

**NOBLESVILLE REDEVELOPMENT COMMISSION
JUNE 28, 2019**

The Noblesville Redevelopment Commission met pursuant to public notice on June 28, 2019 at 8:00 a.m. at 16 South 10th Street, Noblesville, Indiana. The following members were present: John Elmer, William Lynch, Jack Martin, Lisa Sobek, and William Taylor. Michael Field and Sylvia Shepler were absent. Ms. Sobek attended as a representative of the Noblesville School Board of Trustees.

Also present were City Clerk Evelyn Lees, City Attorney Michael Howard, Economic Development Director Judi Johnson, Economic Development Assistant Director Andrew Murray, Economic Development Specialist Aaron Head, Economic Development Assistant Amy Smith; Megan Wiles, Noblesville Common Council; Robin Phelps, Executive Director of Business for Noblesville Schools; and David Giffel, Secretary of the Delaware Township Board. Controller Jeff Spalding arrived at 8:15 a.m.

1. MEETING CALLED TO ORDER – ROLL CALL

Mr. Taylor called the meeting to order. The rolled was called, and a quorum was present.

2. APPROVAL OF MINUTES: June 7, 2019 meeting

Mr. Elmer moved to approve the minutes, second Mr. Martin, four aye.

3. FINANCIAL MATTERS

a. Approval of Claims

Mr. Martin moved to approve the claims, second Mr. Elmer, four aye.

4. NEW BUSINESS

a. Report to Overlapping Taxing Units

Mr. Murray stated this report is the final annual reporting requirement that the Commission is subject to for 2019. He presented the Annual Report of the Noblesville Redevelopment Commission to Overlapping Taxing Units to the Commission. He stated pursuant to statute, notice of the meeting has been sent to all taxing units that have territory in any of the Commission's allocation areas. He noted that representatives of some of those units were in attendance. He stated the overlapping units include Hamilton County, the City of Noblesville, Noblesville Schools, Hamilton Southeastern Schools, Hamilton East Public Library, Noblesville Township, Delaware Township, Fall Creek Township, Wayne Township, and the Solid Waste Management taxing unit. He stated Indiana law requires three components to the report: 1) the Commission's 2020 budget with respect to the allocated tax proceeds in the allocation areas; 2) the long term plans for the allocation areas; and 3) the impact on the overlapping taxing units, if any.

Mr. Murray displayed a map of the City's 14 allocation areas. He stated for purposes of this report, flat revenue growth is assumed. He stated the tax increment collected will primarily be

spent on Debt Service and Incentive Payment obligations; Major Road Infrastructure Improvements; and Downtown Redevelopment Projects. He noted that the debt service and incentive payments are listed for each allocation area throughout the report.

Mr. Murray noted that any project for which Tax Increment Financing (TIF) revenue is expended must be approved by the Commission as a part of the Economic Development Plan and Redevelopment Plan for each allocation area. He stated the Long Term Plans for Allocation Areas will be evaluated against the following findings before approval: 1) promoting significant opportunities for the gainful employment of the citizens of Noblesville; 2) assisting in the attraction of major new business enterprises to Noblesville; 3) providing for local public improvements in, serving, or benefitting each allocation area; 4) benefitting the public health, safety, morals, and welfare of the citizens of Noblesville; 5) increasing the economic well-being of Noblesville and the State of Indiana; and 6) serving to protect and increase property values in Noblesville and the State of Indiana.

He stated the third required component of the report includes the impact of the TIF allocation areas on overlapping taxing units. He stated the report notes that there are many successful economic development projects towards which the Commission pledged TIF revenue, such as SMC, Cabela's, and Embassy Suites and Conference Center. He stated due to the competitive nature of these projects, it is argued that the result of the successful attraction of a new business/investment and the result of new Assessed Value would not have occurred but for the establishment of a TIF allocation area and the partnership of the Commission. He stated an opposing argument is that the development would have occurred without the TIF districts. He stated a common misconception of TIF is that freeing up Assessed Value in the allocation areas would result in more revenue for the overlapping taxing units. He stated in actuality, freeing up Assessed Value might allow the overlapping taxing units to lower their tax rate and possibly reduce or eliminate the property tax caps that were implemented in 2007. He stated in working with Mr. Spalding and the City's financial consultants, they explored what impact there might be on the overlapping taxing units if the Commission passed through all of the TIF tax increment for all of the allocation areas. He stated the results were that tax rates would be reduced minimally by a range of one to nine percent. He stated any negative financial impact should be focused on the property tax caps; creating the TIF districts creates a positive impact, and any impact on the overlapping tax units is minimal.

Mr. Elmer asked if a TIF district must be created in order to give tax incentives to new business investment. Mr. Howard replied a TIF district is not required, but often with competitive projects, a TIF district is created in order to capture the tax increment from the new entity to fund the incentives given. He noted that many TIF districts were not created for a specific development, but to create infrastructure to attract development. He stated TIF districts funded construction of 146th Street from Cumberland Road to Exit 210 on I-69; the roads and drainage near Exit 210; and widening Hazel Dell Road to four lanes.

Mr. Martin asked for an example of the tax impact on a homeowner if all of the tax increment was passed through, resulting in a lower tax rate. He asked what the impact would be on the property taxes of the owner of a \$400,000.00 home who pays \$5,000.00 per year in property taxes. Mr. Giffel replied that homeowner would be under the "circuit breaker" property tax cap,

so there would be no impact. Mr. Murray agreed. Mr. Howard noted that businesses are under a three percent property tax cap, which provides more tax revenue. He stated if not for the TIF districts providing infrastructure and incentives, the businesses would not be present. He further explained that school referendum tax revenues are paid before TIF tax increment is captured, so in reality, the City receives on average 86 cents of each dollar of its TIF increment; the school referendum average is 14 percent.

Mr. Elmer asked how long TIF districts have been used. Mr. Howard replied the City had TIF districts when he became City Attorney in 1989. He noted there were substantial changes to TIF law in 1995, and there have been other significant changes since then, including the property tax caps in 2007.

Mr. Howard commended Mr. Murray for his work on the report and the Economic Development Department for their work to bring new development to the City.

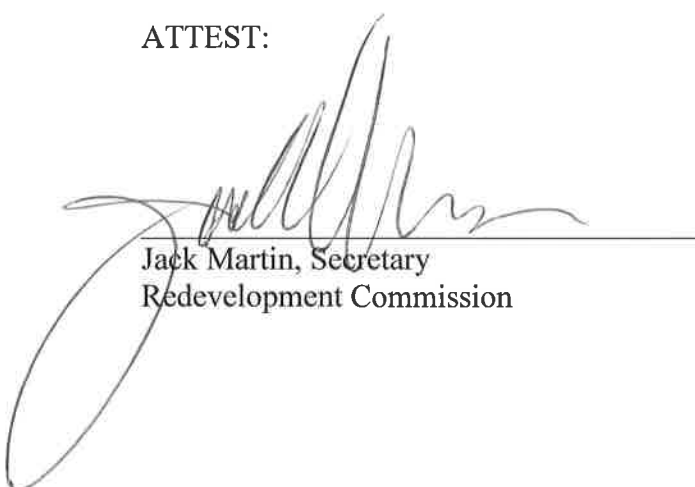
5. ADJOURNMENT

There being no further business before the Noblesville Redevelopment Commission this 28th day of June, 2019, Mr. Martin moved to adjourn the meeting, second Mr. Lynch. The meeting was adjourned.



Michael Field, President
Redevelopment Commission

ATTEST:



Jack Martin, Secretary
Redevelopment Commission