

**TOWN OF NASHVILLE INDIANA  
REDEVELOPMENT COMMISSION  
BROWN COUNTY, INDIANA**

**TAX IMPACT ANALYSIS**

**2020 CENTRAL ECONOMIC  
DEVELOPMENT ALLOCATION AREA**

**APRIL 21, 2021**

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## DISCLAIMER

April 21, 2021

To Whom It May Concern:

Stifel, Nicolaus & Company, Incorporated ("Stifel") has been engaged as a financial consultant to the Town of Nashville, Indiana Redevelopment Commission (the "NRC"). As part of the financial consulting services to the NRC, we have prepared the following Tax Increment Financing ("TIF") Impact Analysis.

This TIF Impact Analysis (the "Analysis") includes forecasts, projections and other predictive statements that represent Stifel's assumptions and expectations in light of currently available information. These forecasts, etc., are based on industry trends, circumstances involving clients and other factors, and they involve risks, variables and uncertainties. The NRC's actual performance results may differ from those projected in this Analysis. Consequently, no guarantee is presented or implied as to the accuracy of specific forecasts, projections or predictive statements contained herein. Some of the historical financial information used in this Analysis has been obtained from sources including (but not limited to), Indiana Department of Local Government Finance (the "DLGF"), Indiana State Auditor's Office, and the State Budget Agency.

This Analysis was prepared from data believed to be reliable but not guaranteed by us without further verification or investigation, and does not purport to be complete. It is not to be considered as an offer to sell or a solicitation of an offer to buy the securities of the entities covered by this report. Opinions expressed are subject to change without notice. Nothing contained in this report is intended and should not be construed as tax, accounting or legal advice or opinions.

Best regards,



Andrew Lanam, CPA  
Director - Public Finance  
Stifel, Nicolaus & Company

**1. ANALYSIS CONSIDERATIONS:**

This Analysis is designed to project the TIF impact on overlapping municipal units of government. *As of the date of this report, there are no specifically identifiable projects or assessed value assumptions to include in this Analysis.* However, in order to provide an illustrative tax impact, we have included a generic commercial property development (the “Example Project”) in the underlying assumptions. The Example Project assumes an immediate build-out and assessment of a commercial property to illustrate an *example tax impact on overlapping units* of government over a period of 25 years. The Example TIF Revenues section of this report assumes a build-out and assessment of the Example Project over multi-year period to illustrate and project Example TIF Revenues to the NRC.

The information contained within the Analysis are based upon assumptions. The Example Project assessed value estimates are for informational purposes only and are not based upon currently known or projects under development or consideration. Additional information for this Analysis was obtained from the DLGF, the Brown County Auditor’s books and records, and other sources deemed by Stifel to be reliable. Changes in assessed values, tax rates, and other items outside the control or scope of this Analysis are subject to change and may impact actual results.

**2. EXAMPLE PROJECT ASSUMPTIONS:**

- Example Commercial Property Development                      \$5,000,000
- Example Gross Assessed Value:    \$5,000,000
- (Less: Deductions)    N/A
- Total Example Taxable Net Assessed Value:                      **\$5,000,000**

**3. TAXING DISTRICT ASSUMPTIONS:**

- Assumed site location of the Example Project TIF Allocation Area: Nashville Town
- Current Pay 2021 Tax Rate Information for the Town of Nashville Taxing District:

Taxing District			Taxing District Rate Breakdown	
Taxing District	District	District	Taxing Unit	Unit
<u>District</u>	<u>Description</u>	<u>Rate</u>	<u>Description</u>	<u>Rate</u>
005	Nashville	\$1.4137	County	\$ 0.3403
			Nashville Town	\$ 0.3490
			School Corp	\$ 0.6811
			Library	\$ 0.0170
			Solid Waste Dist.	\$ 0.0196
			<u>Washington Twp</u>	<u>\$ 0.0067</u>
				\$ 1.4137

**4. EXAMPLE TAX IMPACT:**

**(A) Tax Rate Analysis**

The Tax Rate Analysis is used to project the reduction in tax rate *if* the Example Project were to be completed and fully assessed *without* the establishment of a TIF area.

- DLGF Certified Tax Rate for Pay 2021  
-Pay 2021 Tax Rate [District (005) Nashville Town]:           \$1.4137
- Adjusted Tax Rate w/ Full Build-Out of Example Project to Nashville Pay 2021 Tax Rate  
-Assumes Full Example Project Development and Assessment without TIF  
-Adjusted Tax Rate [District (005) Nashville Town]:           \$1.3998

**(B) Tax Levy Analysis**

The Tax Levy Analysis is used to project the tax levies of overlapping taxing units *if* the Example Project were to be completed and fully assessed *without* the establishment of a TIF area.

