

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

TAX IMPACT ANALYSIS

**HARD TRUTH 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. The preliminary project assumptions include the immediate build-out and assessment of a (1) multi-family apartment complex and (2) the Hard Truth Hills commercial expansion (together the “Project”) to illustrate the potential *tax impact on overlapping units* of government over a period of 25 years. The TIF Revenue Estimate section of this report assumes a build-out and assessment of the Project over multi-year period to illustrate and project TIF Revenues to the NRC.

The information contained within the Analysis are based upon assumptions. The Projects assessed value estimates were provided CWC Latitudes, LLC. 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 is 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. PROJECT ASSUMPTIONS:

- Multi-Family Apartments \$7,500,000
- Hard Truth Hills Commercial Expansion \$5,000,000

- Estimated Gross Assessed Value: \$12,500,000
- (Less: Deductions) N/A

- Total Estimated Taxable Net Assessed Value: **\$12,500,000**

3. TAXING DISTRICT ASSUMPTIONS:

- Site location of the proposed 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 Description	District Rate	Taxing Unit Description	Unit Rate
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. TAX IMPACT:

(A) Tax Rate Analysis

The Tax Rate Analysis is used to project the reduction in tax rate *if* the 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 Project to Nashville Pay 2021 Tax Rate
-Assumes Full Project Development and Assessment without TIF
-Adjusted Tax Rate [District (005) Nashville Town]: \$1.3816

(B) Tax Levy Analysis

The Tax Levy Analysis is used to project the tax levies of overlapping taxing units *if* the 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 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	\$ 4,909,973
Washington Township	\$ 29,249
Nashville Town	\$ 490,856
School Corporation	\$ 9,829,764
Library	\$ 245,106
<u>Solid Waste District</u>	<u>\$ 282,593</u>
Total	\$ 15,787,541

(C) 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 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 \$1,110.66
- 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	\$ 4,909,973	31.10%	\$ 8.02	\$ 200.61
Washington Township	\$ 29,249	0.19%	\$ 0.05	\$ 1.20
Nashville Town	\$ 490,856	3.11%	\$ 0.80	\$ 20.06
School Corporation	\$ 9,829,764	62.26%	\$ 16.06	\$ 401.62
Library	\$ 245,106	1.55%	\$ 0.40	\$ 10.01
<u>Solid Waste District</u>	<u>\$ 282,593</u>	<u>1.79%</u>	<u>\$ 0.46</u>	<u>\$ 11.55</u>
Total	\$ 15,787,541	100.00%	\$ 25.80	\$ 645.05

5. TAX IMPACT SUMMARY:

The TIF Impact Summary is used to aggregate the total tax impact as calculated in the Tax Impact and 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.

Estimated 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	\$ 3,528	\$ 8.02	\$ 3,536	\$ 88,407
Washington Township	\$ -	\$ 0.05	\$ 0	\$ 1
Nashville Town	\$ 5,544	\$ 0.80	\$ 5,544	\$ 138,611
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	\$ 9,072	\$ 4.46	\$ 9,076	\$ 226,908

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 Project Assumptions:

- Multi-Family Apartments \$7,500,000
 - Hard Truth Hills Commercial Expansion \$5,000,000
 - Estimated Gross Assessed Value: \$12,500,000
 - (Less: Deductions) N/A
 - Total Estimated Taxable Net Assessed Value: **\$12,500,000**
 - Total Estimated Taxable Net Assessed Value: **\$12,500,000**
- | | <u>Per Year</u> | <u>25 Years</u> |
|--|-----------------|-----------------|
| • School Corporation Referendum Fund (Per \$100) | \$0.080 | \$0.080 |
| • Additional Referendum Fund Property Taxes | \$10,000.00 | \$250,000.00 |

6. ESTIMATED TIF REVENUES

The Estimated TIF Revenues section provides an estimate of TIF revenues available to the NRC. In this section the underlying assumptions have be 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 Project timing estimates are for informational purposes and are subject to change.

<u>Year</u>	<u>Assessment Description (1)</u>	<u>Net Assessed Value (2)</u>	<u>Assumed Tax Rate (3)</u>	<u>Estimated TIF Revenues (4)</u>
Year 1	Construction		\$ 1.3337	\$ -
Year 2	1st Assessment		\$ 1.3337	\$ -
Year 3	1st Tax Payment	\$ 12,500,000	\$ 1.3337	\$ -
Year 4		\$ 12,500,000	\$ 1.3337	\$ 166,713
Year 5		\$ 12,500,000	\$ 1.3337	\$ 166,713
Year 6		\$ 12,500,000	\$ 1.3337	\$ 166,713
Year 7		\$ 12,500,000	\$ 1.3337	\$ 166,713
Year 8		\$ 12,500,000	\$ 1.3337	\$ 166,713
Year 9		\$ 12,500,000	\$ 1.3337	\$ 166,713
Year 10		\$ 12,500,000	\$ 1.3337	\$ 166,713
Year 11		\$ 12,500,000	\$ 1.3337	\$ 166,713
Year 12		\$ 12,500,000	\$ 1.3337	\$ 166,713
Year 13		\$ 12,500,000	\$ 1.3337	\$ 166,713
Year 14		\$ 12,500,000	\$ 1.3337	\$ 166,713
Year 15		\$ 12,500,000	\$ 1.3337	\$ 166,713
Year 16		\$ 12,500,000	\$ 1.3337	\$ 166,713
Year 17		\$ 12,500,000	\$ 1.3337	\$ 166,713
Year 18		\$ 12,500,000	\$ 1.3337	\$ 166,713
Year 19		\$ 12,500,000	\$ 1.3337	\$ 166,713
Year 20		\$ 12,500,000	\$ 1.3337	\$ 166,713
Year 21		\$ 12,500,000	\$ 1.3337	\$ 166,713
Year 22		\$ 12,500,000	\$ 1.3337	\$ 166,713
Year 23		\$ 12,500,000	\$ 1.3337	\$ 166,713
Year 24		\$ 12,500,000	\$ 1.3337	\$ 166,713
Year 25		\$ 12,500,000	\$ 1.3337	\$ 166,713

Total Estimated TIF Revenues: \$ 3,667,675

- (1) 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) Estimated TIF Revenues lag first assessment by 1 year.