

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

TAX IMPACT ANALYSIS

**PROPOSED RESIDENTIAL
ECONOMIC DEVELOPMENT ALLOCATION AREA**

September 7, 2022

Prepared By: Stifel, Nicolaus & Company, Incorporated

Table of Contents:

	<u>Page:</u>
Disclaimer:	1
Preliminary Analysis Considerations	2
Project Assumptions:	2
Taxing District Assumptions:	2
Tax Impact	3
Circuit Breaker Impact	4
Tax Impact Summary	5
Estimated TIF Revenues	6

DISCLAIMER

September 7, 2022

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Stifel, Nicolaus & Company, Incorporated ("Stifel") has 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 Nashville Redevelopment Commission'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

67. PRELIMINARY ANALYSIS CONSIDERATIONS:

This Analysis is designed to project the *maximum* TIF impact on overlapping municipal units of government. The preliminary project assumptions include the immediate build-out and assessment of a full residential subdivision (15 single-family homes) to illustrate the maximum potential *impact on overlapping units* of government over a period of 25 years. The TIF Revenue Estimate section of this report assumes a phased build-out of the proposed subdivision to illustrate and project TIF Revenues to the Nashville Redevelopment Commission (the “NRC”).

The information contained within the Analysis is provided in summary format. Additional clarification of project scope and development timetables would likely impact the results and summary. Any follow up report(s) or final Analysis will include additional notations, assumption details, timetables and other information as may be deemed appropriate to more accurately estimate the timing of TIF revenues to the NRC and the TIF impact to overlapping taxing units.

68. PROJECT ASSUMPTIONS:

• Total Single-Family Residential Units:	1	15
• Estimated Gross Assessed Value:	\$250,000	\$3,750,000
(Less: Standard Homestead Deduction) (1)	(\$45,000)	(\$675,000)
(Less: Supplemental Homestead Deduction) (2)	(\$71,750)	(\$1,076,450)
(Less: Mortgage Deduction) (3)	<u>(\$3,000)</u>	<u>(\$45,000)</u>
• Total Estimated Taxable Net Assessed Value:	\$130,250	\$1,953,750

(1) The Standard Deduction is equal to the lesser of 60% of the assessed value of the homestead or \$45,000.

(2) The amount of the supplemental deduction is equal to the sum of the following:

a. Thirty-five percent (35%) of the assessed value that is not more than six hundred thousand dollars (\$600,000)

b. Twenty-five percent (25%) of the assessed value that is more than six hundred thousand (\$600,000)

(3) The amount of the mortgage deduction equals \$3,000, one-half of the assessed value of the property, or the balance of the mortgage or contract indebtedness as of the assessment date, whichever is least.

69. TAXING DISTRICT ASSUMPTIONS:

- Site location of the proposed residential TIF Allocation Area: Nashville Town
- Current Pay 2022 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	\$ 1.3874	County	\$ 0.3375
			Nashville Town	\$ 0.3584
			School Corp	\$ 0.6499
			Library	\$ 0.0163
			Solid Waste Dist.	\$ 0.0187
			<u>Washington Twp</u>	<u>\$ 0.0066</u>
				\$ 1.3874

70. TAX IMPACT:

(HH) 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 2022
-Pay 2022 Tax Rate [District (005) Nashville Town]: \$1.3874
- Adjusted Tax Rate w/ Full Build-Out (15 Homes) Applied to Nashville Pay 2022 Tax Rate
-Assumes Full Development of 15 Homes without TIF
-Adjusted Tax Rate [District (005) Nashville Town]: \$1.3856

(II) 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 2022
-Certified Pay 2022 All Overlapping Taxing Units [District (005) Nashville Town]

<u>Taxing Unit</u>	Pay 2022 <u>Levy</u>
County	\$ 5,322,690
Washington Township	\$ 30,727
Nashville Town	\$ 504,247
School Corporation	\$ 10,249,531
Library	\$ 257,066
<u>Solid Waste District</u>	<u>\$ 294,916</u>
Total	\$ 16,659,177

- Adjusted Tax Levies with Full Build-Out (15 Homes) Applied to Nashville Pay 2022 Tax Levies
 - Adjusted Pay 2022 All Overlapping Taxing Units [District (005) Nashville Town]
 - Assumes All Cumulative Funds Maintain Certified Pay 2022 Tax Rate Including:
 - Brown County – Cumulative Capital Development Fund - \$0.0280
 - Town of Nashville – Cumulative Capital Development Fund - \$0.0462

<u>Taxing Unit</u>	Adjusted 2022 <u>Levy</u>
County	\$ 5,323,237
Washington Township	\$ 30,727
Nashville Town	\$ 504,393
School Corporation	\$ 10,314,178
Library	\$ 257,066
<u>Solid Waste District</u>	<u>\$ 294,916</u>
Total	\$ 16,724,517

