

City of Bedford – Minutes

Redevelopment Commission Meeting

July 11th, 2022

StoneGate Arts & Education Center

931 15th Street

5:00 PM

Call to Order: Penny May

The Redevelopment Commission of the City of Bedford, Indiana met for Regular Meeting on July 11th, 2022, at 5:00 PM at StoneGate Arts & Education Center, Penny May presided and called the meeting to order.

Roll Call:

Members Present

Mayor Samuel J. Craig

Judy Carlisle

Ryan Griffith

Craig Turpen

Penny May

Shea Hooten (Absent)

Non-Voting School Board Member: Tracy Bailey

Reading of Minutes- May 9th, 2022

May 31st, 2022

- Ryan Griffith made the motion to approve,
- Judy Carlisle seconded the motion,
- ***All votes were in favor, No One opposed, Approved***

New Business:

- 1. Review and Consideration of General Motors LLC Tax Abatement Statement of Benefits (SB-1)-Recommendation of Time Period, Percentage of Annual Fee, and Organization Distribution to be Approved by the Common Council-Mayor Samuel J. Craig**

- The RDC Board approved a 10 year, 100% proposed Personal Property Tax Abatement for General Motors. The Abatement is in connection with a \$45 million

investment in machinery, equipment, and special tooling necessary to produce electric vehicle components.

- The investment is projected to retain 43 jobs at the site.
- Per State Statute regarding Redevelopment Purposes, a 15% fee will be given to the Redevelopment Commission.
- General Motors has 6 Abatements with the City of Bedford for Personal Property.
- \$108 million has been invested in the Bedford plant since 2010.
- Mayor Craig said in addition to the Abatements, General Motors has had numerous Personal Property Projects that did not include an Abatement.

- Craig Turpen made the motion to approve,
- Judy Carlisle seconded the motion,
- ***All votes were in favor, No One opposed, Approved***

2. Request Approval and Acceptance of Payment for BNY Mellon Invoice-Redevelopment District Tax Increment Refunding Bonds, series 2015-\$127,375.00-Plaza Drive South

- The payment of \$127,375 is for interest in the amount of \$2,375 and Redemption in the amount of \$125,000 for Series 2015 Redevelopment District Tax Increment Refunding Bonds.

3. Request Approval and Acceptance of Payment for Old National Wealth Management-Lease Rental Agreement for StoneGate Arts & Education Center-\$128,000

- Bedford Redevelopment Series 2017 payment due in the amount of \$128,000 for Lease Rental Payment to Old National Wealth Management.

4. TIF Presentation for Taxing Units by Baker Tilly-The TIF Presentation will Cover the Budget for Tax Increment Revenues Collected Within Each Allocation Area, The Long-Term Plan for Each Allocation Area and the Impact of Each Allocation Area on the Overlapping Taxing Units in Accordance with IC 36-7-25.8- Andy Mouser, Baker Tilly

BEDFORD REDEVELOPMENT COMMISSION

Bedford Consolidated Economic Development Area

GENERAL COMMENTS

Background Information Concerning the Area and the Tax Increment

On February 21, 2006, the Bedford Redevelopment Commission (the "Commission") adopted a declaratory resolution to establish the Bedford Economic Development Area No. 1 and Allocation Area ("TIF 1") for purposes of capturing all Tax Increment from new developments.

The declaratory resolution allows for the capture of the growth in real property assessed value within TIF 1 in excess of the base assessed value defined in Indiana Code § 36-7-14-39. The base assessment date of TIF 1 is March 1, 2005. TIF 1 will expire on February 21, 2036, 30 years after the date of the declaratory resolution.

On February 12, 2010, the Commission adopted a declaratory resolution to establish the Bedford East Gate Area Economic Development Area No. 2 and Allocation Area (“TIF 2”) for purposes of capturing all Tax Increment from new developments. The declaratory resolution allows for the capture of the growth in real property assessed value within TIF 2 in excess of the base assessed value defined in Indiana Code § 36-7-14-39. The base assessment date of TIF 2 is March 1, 2009. TIF 2 will expire on March 12, 2040, 25 years after the date of issuance of the 2015 Bonds.

