

# UMBAUGH

H. J. Umbaugh & Associates  
Certified Public Accountants, LLP  
8365 Keystone Crossing  
Suite 300  
Indianapolis, IN 46240-2687  
Phone: 317-465-1500  
Fax: 317-465-1550  
www.umbaugh.com

February 5, 2015

Bartholomew County Board of Commissioners  
Ms. Barbara Hackman, Auditor  
440 Third Street  
Columbus, IN 47201

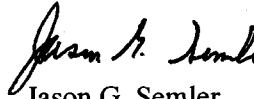
Re: Bartholomew County Greater Northern Gateway Economic Development Area (the "Area")

Dear Ms. Hackman:

Enclosed please find a copy of the Tax Impact Statement that was prepared by Umbaugh on behalf of the Bartholomew County Redevelopment Commission (the "Commission"). The Commission is required to provide an impact statement to each of the taxing units which overlap the Area including Bartholomew County, German Township, the Bartholomew Consolidated School Corporation, the Bartholomew County Public Library and the Bartholomew County Solid Waste Management District at least 10 days before the public hearing.

Very truly yours,

UMBAUGH

  
Jason G. Semler

JGS/ars

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February 5, 2015

Members of the German Township Advisory Board  
c/o Mr. Christopher West, Township Trustee  
9428 Main Street  
Taylorsville, IN 47280

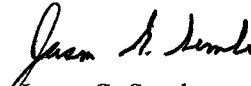
Re: Bartholomew County Greater Northern Gateway Economic Development Area (the "Area")

Dear Mr. West:

Enclosed please find a copy of the Tax Impact Statement that was prepared by Umbaugh on behalf of the Bartholomew County Redevelopment Commission (the "Commission"). The Commission is required to provide an impact statement to each of the taxing units which overlap the Area including Bartholomew County, German Township, the Bartholomew Consolidated School Corporation, the Bartholomew County Public Library and the Bartholomew County Solid Waste Management District at least 10 days before the public hearing.

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February 5, 2015

Members of the Bartholomew Consolidated School Corporation Board  
c/o Dr. John Quick, Superintendent  
1200 Central Avenue  
Columbus, IN 47201

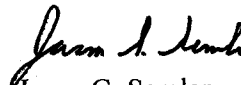
Re: Bartholomew County Greater Northern Gateway Economic Development Area (the "Area")

Dear Dr. Quick:

Enclosed please find a copy of the Tax Impact Statement that was prepared by Umbaugh on behalf of the Bartholomew County Redevelopment Commission (the "Commission"). The Commission is required to provide an impact statement to each of the taxing units which overlap the Area including Bartholomew County, German Township, the Bartholomew Consolidated School Corporation, the Bartholomew County Public Library and the Bartholomew County Solid Waste Management District at least 10 days before the public hearing.

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February 5, 2015

Members of the Bartholomew County Public Library Board  
c/o Ms. Elizabeth Booth Poor, Director  
536 Fifth Street  
Columbus, IN 47201

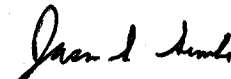
Re: Bartholomew County Greater Northern Gateway Economic Development Area (the "Area")

Dear Ms. Poor:

Enclosed please find a copy of the Tax Impact Statement that was prepared by Umbaugh on behalf of the Bartholomew County Redevelopment Commission (the "Commission"). The Commission is required to provide an impact statement to each of the taxing units which overlap the Area including Bartholomew County, German Township, the Bartholomew Consolidated School Corporation, the Bartholomew County Public Library and the Bartholomew County Solid Waste Management District at least 10 days before the public hearing.

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February 5, 2015

Members of the Bartholomew County Solid Waste Management District Board  
c/o Ms. Heather Siesel, Director  
720 South Mapleton Street  
Columbus, IN 47201


Re: Bartholomew County Greater Northern Gateway Economic Development Area (the "Area")

Dear Ms. Siesel:

Enclosed please find a copy of the Tax Impact Statement that was prepared by Umbaugh on behalf of the Bartholomew County Redevelopment Commission (the "Commission"). The Commission is required to provide an impact statement to each of the taxing units which overlap the Area including Bartholomew County, German Township, the Bartholomew Consolidated School Corporation, the Bartholomew County Public Library and the Bartholomew County Solid Waste Management District at least 10 days before the public hearing.