(JJ) CITCUIT 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 2022 Taxing District Circuit Breaker \$1,464.36
 - Adjusted Pay 2022 Taxing District Circuit Breaker Impact \$1,268.36
- 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 2022 <u>Levy</u>	Unit % of <u>District Tax Levy</u>	Estimated Annual <u>CB Impact</u>	Cumulative CB Impact <u>25 Years</u>
County	\$ 5,323,237	34.43%	\$ 67.48	\$ 1,687.05
Washington Township	\$ 30,727	0.20%	\$ 0.39	\$ 9.74
Nashville Town	\$ 504,393	3.26%	\$ 6.39	\$ 159.85
School Corporation	\$ 9,050,940	58.54%	\$ 114.74	\$ 2,868.45
Library	\$ 257,066	1.66%	\$ 3.26	\$ 81.47
<u>Solid Waste District</u>	<u>\$ 294,916</u>	<u>1.91%</u>	<u>\$ 3.74</u>	<u>\$ 93.47</u>
Total	\$ 15,461,279	100.00%	\$ 196.00	\$ 4,900.03

71. 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.

Preliminary 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	\$ 547	\$ 67.48	\$ 615	\$ 15,368
Washington Township	\$ -	\$ 0.39	\$ 0	\$ 10
Nashville Town	\$ 902	\$ 6.39	\$ 909	\$ 22,717
School Corporation	\$ -	\$ 114.74	\$ 115	\$ 2,868
Library	\$ -	\$ 3.26	\$ 3	\$ 81
<u>Solid Waste District</u>	<u>\$ -</u>	<u>\$ 3.74</u>	<u>\$ 4</u>	<u>\$ 93</u>
Total	\$ 1,450	\$ 196.00	\$ 1,646	\$ 41,138

School Corporation Operating Fund Referendum Tax Rate:

The School Corporation's Operating Referendum Fund tax rate (\$0.076 for Pay 2022) 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:

- Total Single-Family Residential Units: 1 15
- Estimated Gross Assessed Value: \$250,000 \$3,750,000
 - (Less: Standard Homestead Deduction) (1) (\$45,000) (\$675,000)
 - (Less: Supplemental Homestead Deduction) (2) (\$71,750) (\$1,076,450)
 - (Less: Mortgage Deduction) (3) (\$3,000) (\$45,000)
- Total Estimated Taxable Net Assessed Value: **\$130,250** **\$1,953,750**
- School Corporation Referendum Fund (Per \$100) \$0.0760 \$0.0760
- Additional Referendum Fund Property Taxes \$98.99 \$1,484.85

72. 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 been adjusted to attempt to better estimate project development and assessment timetable so as not to over project potential available TIF revenues. The quantity, assessed values, and project timing estimates are for informational purposes and are subject to change.

<u>Year</u>	<u>Homes Built (1)</u>	<u>Net Assessed Value (2)</u>	<u>Assumed Tax Rate (3)</u>	<u>Estimated TIF Revenues (4)</u>
Year 1	3		\$ 1.3114	\$ -
Year 2	6	\$ 390,750	\$ 1.3114	\$ -
Year 3	9	\$ 781,500	\$ 1.3114	\$ 5,124
Year 4	12	\$ 1,172,250	\$ 1.3114	\$ 10,249
Year 5	15	\$ 1,563,000	\$ 1.3114	\$ 15,373
Year 6	15	\$ 1,953,750	\$ 1.3114	\$ 20,497
Year 7	15	\$ 1,953,750	\$ 1.3114	\$ 25,621
Year 8	15	\$ 1,953,750	\$ 1.3114	\$ 25,621
Year 9	15	\$ 1,953,750	\$ 1.3114	\$ 25,621
Year 10	15	\$ 1,953,750	\$ 1.3114	\$ 25,621
Year 11	15	\$ 1,953,750	\$ 1.3114	\$ 25,621
Year 12	15	\$ 1,953,750	\$ 1.3114	\$ 25,621
Year 13	15	\$ 1,953,750	\$ 1.3114	\$ 25,621
Year 14	15	\$ 1,953,750	\$ 1.3114	\$ 25,621
Year 15	15	\$ 1,953,750	\$ 1.3114	\$ 25,621
Year 16	15	\$ 1,953,750	\$ 1.3114	\$ 25,621
Year 17	15	\$ 1,953,750	\$ 1.3114	\$ 25,621
Year 18	15	\$ 1,953,750	\$ 1.3114	\$ 25,621
Year 19	15	\$ 1,953,750	\$ 1.3114	\$ 25,621
Year 20	15	\$ 1,953,750	\$ 1.3114	\$ 25,621
Year 21	15	\$ 1,953,750	\$ 1.3114	\$ 25,621
Year 22	15	\$ 1,953,750	\$ 1.3114	\$ 25,621
Year 23	15	\$ 1,953,750	\$ 1.3114	\$ 25,621
Year 24	15	\$ 1,953,750	\$ 1.3114	\$ 25,621
Year 25	15	\$ 1,953,750	\$ 1.3114	\$ 25,621

Total Estimated TIF Revenues: \$ 538,051

(45) Assumes three homes built per year.

(46) Gross A/V at \$250,000 per home. Net A/V at \$130,250 per home. Net assessed values lag construction period by 1 year.

(47) Tax rate is fixed at Pay 2022 Tax Rate of \$1.3874, Less School Corporation Referendum Rate of \$0.076 (does not capture TIF).

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