On February 11, 2013, the Commission adopted a declaratory resolution to establish the Bedford Downtown & North Side Economic Development Area and Allocation Area (“TIF 3”) for purposes of capturing all Tax Increment from new developments. The declaratory resolution allows for the capture of the growth in real property assessed value within TIF 3 in excess of the base assessed value defined in Indiana Code § 36-7-14-39. In addition, the Commission has designated General Motors, Inc., and its successors, assigns and affiliates, as a designated taxpayer for the capture of depreciable personal property Tax Increment. TIF 3 will expire on March 12, 2040, 25 years after the date of issuance of the 2015 Bonds.

On August 16, 2013, the Commission adopted a declaratory resolution to consolidate TIF 1, TIF 2 and TIF 3 into single economic development area known as the Bedford Consolidated Economic Development Area (the “Bedford Consolidated Area”). The original allocation area base dates and expirations remain unchanged. However, the Commission also re-designated General Motors, Inc., and its successors, assigns and affiliates, as a designated taxpayer (the “GM TIF”). The base assessment date of the GM TIF was reset to March 1, 2013. The GM TIF will expire on March 12, 2040, 25 years after the date of issuance of the 2015 Bonds.

Outstanding Bonds: Sources of Repayment and Security

On March 12, 2015, the City of Bedford (the “City”) issued \$1,905,000 of Redevelopment District Tax Increment Refunding Revenue Bonds, Series 2015 (the “2015 Bonds”) to refund the Tax Increment Revenue Bonds of 2007 (the “2007 Bonds”).

BEDFORD REDEVELOPMENT COMMISSION

Bedford Consolidated Economic Development Area

GENERAL COMMENTS

Outstanding Bonds: Sources of Repayment and Security (Cont’d)

The 2007 Bonds were originally issued to finance certain projects, additions, or improvements within TIF 1, including but not limited to (a) the extension of Plaza Drive North from 16th Street (SR 450) to John Williams Boulevard; (b) the extension/expansion of water and sewer infrastructure into the corridor of John Williams Boulevard and 5th Street (Hwy. 58); and (c) the extension/expansion of water and sewer infrastructure to the west side of SR 37 including an extension to the Bex Addition.

The 2015 Bonds are payable from Tax Increment collected in the Bedford Consolidated Area

on parity with the 2017 Bonds and, to the extent Tax Increment is insufficient, from an ad valorem special benefits tax levied on the City of Bedford Redevelopment District (the "District"). The 2015 Bonds do not constitute a corporate obligation or indebtedness of the city but constitute an obligation of the District as a special taxing district. The Commission intends and expects to use available revenues including Tax Increment. The 2015 Bonds are not subject to redemption prior to maturity.

The 2015 Bonds were purchased by Old National Bank through a private placement. The Bank of New York Mellon Trust Company, N.A. serves as registrar and paying agent.

On August 14, 2017, the City of Bedford Redevelopment Authority issued \$3,550,000 of Taxable Lease Rental Revenue Bonds, Series 2017 (the "2017 Bonds") to finance expenditures for the StoneGate Arts & Education Center and related improvements in or serving the Bedford Consolidated Area.

The 2017 Bonds are payable from semiannual lease rental payments. The lease rentals are payable from Tax Increment collected in the Bedford Consolidated Area on parity with the 2015 Bonds and, to the extent Tax Increment is insufficient, from ad valorem special benefits tax levied on the district. The Commission intends and expects to use available revenues including Tax Increment. The 2017 Bonds are further secured by a debt service reserve. The 2017 Bonds are subject to redemption prior to maturity without premium as further detailed in the Trust Indenture.

The 2017 Bonds were purchased by the United States Department of Agriculture ("USDA") Rural Development through a private placement. Old National Wealth Management serves as trustee.

BEDFORD REDEVELOPMENT COMMISSION

Bedford Consolidated Economic Development Area

GENERAL COMMENTS

Future Tax Increment, Debt Repayment and Administration of the Area

Based on current estimates, Bedford Consolidated Area Tax Increment is anticipated to be sufficient to fully cover debt service on the 2015 Bonds and 2017 Bonds in 2022 and beyond. Excess Tax Increment is anticipated to be available through the expiration of all portions of the Bedford Consolidated Area following 2039. Excess Tax Increment is anticipated to increase in future years as obligations mature and as the Tax Increment increases due to the roll-off of property tax abatements.