Very truly yours,

UMBAUGH

  
Jason G. Semler

JGS/ars

**BARTHOLOMEW COUNTY (INDIANA) REDEVELOPMENT COMMISSION**

**STATEMENT DISCLOSING THE IMPACT OF ESTABLISHING THE  
BARTHOLOMEW COUNTY GREATER NORTHERN GATEWAY ECONOMIC  
DEVELOPMENT AREA AND ALLOCATION AREA**

The Bartholomew County Redevelopment Commission is required by Indiana Code 36-7-14, as amended (the "Act"), to provide a statement disclosing the impact of establishing a tax allocation area on the overlapping taxing units. This impact statement discloses and explains the impact on the overlapping taxing units caused by establishing the area and allocation area and capturing Tax Increment (as herein defined).

**ESTABLISHMENT OF THE AREA, THE ALLOCATION AREA AND THE PLAN**

On December 9, 2014, the Bartholomew County (the "County") Redevelopment Commission (the "Commission") adopted a declaratory resolution (the "Declaratory Resolution") establishing the Bartholomew County Greater Northern Gateway Economic Development Area (the "Area") and within the Area an allocation area (the "Allocation Area"). The Area consists of a special overlay district, the Edinburgh/Bartholomew/Columbus Joint District (the "Joint District") and additional territory in the County. The Joint District was formed on January 23, 1989, to make and implement planning, zoning, platting or land use policy in the northern quadrant of the Area. The Area has a mix of zoning, including commercial, industrial reserve and heavy industrial.

The Declaratory Resolution allows for the capture of Tax Increment resulting from the growth in all non-residential real property assessed value within the Allocation Area in excess of the base assessed value defined in the Act. The capture of the increases in assessed value generated in the Allocation Area will expire on the later of 25 years from the date of issuance of debt secured by the allocated property taxes, or at such time as no bonds payable from allocated property taxes are outstanding.

In the Declaratory Resolution, the Commission finds that the Economic Development Plan (the "Plan") for the Area promotes significant opportunities for the gainful employment of the citizens of the County, will assist in attracting major new business enterprises to the County, may result in the retention or expansion of significant business enterprises existing in the County, and meets other purposes of the Act, including without limitation benefitting the public health, safety and welfare, increasing the economic well being of the County and the State of Indiana (the "State"), and serving to protect and increase property values in the County and State. The accomplishment of the Plan will be a public utility and benefit as measured by the attraction or retention of permanent jobs, an increase in the property tax base, improved diversity of the economic base and other similar public benefits. The Plan conforms to other development and redevelopment plans for the County.

Tax Increment consists of all property tax proceeds from the assessed valuation of non-residential real property in the allocation area as of the assessment date in excess of the base assessed valuation described in Section 39(b)(1) of the Act, multiplied by the current property tax rate (referred to throughout this Report as the "Tax Increment").

**BARTHOLOMEW COUNTY (INDIANA) REDEVELOPMENT COMMISSION**

**STATEMENT DISCLOSING THE IMPACT OF ESTABLISHING THE  
BARTHOLOMEW COUNTY GREATER NORTHERN GATEWAY ECONOMIC  
DEVELOPMENT AREA AND ALLOCATION AREA**

**ESTABLISHMENT OF THE AREA, THE ALLOCATION AREA AND THE PLAN  
(CONT'D)**

The base assessed value means the net assessed value of all the property in the an allocation area as finally determined for the assessment date immediately preceding the effective date of a declaratory resolution establishing the allocation area pursuant to Section 39 of the Act. The base assessment date for the Allocation Area is March 1, 2014.

