amending the Economic Development Area, the Economic Development Plan, and the Allocation Area for the US 30 / Pine Road Economic Development Area (TIF #3) for the Purposes of Tax Increment Financing. The motion carried.

TIF #4 - River Gate South Project

Felde said that Rick Gaul met with the general contractor to discuss the pavement work that they will begin updating soon. She met with Lakeshore Landscaping, the company that will oversee the

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restoration of the planting beds. Based on her input, they feel the work is doable and within budget. This work will not start until after the correction of the hardscaping.

TIF #5 – No updates.

TIF #6 – No updates.

Other Business

Determination of Excess Assess Valuation in each TIF District

Clerk-Treasurer Xaver said the state requires the Redevelopment Commission to determine the amount of excess assessed value (AV), if any, by which the AV of taxable property in the allocation area according to the most recent assessment date minus the base assessed value when multiplied by the estimated tax rate of the allocation area will exceed the amount of AV needed to produce the property taxes necessary to make, when due, principle and interest payments on bonds. She said the AV reports from the county were in the commissioner's packets.

In the past, TIF #1 passed through \$30 million, but was recently changed to \$20 million due the lease payment on the City Hall Renovation Project. TIF's #2, #3, and #4 have always passed through \$0. Xaver recommends that TIF #1 remain at \$20 million. Currently, there is \$33.7 million of AV being captured here. In TIF #2 there is \$8.1 million in AV being captured, compared to \$11.5 million which is what was in the TIF district when it was created. TIF #3 has \$8.5 million AV in Center Township and \$18.5 million in the West Township portion of this allocation area. She recommended that the commission pass through \$5 million of AV from this TIF district. Xaver recommended TIF #4 remain as is with no pass-through.

City Attorney Surrisi suggested the commission not pass anything through on TIF #3 because they are looking at the manufacturing center and because there is question about where the aquatic center is headed. He noted that this is the most active TIF district and with the uncertainty of the effects of the pandemic on the economy, he feels the city should retain all the assessed value.

Felde asked for some perspective on what it will mean to pass through \$5 million in AV for TIF #3 versus not doing that. It was determined that the dollar amount would be \$171,000. Xaver said she asking the commission to pass through \$5 million out the \$27 million in AV for TIF #3.

Xaver said by passing the assessed value through, it is helping the school corporation, the city tax payers, and all the other taxing units. She explained that the city's AV is not increasing from year to year and it should be. For the last ten years it has actually decreased. When the AV goes down, the tax rate increases in order to capture the same amount of property tax dollars. Xaver said the only way to get the assessed value to increase is if there are many home improvements within the city, annexation or new/improved businesses. The granting of tax abatements for businesses will also affect the tax dollars.

Hopple asked if the city's financial obligations can be met if the \$5 million is passed through TIF #3. Xaver said the cash in TIF #3 is increasing by \$200,000 each year, therefore she believes the funds can be passed through.

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There was additional discussion about the pass-through amount being an annual decision, so even if the commission decides to pass through some AV this year, they could change it next year.

Miley asked when this effects the TIF tax draw. She believes it will be tax draws in June and December 2021.

Commissioners Ellinger and Hopple moved and seconded to pass through \$20 million in TIF #1 and \$5 million in TIF #3 as recommended by Clerk-Treasurer Xaver. The motion carried.

Approval of Redevelopment Invoices

President Miley presented the following invoices for the Commission's approval:

To be paid from TIF 1

- February Progress payment to Lochmueller Group in the amount of \$38,967.09 for the Hoham Drive Project
- Payment to City of Plymouth payment in the amount of \$27,500.00 for the semiannual pledge for the Waterworks Bond payment


Commissioners Felde and Ellinger moved and seconded to approve payment of the invoices as presented. The motion carried.

The following communications were provided to the Commissioners:

- 1993 TIF Trial Balance – April, 2020 (TIF #1)
- 2000 TIF Trial Balance – April, 2020 (TIF #2)
- 2005 TIF Trial Balance – April, 2020 (TIF #3)
- 2016 TIF Trial Balance – April, 2020 (TIF #4)
- Baker Tilly Tax Impact Statement disclosing potential impact of expanding the Existing Area and Existing Allocation Area and capturing Tax Increment
- 2018 Payable 2019 TIF Extract Data from Marshall County for TIF Districts 1, 2, 3 and 4

Commissioners Hopple and Ellinger moved and seconded to accept the communications as presented. The motion carried.

The next meeting is scheduled for June 16, 2020, at 5:30 p.m. There being no further business to discuss, the meeting was declared adjourned at 6:30 p.m. after a motion and second by Commissioners Felde and Hopple. The motion carried.



Jeanine M. Xaver, IAMC / CMC
Clerk-Treasurer