

NOTICE OF THE ADOPTION OF A DECLARATORY RESOLUTION BY THE FLOYD COUNTY REDEVELOPMENT COMMISSION AND A PUBLIC HEARING THEREON

Notice is hereby given that the Floyd County Redevelopment Commission (the “Commission”), being the governing body of the Floyd County Department of Redevelopment (the “Department”), on October 17, 2023, adopted a resolution (the “Declaratory Resolution”) making certain proposed amendments to the declaratory resolution and plan for the Edwardsville-Highlander Point Gateway Economic Development Area (such amendments, the “Amendments”). The Amendments (i) expanded the previously declared Edwardsville-Highlander Point Gateway Economic Development Area (the “Original Area”) to include certain additional area (such new area, the “Expansion Area” and, together with the Original Area, the “Economic Development Area”), (ii) removed an area from the previously designated Edwardsville-Highlander Point Gateway Allocation Area, and designated such removed area, together with all of the Expansion Area, as a separate allocation area within the Economic Development Area known as the Edwardsville Gateway Village Allocation Area, and (iii) incorporated a supplement into the plan for the Economic Development Area (the “Plan Supplement”), as described in the Declaratory Resolution.

Maps and plats have been prepared and, together with a detailed description of the proposed Amendments (including the Plan Supplement), can be inspected at the office of the Department, located at the Pineview Government Center, 2524 Corydon Pike Suite 202, New Albany, IN 47150.

Notice is hereby further given that the Commission will conduct a public hearing on Tuesday, February 20, 2024, at 10:00 a.m., (local time), in the Commissioners Assembly Room (Room #104) of the Pineview Government Center, located at 2524 Corydon Pike, New Albany, Indiana 47150, to receive and hear remonstrances and objections from all persons interested in or affected by the Amendments. Following the public hearing, the Commission will determine the public utility and the benefit of the proposed Amendments, and whether the proposed Amendments are reasonable and appropriate when considered in relation to the plan and the purposes of Indiana Code 36-7-14.

FLOYD COUNTY REDEVELOPMENT COMMISSION

[TO BE **PUBLISHED ONE (1) TIME BY FRIDAY, FEBRUARY 9, 2024**, IN THE *NEWS AND TRIBUNE*.]

[ALSO BY NO LATER THAN **FRIDAY, FEBRUARY 9, 2024**, TO BE (1) **FILED IN THE OFFICE OF THE PLAN COMMISSION, BOARD OF ZONING APPEALS, WORKS BOARD, PARK BOARD, AND BUILDING COMMISSIONER AND ANY OTHER DEPARTMENT, BODY, OR OFFICERS OF THE COUNTY HAVING TO DO WITH PLANNING, VARIANCES FROM ZONING ORDINANCES, LAND USE, OR THE ISSUANCE OF BUILDING PERMITS, AND (2) FILED (ALONG WITH THE TAX IMPACT STATEMENT) WITH EACH TAXING UNIT LOCATED IN THE EDWARDSVILLE GATEWAY VILLAGE ALLOCATION AREA.**]

[ALSO, BY **FRIDAY, FEBRUARY 9, 2024**, TO BE SENT BY FIRST-CLASS MAIL TO AFFECTED NEIGHBORHOOD ASSOCIATIONS AND TO PERSONS OWNING PROPERTY THAT IS IN THE PROPOSED ENLARGEMENT TO THE ORIGINAL AREA.]

Economic and Tax Revenue Impact Statement for the Edwardsville-Highlander Point Gateway Economic Development Area

Edwardsville Gateway Village Allocation Area

**(The Removal of Certain Parcels from the Existing
Edwardsville-Highlander Point Gateway Allocation Area
and the Creation of the Edwardsville Gateway Village
Allocation Area within the Existing Edwardsville-
Highlander Point Gateway Economic Development Area)**

Floyd County Redevelopment Commission

February 9, 2024



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Purpose of the Statement

Crowe LLP (“Crowe”) has prepared an Economic and Tax Revenue Impact Statement for development to occur within the Edwardsville Gateway Village Allocation Area (the “Edwardsville Gateway Village Allocation Area”), pertaining to Floyd County, Indiana (the “County”). The results of our analysis are contained in this Economic and Tax Revenue Impact Statement for the Edwardsville-Highlander Point Gateway Economic Development Area – Edwardsville Gateway Village Allocation Area (the “Statement”).