**PROJECT SUMMARY**

In order to foster the goals and objectives of the Area and to promote the full potential of the Area, the Plan is specifically designed to provide financing for transportation, fire protection, sewer, storm water, water supply, property acquisition and/or development, and funding for future economic development and workforce training (collectively, the "Projects"). The completion of the Projects is intended to support business and industry growth, retention and attraction (the "Future Development"). The Commission estimates the cost of the Projects will exceed \$30,000,000 over a period of 20 years. The Commission intends to fund the Projects through the use of Tax Increment derived from the increases in real property taxes.

**ILLUSTRATIVE TAX INCREMENT**

The Commission intends to capture the real property Tax Increment generated from the Future Development in the Allocation Area. For the purposes of this analysis, we have included \$50,000,000 of illustrative incremental real property assessed value and an illustrative 950 of new employees from Future Development. The illustrative incremental real property assessed value from the Future Development is multiplied by the certified 2014 German Township tax rate to calculate the illustrative annual real property Tax Increment of \$733,500.

No adjustment for future statewide reassessments or trending was made in this analysis. Future tax rates and assessed value may differ from the tax rates and assessed value used in this analysis and the differences could have a material impact on the actual Tax Increment. See sections below for additional information about the recent legislative changes as they relate to property tax changes.

***Circuit Breaker Tax Credits (Property Tax Caps)***

In 2007, the Indiana General Assembly enacted legislation (IC 6-1.1-20.6), which would provide taxpayers with a tax credit for property taxes in an amount that exceeded a certain percentage of the gross assessed value of real and personal property (the "Circuit Breaker Tax Credit"), in effect creating a property tax cap.

**BARTHOLOMEW COUNTY (INDIANA) REDEVELOPMENT COMMISSION**

**STATEMENT DISCLOSING THE IMPACT OF ESTABLISHING THE  
BARTHOLOMEW COUNTY GREATER NORTHERN GATEWAY ECONOMIC  
DEVELOPMENT AREA AND ALLOCATION AREA**

**ILLUSTRATIVE TAX INCREMENT (CONT'D)**

Beginning with property taxes payable in 2010, and every year thereafter, property taxes for homesteads are limited to 1.0% of the gross assessed value of the homestead; property taxes for agricultural, other residential and long term care facilities property are limited to 2.0% of their gross assessed value; and property taxes for all other real and personal property are limited to 3.0% of gross assessed value. In November of 2010, Indiana voters passed a proposal to add the Circuit Breaker Tax Credit to the Indiana Constitution at the 1.0%, 2.0% and 3.0% levels, with special provisions applicable to Lake and St. Joseph Counties. Additional property tax limits have been made available to senior citizens that meet certain income and property assessed value thresholds.

If applicable, the Circuit Breaker Tax Credit will result in a reduction of property tax collections for each political subdivision in which the Circuit Breaker Tax Credit is applied. A political subdivision may not increase its property tax levy or borrow money to make up for any property tax revenue shortfall due to the application of the Circuit Breaker Tax Credit.

In this analysis, the Circuit Breaker Tax Credit is not assumed to reduce the estimated Tax Increment, based on the 2014 tax rates, due to the fact that the estimated Tax Increment is below the maximum threshold of 2.0% and 3.0% of the gross assessed value. There can be no assurance that the levies and tax rates of the County and the overlapping taxing units will not increase in some future year to the point of causing the Circuit Breaker Tax Credit to be applied to non-homestead taxpayers' tax bills.

**ESTIMATED IMPACT OF ESTABLISHING THE AREA AND THE ALLOCATION  
AREA**

The schedule entitled "Estimated Impact of Establishing the Bartholomew County Greater Northern Gateway Economic Development Area and Allocation Area on the Overlapping Taxing Units" provides an estimate of the effect on the tax rates of the overlapping taxing units (holding all other factors constant) of establishing the Area and the Allocation Area and capturing the non-residential real property incremental assessed value.