Such excess Tax Increment may be used for additional capital projects in, serving or benefitting the greater Bedford Consolidated Area that are included in the Economic Development Plan. The surplus Tax Increment could be utilized on a pay-as-you-go basis or to support future debt issuances.

2022

Allocation Area No. 1

Net Assessed Value (1) \$80,480,315 \$80,627,047
Less: Base Assessed Value (1) (43,780,416) (43,425,947)
Incremental Assessed Value 36,699,899 37,201,100
Times: Net Tax Rate \$3.6695 (2) \$3.7086 (3)
Estimated Tax Increment 1,346,700 1,379,640
Less: Estimated Circuit Breaker Tax Credit (4) (97,630) (130,100)
Estimated Net Tax Increment \$1,249,070 \$1,249,540
Actual Collections \$1,384,649 (5) \$681,356 (6)

- (1) Per the Lawrence County Auditor's office.
- (2) Represents the certified Pay 2021 tax rate for the City of Bedford taxing district.
- (3) Represents the certified Pay 2022 tax rate for the City of Bedford taxing district.
- (4) Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 3.0% of gross assessed value for commercial property and 2.0% of gross assessed value for other residential, is applied. Accounts for the application of the pay 2022 LIT PTRC of 10.5037%.
- (5) Actual collections, per the Lawrence County Auditor's office. Includes delinquent 2020 taxes.
- (6) Actual collections, per the Lawrence County Auditor's office. Represents spring 2022 collections only.

Note: This analysis assumes no additional growth or any changes to the tax rate. Changes to these assumptions may result in material differences to the tax increment estimates contained in this analysis.

dated June 23, 2022, of Baker Tilly Municipal Advisors, LLC)

ESTIMATED ANNUAL REAL PROPERTY TAX INCREMENT

Bedford Consolidated Economic Development Area

Taxes Payable Year Ending

2022

Allocation Area No. 2

Net Assessed Value (1) \$37,374,150 \$42,129,215
Less: Base Assessed Value (1) (28,588,382) (28,806,369)
Incremental Assessed Value 8,785,768 13,322,846
Times: Net Tax Rate \$3.6695 (2) \$3.7086 (3)
Estimated Tax Increment 322,390 494,090
Less: Estimated Circuit Breaker Tax Credit (4) (45,320) (97,040)
Estimated Net Tax Increment \$277,070 \$397,050
Actual Collections (1) \$271,559 \$199,152 (5)

- (1) Per the Lawrence County Auditor's office.
- (2) Represents the certified Pay 2021 tax rate for the City of Bedford taxing district.
- (3) Represents the certified Pay 2022 tax rate for the City of Bedford taxing district.
- (4) Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 3.0% of gross assessed value for commercial property and 2.0% of gross assessed value for other residential, is applied. Accounts for the application of the pay 2022 LIT PTRC of 10.5037%.
- (5) Actual collections, per the Lawrence County Auditor's office. Represents spring 2022 collections only.

Note: This analysis assumes no additional growth or any changes to the tax rate. Changes to these assumptions may result in material differences to the tax increment estimates contained in this analysis.

dated June 23, 2022, of Baker Tilly Municipal Advisors, LLC)

Discussion

- Ryan Griffith asked where we were on the Blueprints for the New Police Department.
- Mayor Craig said they were meeting with the Architects next week.

Adjourn

- Ryan Griffith made the motion to approve,
- Judy Carlisle seconded the motion,
- **All votes were in favor, No One opposed, Meeting Adjourned, Passed**

The Redevelopment Commission 2022

- *Samuel J. Craig, Mayor* _____
- *Penny May, President* _____
- *Judy Carlisle, Vice-President* _____
- *Ryan Griffith, Secretary* _____
- *Shea Hooten, Member* _____
- *Craig Turpen, Member* _____

Attest: Ryan Griffith
Secretary, Redevelopment Commission _____