- DLGF Certified Tax Levies for Pay 2021  
-Certified Pay 2021 All Overlapping Taxing Units [District (005) Nashville Town]

<u>Taxing Unit</u>	<u>Pay 2021 Levy</u>
County	\$ 4,906,445
Washington Township	\$ 29,249
Nashville Town	\$ 485,312
School Corporation	\$ 9,820,100
Library	\$ 245,106
<u>Solid Waste District</u>	<u>\$ 282,593</u>
Total	\$ 15,768,805

- Adjusted Tax Levies w/ Full Build-Out of Example Project Applied to Nashville Pay 2021 Tax Levies  
- Adjusted Pay 2021 All Overlapping Taxing Units [District (005) Nashville Town]  
- Assumes All Cumulative Funds Maintain Certified Pay 2021 Tax Rate Including:
  - Brown County – Cumulative Capital Development Fund - \$0.0294
  - Town of Nashville – Cumulative Capital Development Fund -\$0.0462

<u>Taxing Unit</u>	Adjusted 2021 <u>Levy</u>
County	\$ 4,907,915
Washington Township	\$ 29,249
Nashville Town	\$ 487,622
School Corporation	\$ 9,824,164
Library	\$ 245,106
<u>Solid Waste District</u>	<u>\$ 282,593</u>
Total	\$ 15,776,649

**(C) EXAMPLE CIRCUIT BREAKER IMPACT:**

The Circuit Breaker Impact is used to project the change (the decrease) in circuit breaker impact to overlapping taxing units *if* the Example Project were to be completed and fully assessed *without* the establishment of a TIF area.

- Taxing District Circuit Breaker Impact:  
 -Estimated Pay 2021 Taxing District Circuit Breaker \$1,136.46  
 -Adjusted Pay 2021 Taxing District Circuit Breaker Impact \$1,125.29
- Circuit Breaker Allocation:  
 -Estimates the allocation of Circuit Breaker Based upon Adjusted Tax Rates of Underlying Taxing Units:  
 -Excludes School Corporation Exempt Levy

<u>Taxing Unit</u>	Adjusted 2021 <u>Levy</u>	Unit % of <u>District Tax Levy</u>	Estimated Annual <u>CB Impact</u>	Cumulative CB Impact <u>25 Years</u>
County	\$ 4,907,915	31.11%	\$ 3.48	\$ 86.88
Washington Township	\$ 29,249	0.19%	\$ 0.02	\$ 0.52
Nashville Town	\$ 487,622	3.09%	\$ 0.35	\$ 8.63
School Corporation	\$ 9,824,164	62.27%	\$ 6.96	\$ 173.91
Library	\$ 245,106	1.55%	\$ 0.17	\$ 4.34
<u>Solid Waste District</u>	<u>\$ 282,593</u>	<u>1.79%</u>	<u>\$ 0.20</u>	<u>\$ 5.00</u>
Total	\$ 15,776,649	100.00%	\$ 11.17	\$ 279.29

**5. EXAMPLE TAX IMPACT SUMMARY:**

The Example TIF Impact Summary is used to aggregate the total tax impact as calculated in the Example Tax Impact and Example Circuit Breaker Impact sections outlined above. It is important to remember, most of the overlapping taxing units' tax levies are controlled by either the maximum levy or specific debt levies. Changes in net assessed values do not directly increase the available revenues to maximum levy and debt levy funds. Instead, they effect the overall tax rate required to generate the approved tax levies. Debt funds levy the amount of property taxes required to make

debt payments, regardless of the tax rate required. The maximum levy increases each year by the DLGF's Maximum Levy Growth Quotient, regardless of changes in net assessed values.