**Scenario I: Present Situation**

Scenario I represents the current situation (based on payable 2014 property tax information) prior to establishing the Area and the Allocation Area. Scenario I presents the payable 2014 assessed values, property tax levies and tax rates for the overlapping taxing units.



**BARTHOLOMEW COUNTY (INDIANA) REDEVELOPMENT COMMISSION**

**STATEMENT DISCLOSING THE IMPACT OF ESTABLISHING THE  
BARTHOLOMEW COUNTY GREATER NORTHERN GATEWAY ECONOMIC  
DEVELOPMENT AREA AND ALLOCATION AREA**

**ESTIMATED IMPACT OF ESTABLISHING THE AREA AND THE ALLOCATION  
AREA (CONT'D)**

**Scenario II: Assumes the Area and the Allocation Area are Established**

Scenario II depicts the impact on the overlapping taxing units (holding all other factors constant) if the Area and the Allocation Area are established. The illustrative real property incremental assessed value of \$50,000,000 from the Future Development is estimated to generate illustrative annual real property Tax Increment of \$733,500.

**Scenario III: Assumes the Area and the Allocation Area are NOT Established**

Scenario III represents the impact on the overlapping taxing units if the Area and Allocation Area are not established, the Projects cannot be funded and the Future Development does not occur and assumes there would be no additional growth in assessed value.

**Impact Summary**

The Commission has determined that the capture of increases in non-residential real property assessed value from the illustrative Future Development in the Allocation Area will not have a negative impact on anticipated revenues or the tax rates of the taxing units that are wholly or partially located in the Allocation Area. The Commission has determined that the Plan cannot be achieved by regulatory processes or by the ordinary operation of private enterprise without resort to the powers allowed under the Act. Private enterprise has historically been unwilling or unable to pay for the Projects.

Neither the Commission nor the County have the financial capacity to fund all the needed Projects (with the underlying assumption that the County would not issue bonds payable from ad valorem property taxes levied on all taxpayers within the County or from another source of funding, without the prospect of replacing that source with Tax Increment). Because the Future Development (and the new assessed value) cannot occur without the Projects, the Commission does not believe that there is a negative impact on the taxpayers or the taxing units from establishing the Area to capture the Tax Increment from the Future Development in the Area. After the Area is ended, the incremental assessed value will be added to the tax base of all the overlapping taxing districts.

Please note that for purposes of estimating the impact of Tax Increment financing, certain factors were held constant in this analysis. No other growth in real or personal property assessed value was assumed to take place anywhere in the County or within the Allocation Area. No increases in the budgets of the overlapping taxing units were assumed for purposes of this analysis. Potential impacts from future statewide reassessments or trending were not included in this analysis.

**BARTHOLOMEW COUNTY (INDIANA) REDEVELOPMENT COMMISSION**

**STATEMENT DISCLOSING THE IMPACT OF ESTABLISHING THE  
BARTHOLOMEW COUNTY GREATER NORTHERN GATEWAY ECONOMIC  
DEVELOPMENT AREA AND ALLOCATION AREA**

**ESTIMATED IMPACT OF ESTABLISHING THE AREA AND THE ALLOCATION  
AREA (CONT'D)**

***Non-Property Tax Impacts***

In addition to increases in real property assessed value, the Future Development is anticipated to assist in the creation of new jobs. Additional local income taxes could potentially be generated from the new jobs associated with the Future Development, assuming the new employees will be new residents of Bartholomew County or from incremental growth in wages and income of current and new employees. Additional revenue sources, which would potentially increase as a result of new business enterprises which locate in the Area include motor vehicle highway funds, local road and street funds and excise taxes.