The purpose of this Statement is to notify taxing units that may be affected by the addition of certain parcels of property (as defined herein) to the Edwardsville-Highlander Point Gateway Economic Development Area (the “Economic Development Area”), the removal of certain parcels of property (as defined herein) from the existing Edwardsville-Highlander Point Gateway Allocation Area (the “Edwardsville-Highlander Point Gateway Allocation Area”), and the designation of the aforementioned parcels as their own separate allocation area, to be known as the Edwardsville Gateway Village Allocation Area, of the estimated economic benefits and costs and the anticipated impact on tax revenues as a result of these actions, pursuant to Indiana Code 36-7-14-17.

Certain economic development facilities and public improvements have been identified for construction within the Edwardsville Gateway Village Allocation Area, including (i) support of the development of a mixed-use housing and community development and (ii) related public infrastructure work (collectively, the “Project”), and are described in detail in the Estimated Benefits and Costs of the Project in this Statement.

In the course of preparing this Statement, we have not conducted an audit, review, or compilation of any financial or supplemental data used in the accompanying Exhibits. We have made certain projections of revenues which may vary from actual results because events and circumstances frequently do not occur as expected and such variances may be material. We have no responsibility to update this Statement for events or circumstances occurring after the date of this Statement.

If you have questions regarding this Statement, please contact Tim Berry at (317) 677-1933 or Tim.Berry@crowe.com or Rachel Baker at (317) 689-5597 or Rachel.Baker@crowe.com.



Background

The proposed Edwardsville Gateway Village Allocation Area, within the Edwardsville-Highlander Point Gateway Economic Development Area, is located at the southwest corner of Old Georgetown Road and Carolyn Avenue. The project area contains seven parcels: four owned by Lochwood Apartments LLC, two owned by BcB Holdings, LLC, and one owned by Sprigler Development Company, LLC.

The Floyd County Redevelopment Commission (the “Commission”) serves as the governing body of the Floyd County Redevelopment District (the “District”). The Commission, under Indiana Code 36-7-14, as amended (the “Act”), has previously adopted and confirmed resolutions (collectively, the “Declaratory Resolution”) which (i) established and expanded an economic development area known as the “Edwardsville-Highlander Point Gateway Economic Development Area” (the “Economic Development Area”), (ii) designated the entirety of the Economic Development Area as the “Edwardsville-Highlander Point Gateway Allocation Area” pursuant to Section 39 of the Act (the “Edwardsville-Highlander Point Gateway Allocation Area”), and (iii) approved a development plan for the Economic Development Area (the “Plan”).

On October 17, 2023, the Commission adopted Resolution No. 2023-7 (the “Amending Declaratory Resolution”) amending the Prior Resolutions by (i) expanding the Economic Development Area by adding three parcels (22-02-00-100-037.000-002, 22-02-00-100-038.000-002, and 22-02-00-100-039.000-002) thereto, (ii) removing four parcels from the Edwardsville-Highlander Point Gateway Allocation Area (22-02-00-100-126.000-002, 22-02-00-100-127.000-002, 22-02-00-100-129.000-002, and 22-02-00-100-310.000-002), (iii) designating the aforementioned seven parcels as a separate allocation area pursuant to Section 39 of the Act to be known as the “Edwardsville Gateway Village Allocation Area” (the “Edwardsville Gateway Village Allocation Area”), and (iv) adopting a supplement to the Plan (the “2023 Plan Supplement”) (collectively, the “2023 Amendments”).

The base assessment date for property in the Edwardsville Gateway Village Allocation Area is January 1, 2023, and will expire twenty-five (25) years after the date on which the first obligation is incurred to pay principal and interest on any bonds or lease rentals on leases payable from the TIF revenues derived in the Allocation Area. The base date for the remaining parcels in the Edwardsville-Highlander Point Gateway Allocation Area shall maintain the same base assessment date established in the Prior Resolutions.



