

Battle Ground Town Council
Meeting Minutes, September 19, 2019

Special Meeting to Consider Tax Increment Financing (TIF)

Attending: Zach Raderstorf, Council President; Councilors Mike Bird, Greg Jones, James Miller, Steve Egly; Clerk Treasurer Georgia Jones, Attorney Eric Burns

Guests: Greg Balsano (Baker Tilly Municipal Advisors), Mary Jo Totten, Heather Roth, Andrea Agree, Bill Jones, Steve Hancock, Dave Buck

Zach Raderstorf called the meeting to order, 6:30 p.m. The meeting purpose is to discuss using a commercial zone development tool called Tax Increment Financing (TIF). A prerequisite to using TIF is creating a Department of Redevelopment and Redevelopment Commission (RDC) in Battle Ground. The upfront costs are estimated to be \$9-12,800 to start and up to \$11,000 annual overhead costs. The assumption is that eventually there would be revenue from the TIF to cover administrative costs plus contribute to development projects. The RDC would have five appointed members to oversee activity and make decisions for the department.

Motion by Steve Egly to adopt Ordinance 2019-578 Establishing the Town of Battle Ground Department of Redevelopment and the Town of Battle Ground Redevelopment Commission. Second of Mike Bird.

James Miller distributed a document of about 40 questions he would like answered to learn about the requirements and obligations of a TIF district. From the materials he was shown, he believes the council has not demonstrated due diligence for such a decision. He would like to know why there is a rush to “get this done” and should the council educate the community about the impact of TIF on their taxes. He believes the vote to pass a TIF ordinance has been already agreed upon and questions when and where the documented, in-depth public discussion took place. The concept was introduced at the September 9 meeting and he had no prior information.

Zach said Tax Increment Financing is used as an incentive to entice development in a defined area. James Miller questions the main premise of TIF, that “development would not occur but for the existence of the TIF” incentive. He is looking for evidence of what the revenue would be used for, to show residents that Battle Ground would be better off after the expense of creating and maintaining the TIF. Financial advisor fees could be up to \$11,000 for report documents, and there would also be legal fees and other department expenses.

Greg Balsano of Baker Tilly Municipal Advisors answered questions about the use of Tax Increment Financing. Eric Burns provided a timetable of required actions and decisions to meet statutory deadlines and commented on the differences between TIF revenue and tax abatement as another development incentive. A question was asked if the council had a plan for using the revenue that might be generated in the TIF area. Zach Raderstorf said a use would be decided after a developer or development project is known.

Bill Jones, Tippecanoe Township Trustee, said that the TIF areas in the county and West Lafayette divert about 20 million in assessed value from calculations for the fire territory tax rate and subsequently the township residents pay more taxes than they would otherwise have to (without the TIF). James Miller would like to have Larry DeBoer from Purdue Agricultural Economics talk about the pros and cons of using TIF districts to educate the council before a decision is made. Larry would be an unbiased source of information, as opposed to a vendor who is anticipating quoting a contract for work.

Mary Jo Totten asked who will take on the administrative work for the RDC and who will serve as department volunteers. The town council president appoints three members, and the town council appoints two members. The town clerk becomes the clerk of the Redevelopment Commission. Steve Egly thought there would be opportunity to have the county do the annual reporting that is required, to minimize expense for the town. A county commissioner said the county might pick up the work for filing. He does not think the filing is a difficult part of having a TIF. A TIF can exist up to 25 years. If there is no revenue generated, the expense would be taken from the town budget. Steve Hancock asked if the estimated \$11,000 is a maximum annual fee and what other variables might affect the cost. If the council approves the TIF is there a maximum budget for expenses? The bond council is \$4800.00, and Baker Tilly would be \$8000.00. This may not represent all costs but Eric Burns thought it would be fine.

It would take 2-3 months to accomplish all action items to set up the department and the RDC committee. Eric Burns has a timeline that includes three town council meetings to finalize all the decisions. A tax impact study is required to show each overlapping taxing unit how the TIF might affect them. Zach Raderstorf mentioned that the base year for the TIF calculations would be 2020 assessed value to provide maximum benefit in revenue. James Miller commented that in light of that, there might not be urgency to pass this now. The council has until December 2020 to finalize the Department of Redevelopment and still use the 2020 assessed values. James suggested there are other options to use to control development that have not been discussed. He did not know about this meeting until 48 hours ago and did not receive communication that other councilors had access to.

Mike Bird said something needs to be done now since the area is "dead". Georgia Jones asked Steve Egly to elaborate on his comment that TIF can be used to control development. Steve indicated the council could decide which projects would receive the incentives available.

Eric burns remarked that the creation of a TIF announces to the world that you (Battle Ground) are ready for business. There is competition for development from Indiana commercial areas that currently offer TIF incentives. Zach Raderstorf called for the question to adopt Ordinance 2019-578. The vote was 4 Aye, 1 Nay. James Miller opposed the ordinance at this time saying he does not have enough information to be comfortable approving this action.

Motion by Zach Raderstorf to recommend Michael Budd and Zach Raderstorf as the town council's two appointments for a Department of Redevelopment. Second of Steve Egly. Motion carried, 4 Aye, 0 Nay, 1 abstain. James Miller did not participate in the appointment vote, not having enough information to approve the members. Three other members for the RDC will be appointed by the town council president.

Motion to adjourn 7:48 p.m. by Mike Bird.


Georgia Jones, Clerk Treasurer


Zachary Raderstorf, Council President