

COMMON COUNCIL JOINT MEETING WITH NOBLESVILLE SCHOOL BOARD OF TRUSTEES JANUARY 28, 2025

The Common Council of the City of Noblesville held a joint meeting with the Noblesville Schools Board of Trustees on Tuesday, January 28, 2025 in rooms A213 and A214 at City Hall. Megan Wiles called the Common Council meeting to order pursuant to public notice at 5:02 p.m. with the following members present: Mark Boice, Mike Davis, Evan Elliott, Dave Johnson, Darren Peterson, Pete Schwartz, Aaron Smith, and Todd Thurston. Christi Crosser called the Noblesville Schools Board of Trustees meeting to order pursuant to public notice at 5:02 p.m. with the following members present: Joe Forgey, Stephanie Lambert, Misti Ray, and Bret Richardson.

Also present were City Clerk Evelyn Lees, Deputy Mayor Matt Light, Community Development Director Sarah Reed, City Attorney Jonathan Hughes, Economic Development Director Andrew Murray, Noblesville Schools Superintendent Daniel Hile, Noblesville Schools Chief Financial Officer David Hortemiller, Gary Smith of Reedy Financial Group, staff, interested citizens, and a member of the media.

Ms. Wiles welcomed the School Board and the audience. She stated the meeting was for informational purposes only, and no action would be taken by either body.

Mr. Gary Smith and Mr. Hortemiller presented Developing Noblesville: TIF Concepts and Community Impact. Mr. Gary Smith displayed a PowerPoint presentation. He stated he had already met several times with the City and the School Board. He reviewed a list of definitions related to TIF (Tax Increment Financing). He reviewed the process to establish TIF districts and how TIF works. He stated residential TIFs had a maximum term of 20 years, and commercial TIFS had a maximum term of 25 years. He reviewed common uses for TIF revenue. He reviewed the statutory reporting requirements concerning TIF. He reviewed how TIF was used to incentivize development. He reviewed a fictional case study to illustrate how TIF could be used. He reviewed the pros and cons of using incentives. He reviewed the “but for” test in state statute. He stated TIF could not be used as an incentive unless the project could not go forward without it. He stated the development would not happen “but for” the incentive. He reviewed TIF Assessed Value compared to Certified Net Assessed Value (CNAV). He reviewed the impact of TIF. He stated there would be an annual increase in rate-driven funds. He stated there would be a net reduction in the overall circuit breaker, leading to additional property tax collections. He reviewed a chart showing the projected benefits to the overlapping taxing units.

Mr. Hortemiller reviewed School Funding 101. He stated TIF does not impact the school operating fund or debt fund levies. He stated the TIF could positively impact the schools’ operating referendum fund levy. He reviewed the impact of the Circuit Breaker property tax caps. He stated when TIF terms end, the Circuit Breaker was reduced. He stated there was very little impact on the schools’ levy from TIF that was passed through to the overlapping taxing units.

Mr. Gary Smith reviewed the positive impact of TIF on school referendum funds. Mr. Hortemiller stated TIF development brought additional revenue to the referendum operations fund. Mr. Gary Smith reviewed five TIF districts that were due to expire in 2027, 2032, and 2033. He stated Noblesville would see an infusion of approximately 23 percent more revenue when those five TIFs ended. He stated it would be advantageous for the affected taxing units to plan and work together to use the extra revenue in the best way possible. Mr. Hortemiller stated the Schools and the City had worked well together and understood each other’s tax rate strategies. He stated by managing tax rates, the Circuit Breaker had remained consistent, which aided in budgeting and planning.

Ms. Wiles thanked Mr. Gary Smith and Mr. Hortemiller for the presentation. She praised the collaboration between the City and the Schools. She expressed hope that their collaboration would continue. She welcomed questions for the presenters.

Ms. Lambert asked what would happen if Assessed Value on new development rose far higher than what was projected at the outset. She stated she assumed the Redevelopment Commission kept the extra revenue. She asked what would happen if the developer did not receive their

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expected return on investment from the project. Mr. Gary Smith replied use of revenue from overperformance of the TIF would depend on how the TIF was set up. He stated there are many different options available. He stated many developers would inflate their costs when proposing a project. He stated many municipalities hire a consultant to provide more realistic analysis. He stated there could be many conversations to find an incentive that minimized or eliminated risk for the municipality.

Ms. Ray asked if a TIF could be retired before the end of its term. Mr. Gary Smith replied the Redevelopment Commission would make that determination. Ms. Ray stated the school was accepting new students from development but was not receiving any new revenue for 20 to 25 years until the TIF ended. Mr. Gary Smith agreed that it was true. Mr. Murray stated the schools receive property tax for their referenda before the TIF revenue was calculated. Ms. Ray stated the schools were at capacity. She expressed concern that residential TIFs would negatively impact the schools. Ms. Lambert stated the schools would receive more revenue for their referenda. Ms. Crosser stated commercial TIFs would not add any students to the schools. Mayor Jensen agreed. Ms. Ray stated residential TIFs would add students. Mayor Jensen stated residential TIFs were not allowed by the Legislature until 2023, and the City's first residential TIF was Morse Village. He stated the residential TIF there was used because of the high end housing product. He stated he consulted with Dr. Hile and Mr. Hortemiller early in the process. Ms. Ray expressed concern about new students from other parts of the development. Mayor Jensen stated statewide data showed there are virtually no school age children in townhomes and condominiums.

Ms. Wiles adjourned the Council meeting at 5:55 p.m.

Ms. Crosser adjourned the School Board meeting at 5:55 p.m.

MEGAN G. WILES, PRESIDENT

ATTEST:

EVELYN L. LEES, CLERK