Estimated Economic Benefits and Costs of the Project

Pursuant to Indiana Code 36-7-15.1-10, this Statement has been prepared for the purpose of notifying taxing units that may be affected by the addition of certain parcels of property to the Economic Development Area, the removal of certain parcels of property from the Edwardsville-Highlander Point Gateway Allocation Area, and the designation of the aforementioned parcels as the Edwardsville Gateway Village Allocation Area of the estimated economic benefits and costs and the anticipated impact on tax revenues as a result of these actions.

The proposed economic development facilities to be developed by Sprigler Development Company, LLC (the "Developer"), consisting of certain additions or improvements, including the demolition, excavation, and site work, benefitting the development of a mixed-use housing and community development (the "Project"), located at the southwest corner of Old Georgetown Road and Carolyn Avenue, have been identified for development within the Edwardsville Gateway Village Allocation Area.

Additionally, the Project will invest in related public infrastructure that may include the design, engineering and construction of sanitary sewer, stormwater, road, parking, sidewalk, utility infrastructure and/or relocation. The cost of the related public infrastructure is estimated to be at least \$1.125 million.

The estimated cost of the Project is approximately \$20 million. The Developer has requested that the County issue its Redevelopment District Tax Increment Revenue Bonds, Series 202_ (Local Income Tax Supported) (the "Bonds") in an aggregate principal amount not to exceed \$1.5 million for the purpose of providing funds for paying a portion of the costs of the Project by loaning a portion of the proceeds of the Bonds to the Developers.

The Commission finds that the adoption of the Amending Declaratory Resolution and the completion of the Project will be of public utility and benefit to the County and its citizens. The Commission finds that the creation of the Edwardsville Gateway Village Allocation Area and the Project will add assessed value to the County's property tax base that would not have been produced but for the creation of the Edwardsville Gateway Village Allocation Area.

The Commission has stated that no residents of the Economic Development Area will be displaced nor does the Commission propose to acquire any specific parcel of land or interests in the land within the boundaries of the Economic Development Area.



Methodology

The analysis of any tax revenue impact of the designation of the Edwardsville Gateway Village Allocation Area must be viewed in the context of Indiana property tax controls. The statutory controls affect funds in a governmental unit by controlling the amount that can be levied in taxes by either controlling the aggregate amount of taxes which can be levied (“Levy Controls”) or by controlling the tax rate applied (“Rate- Controls”), or both.

Although aggregate levy and rate controls are applied at the fund level, legislation passed by the Indiana General Assembly has modified an existing property tax control at the individual property taxpayer level (the “Circuit Breaker Tax Credit”). This control provides that the circuit breaker tax credit is granted for a property tax liability in excess of one percent (1%) for homestead-eligible property, two percent (2%) for other residential real property (generally, apartments and rental homes), long-term care facilities, and agricultural land, and three percent (3%) for all other real and personal property. Taxes credited to each taxpayer shall result in a revenue reduction to each affected taxing unit, and the revenue lost may not be made up by a unit through the levying of additional property taxes or borrowing funds.

Therefore, potential growth in assessed value otherwise captured by the creation or expansion of a TIF area to include additional real or personal property may have a limited indirect effect on the capability of levy-controlled funds to raise required property tax revenues to the extent that growth in property assessed values are limited, resulting in individual property tax rates which exceed property tax caps.

Levy Controls

Governmental funds which are levy controlled are limited on an aggregate basis by a “maximum levy” calculation and not by a rate control. The maximum permissible levy growth for each succeeding tax year is based on the average change in Indiana non-farm personal income for each of six years preceding the year in which a budget is adopted.

Rate Controls

For funds controlled by a tax rate and are at the maximum permissible rate, the establishment of or expansion of a TIF area to include additional real or personal property has a potential impact on the unit’s tax revenue equal to the increased assessed valuation captured in the TIF area times the controlled tax rate and further impacted by Circuit Breaker Tax Credits.