**BARTHOLOMEW COUNTY (INDIANA) REDEVELOPMENT COMMISSION**

**ESTIMATED IMPACT OF ESTABLISHING THE BARTHOLOMEW COUNTY GREATER NORTHERN GATEWAY  
ECONOMIC DEVELOPMENT AREA AND ALLOCATION AREA ON OVERLAPPING TAXING UNITS (1)**

German Township Taxing District	Tax Rate	Net Assessed Value of Taxing Unit	Estimated Property Tax Levy
<b>SCENARIO I: <u>PRESENT SITUATION</u></b>			
Represents 2013 taxes payable 2014 property tax levies, assessed valuation, and tax rates.			
Bartholomew County	\$0.4450	\$3,899,519,571	\$17,352,862
German Township	0.0204	301,192,750	61,443
German Township Fire	0.0128	252,517,137	32,322
German Township Cumulative Fire (2)	0.0323	252,517,137	81,563
Bartholomew Consolidated School Corporation	0.5866	3,697,514,361	21,689,619
Bartholomew Consolidated School Corp. Capital Projects Fund (2)	0.2899	3,697,514,361	10,719,094
Bartholomew County Public Library	0.0597	3,850,843,958	2,298,954
Bartholomew County Solid Waste Management	<u>0.0203</u>	<u>3,899,519,571</u>	<u>791,602</u>
Total Tax Rate (per \$100 AV)	<u>\$1.4670</u>		

				Rate Difference From Scenario I	Levy Difference From Scenario I
<b>SCENARIO II: <u>ASSUMES THE AREA IS ESTABLISHED</u></b>					
Assumes the illustrative real property incremental assessed value from the Future Development is captured.					
Bartholomew County	\$0.4450	\$3,899,519,571	\$17,352,862	\$0.0000	\$0
German Township	0.0204	301,192,750	61,443	0.0000	0
German Township Fire	0.0128	252,517,137	32,322	0.0000	0
German Township Cumulative Fire (2)	0.0323	252,517,137	81,563	0.0000	0
Bartholomew Consolidated School Corporation	0.5866	3,697,514,361	21,689,619	0.0000	0
Bartholomew Consolidated School Corp. Capital Projects Fund (2)	0.2899	3,697,514,361	10,719,094	0.0000	0
Bartholomew County Public Library	0.0597	3,850,843,958	2,298,954	0.0000	0
Bartholomew County Solid Waste Management	<u>0.0203</u>	<u>3,899,519,571</u>	<u>791,602</u>	<u>0.0000</u>	<u>0</u>
Total Tax Rate (per \$100 AV)	<u>\$1.4670</u>			<u>\$0.0000</u>	<u>\$0</u>

	Tax Rate	Assessed Value	Gross TIF	Circuit Breaker	Net TIF
TIF Allocation Fund					
Future Development	\$1.4670	<u>\$50,000,000</u>	<u>\$733,500</u>	\$0	<u>\$733,500</u>

				Rate Difference From Scenario I	Levy Difference From Scenario I
<b>SCENARIO III: <u>ASSUMES THE AREA IS NOT ESTABLISHED</u></b>					
Assumes the Area is not established, the Projects cannot be funded and the Future Development does not occur.					
Bartholomew County	\$0.4450	\$3,899,519,571	\$17,352,862	\$0.0000	\$0
German Township	0.0204	301,192,750	61,443	0.0000	0
German Township Fire	0.0128	252,517,137	32,322	0.0000	0
German Township Cumulative Fire (2)	0.0323	252,517,137	81,563	0.0000	0
Bartholomew Consolidated School Corporation	0.5866	3,697,514,361	21,689,619	0.0000	0
Bartholomew Consolidated School Corp. Capital Projects Fund (2)	0.2899	3,697,514,361	10,719,094	0.0000	0
Bartholomew County Public Library	0.0597	3,850,843,958	2,298,954	0.0000	0
Bartholomew County Solid Waste Management	<u>0.0203</u>	<u>3,899,519,571</u>	<u>791,602</u>	<u>0.0000</u>	<u>0</u>
Total Tax Rate (per \$100 AV)	<u>\$1.4670</u>			<u>\$0.0000</u>	<u>\$0</u>

(1) Based on information provided from the 2014 Budget Order.

(2) Tax rates are not adjusted for rate driven funds. Assumes these funds are at their maximum rates.

(Subject to the comments in the attached Impact Statement dated February 5, 2015)