Example Tax Impact by Unit:

<u>Taxing Unit</u>	<u>Estimated Annual Tax Impact</u>	<u>Estimated Annual CB Impact</u>	<u>Total Annual Impact</u>	<u>Total Impact 25 Years</u>
County	\$ 1,470	\$ 8.02	\$ 1,478	\$ 36,957
Washington Township	\$ -	\$ 0.05	\$ 0	\$ 1
Nashville Town	\$ 2,310	\$ 0.80	\$ 2,310	\$ 57,761
School Corporation	\$ -	\$ 16.06	\$ 16	\$ 402
Library	\$ -	\$ 0.40	\$ 0	\$ 10
<u>Solid Waste District</u>	<u>\$ -</u>	<u>\$ 0.46</u>	<u>\$ 0</u>	<u>\$ 12</u>
Total	\$ 3,780	\$ 4.46	\$ 3,784	\$ 94,608

School Corporation Operating Fund Referendum Tax Rate:

The School Corporation's Operating Referendum Fund tax rate (\$0.080 for Pay 2021) does not contribute to TIF Revenues. Any TIF Net Assessed Value continues to generate additional revenues to the School Corporation's Referendum Fund while the tax rate is in place. Based upon the current Estimated Project Assumptions:

- Example Commercial Property Development \$5,000,000
  - Example Gross Assessed Value: \$5,000,000
  - (Less: Deductions) N/A
  - Total Example Taxable Net Assessed Value: **\$5,000,000**
- |  | <u>Per Year</u> | <u>25 Years</u> |
|--|-----------------|-----------------|
| • School Corporation Referendum Fund (Per \$100) | \$0.080         | \$0.080         |
| • Example Addl. Referendum Fund Property Taxes   | \$4,000.00      | \$100,000.00    |

**6. EXAMPLE TIF REVENUES**

The Example TIF Revenues section provides an estimate of the TIF revenues which could be available to the NRC based upon the Example Project assumptions. In this section the underlying assumptions have been adjusted to attempt to better estimate project development and assessment timetable so as not to over project potential available TIF revenues. The assessed values, and Example Project timing estimates are for informational purposes only.

<u>Year</u>	<u>Assessment Description (1)</u>	<u>Net Assessed Value (2)</u>	<u>Assumed Tax Rate (3)</u>	<u>Example TIF Revenues (4)</u>
Year 1	Construction		\$ 1.3337	\$ -
Year 2	1st Assessment		\$ 1.3337	\$ -
Year 3	1st Tax Payment	\$ 5,000,000	\$ 1.3337	\$ -
Year 4		\$ 5,000,000	\$ 1.3337	\$ 66,685
Year 5		\$ 5,000,000	\$ 1.3337	\$ 66,685
Year 6		\$ 5,000,000	\$ 1.3337	\$ 66,685
Year 7		\$ 5,000,000	\$ 1.3337	\$ 66,685
Year 8		\$ 5,000,000	\$ 1.3337	\$ 66,685
Year 9		\$ 5,000,000	\$ 1.3337	\$ 66,685
Year 10		\$ 5,000,000	\$ 1.3337	\$ 66,685
Year 11		\$ 5,000,000	\$ 1.3337	\$ 66,685
Year 12		\$ 5,000,000	\$ 1.3337	\$ 66,685
Year 13		\$ 5,000,000	\$ 1.3337	\$ 66,685
Year 14		\$ 5,000,000	\$ 1.3337	\$ 66,685
Year 15		\$ 5,000,000	\$ 1.3337	\$ 66,685
Year 16		\$ 5,000,000	\$ 1.3337	\$ 66,685
Year 17		\$ 5,000,000	\$ 1.3337	\$ 66,685
Year 18		\$ 5,000,000	\$ 1.3337	\$ 66,685
Year 19		\$ 5,000,000	\$ 1.3337	\$ 66,685
Year 20		\$ 5,000,000	\$ 1.3337	\$ 66,685
Year 21		\$ 5,000,000	\$ 1.3337	\$ 66,685
Year 22		\$ 5,000,000	\$ 1.3337	\$ 66,685
Year 23		\$ 5,000,000	\$ 1.3337	\$ 66,685
Year 24		\$ 5,000,000	\$ 1.3337	\$ 66,685
Year 25		\$ 5,000,000	\$ 1.3337	\$ 66,685

Total Example TIF Revenues: \$ 1,467,070

- (1) Example Assumes Year 1 – Construction, Year 2 – Assessment, Year 3 – First TIF Received (All construction and assessment timetables are estimates only and outside the scope of this analysis.)
- (2) Gross & Net Assessed Value Estimates as identified in Analysis. The property assessment date typically follows the first January after construction completion.
- (3) Tax rate is fixed at Pay 2021 Tax Rate of \$1.4137, Less School Corporation Referendum Rate of \$0.08 (does not capture TIF).
- (4) Example TIF Revenues lag first assessment by 1 year.