Estimated Net Property Tax Revenue Impact

This Statement provides the estimated impacts for levy-controlled funds, rate-controlled funds, and circuit breaker credits for the taxing units within Taxing District 002 Georgetown Township (“TD 002”). The impact calculated in Exhibit B is based on the incremental net assessed value (NAV) divided by \$100, multiplied by the net tax rates of the respective funds, which excludes the Post 09 Referendum Exempt Capital fund of New Albany-Floyd County Consolidated Schools, the Special Fire General and the Special Cumulative Fire funds of the Georgetown Township Fire District; the taxes associated with such funds will not be captured by the Edwardsville Gateway Village Allocation Area. Exhibit B also estimates the change in circuit breaker credits resulting from the change in tax rates of levy-controlled funds where the incremental assessed value is not captured by the Edwardsville Gateway Village Allocation Area. See the Summary of Significant Assumptions and the assumptions identified specifically on Exhibit B.

The calculations on Exhibit B do not make provisions for rate-controlled funds that are not at the statutory maximum rate that could be subject to other statutory controls which may require the unit to reestablish its fund rate in order to offset any potential estimated revenue impact. In addition, some rate controlled funds may be subject to other limitations beyond a maximum tax rate.

Though Exhibit B provides the estimated comprehensive impact of the Project and the 2023 Amendments described herein, the Commission has determined that new property taxes would not have been generated but for the Project and 2023 Amendments. Therefore, there is no direct tax rate or levy impact on the taxing units overlapping as a result of the designation of the allocation provisions for the Edwardsville Gateway Village Allocation Area as the Project is not anticipated to occur “but for” public

intervention and public investment of the Commission and County. Therefore, there is no direct tax rate or levy impact to the taxing units because the Project will not occur without the designation of the Edwardsville Gateway Village Allocation Area.



Summary of Significant Assumptions

This Statement was prepared on the basis of assumptions provided by the Commission or representatives thereof, the Floyd County Assessor's Office, the Floyd County Auditor's Office, the Developer, Crowe LLP (collectively, the "Project Team"), and other resources deemed reliable and approved by the Commission. The assumptions herein are those that are significant to this Statement.

1. Estimated incremental assessed value is based on new real property investments. New real property investment estimates were provided by the Developer. The calculations in Exhibit B assume the assessed value of the project components to be captured by the Edwardsville Gateway Village Allocation Area will be estimated using the income approach method. The income approach is based on the Developer's pro forma and adjusted for certain County assumptions.
2. Certified Pay Year 2023 net tax rates for Taxing District 002 Georgetown Township, as provided in the County Abstract made available by the Department of Local Government Finance, are used as the basis for the analysis. Net tax rates exclude the Post 09 Referendum Exempt Capital Fund of New Albany-Floyd County Consolidated Schools and the Special Fire General and Special Cumulative Fire Funds of the Georgetown Twp Fire District, which will not be captured by the Edwardsville Gateway Village Allocation Area. The Pay Year 2023 certified tax rates and levies for Taxing District 002 are assumed to remain constant throughout the life of the allocation area and are aligned with the most recent available Pay Year parcel level data.
3. The anticipated timing of the investments related to the Project was provided by the Developer.
4. It is assumed that the Project will be fully assessed January 1, 2026, for Pay Year 2027 and that the incremental net assessed value will then be held constant.
5. No effect for environmental, regulatory, or other unforeseen circumstances which may have an impact on the assessment of the property either in Floyd County or the Edwardsville Gateway Village Allocation Area has been reflected in this Statement.
6. It is assumed that the impact on taxes as calculated in Exhibit B will remain constant until expiration of the Allocation Area. Furthermore, this assumption assumes the preceding assumptions continue through expiration of the Allocation Area.



Exhibits

Exhibit Summary

Exhibit A is a summary of the Pay Year 2023 tax rates for Taxing District 002 Georgetown Township.

Exhibit B identifies the estimated total impact, taking into account both levy and rate-controlled funds, including the circuit breaker credits for each taxing unit within Taxing District 002 Georgetown Township as a result of the creation of the Edwardsville Gateway Village Allocation Area.

Exhibit A: Tax Rate Summary Taxing District 002, Georgetown Township

	Certified Pay Year 2023 Tax Rate (1) (2)
Floyd County	
General	\$ 0.2004
2015 Reassessment	0.0071
Debt Service	0.0141
Cumulative Bridge	0.0130
Health	0.0145
Park & Recreation	0.0242
Total Floyd County	<u>0.2733</u>
Georgetown Township	
General	0.0049
Township Assistance	0.0050
Total Georgetown Township	<u>0.0099</u>
New Albany-Floyd County Consolidated Schools	
Debt Service	0.3948
Post 09 Referendum Exempt Capital	0.1328
Operations	0.5054
Total New Albany-Floyd County Consolidated Schools	<u>1.0330</u>
New Albany-Floyd County Public Library	
General	<u>0.0648</u>
Georgetown Township Fire District	
Special Fire General	0.1905
Special Cumulative Fire	0.0273
Total Georgetown Township Fire District	<u>0.2178</u>
Total Tax Rate	<u>\$ 1.5988</u>

- (1) Source: Gateway 2023 Abstract made available by the Department of Local Government Finance. Represents the most recent certified rates available at the time of this Statement.
- (2) Per \$100 of Net Assessed Value (NAV). The tax rate shown is applicable to parcels located within Taxing District 002 Georgetown Township.

Exhibit B: Estimated Tax Impact Levy and Rate Controlled Funds (Taxing District 002 Georgetown Township – Unit Net Levy) (Values in Thousands)

The below schedule estimates change in property tax levies and circuit breaker credits for each taxing unit in Taxing District 002 Georgetown Township as a result of capturing the incremental assessed value of the Project in the newly created Edwardsville Gateway Village Allocation Area. The calculated effect on Net Levy represents one year of impact; all else held constant (see “Summary of Significant Assumptions”). It is assumed that the impact on Net Levy would continue through the expiration of the Edwardsville Gateway Village Allocation Area. In summary and as shown below, capturing the incremental assessed value in the Edwardsville Gateway Village Allocation Area results in “forgone” tax collections in TD 002 of approximately \$2,550.

Unit	Increase (Decrease) Resulting from Moving Parcels to New Allocation Area and Capturing Incremental Assessed Value from the Project		
	Levy	Less: Circuit Breaker	Net Levy
Floyd County	\$ (1,710)	\$ 180	\$ (1,890)
Georgetown Township	-	10	(10)
New Albany-Floyd County Consolidated Schools	80	690	(610)
New Albany-Floyd County Public Library	10	50	(40)
Floyd County Solid Waste	-	-	-
Georgetown Twp Fire District	-	-	-
Total	\$ (1,620)	\$ 930	\$ (2,550)

*The change in Levy is primarily a result of decreased levies from rate-controlled funds and of rounding differences in applying levy-controlled fund rates against individual parcels for determining tax liability.

Exhibit B Assumptions and Source Data

1. Changes to Levy and Circuit Breaker using 2022 Pay 2023 parcel level data provided by the Department of Local Government Finance (DLGF) through its Real Property, Personal Property, and Adjustments files (the “Source Files”) were calculated using information made available through Gateway. County auditors provide the Source Files to DLGF at varying times in the property tax assessment and billing cycles, which results in differences between the Source Files and actual tax bills. The Source Files were adjusted to account for any differences between the Source Files and information summarized on the County’s Pay 2023 Abstract.
2. Rate controlled funds were identified based on DLGF’s Calculation of Estimated Rate Controlled Fund Maximum Rates report.
3. The Pay Year 2023 certified tax rates and levies for Taxing District 002 Georgetown Township are aligned with the most recent available Pay Year parcel level data, as provided for in the County’s Abstract, and were used in this analysis.
4. Incremental Assessed Value is assumed to be \$14,290,100, which is estimated using the income approach method. The income approach is based on the Developer’s pro forma and adjusted for certain County assumptions. (See “Summary of Significant Assumptions”).
5. All values are rounded to the nearest dollar (\$1).