



Meeting Title: February TANC Meeting Twin Aire TIF Presentation.

Meeting Date/Time: February 15th, 2024, at 6:30 PM

In Person Attendees: Edgar Guadarrama, Emily Djabi, Abigail Largent, Belinda Hager, Emily Scott, Krista Bozacki, Brenda Wills, Todd Wills.

Zoom Attendees: Kelli Mirgeaux, Pastor Bacon, Brian Immel

Facebook Views: 93 views as of 2/29/2024

Agenda Topic:	Notes:
Welcome	Emily gave introductions and encouraged attendees to sign up for the TANC newsletter.
TIF Presentation Emily Scott and Krista Bozacki	<p>Krista Bozacki and Emily Scott gave an in-depth presentation over the Twin Aire TIF. For more information, please watch the recording and view the slide deck.</p> <p>In Person Questions:</p> <p>Q – Typically how long does it take for the funds to start? A – It depends on when the first bond issued.</p> <p>Q – What about areas where sidewalks are already in disrepair? A – Business and neighborhood services may be able to help. If it is an area that is funded by a TIF, we may support them, but we don't enforce it.</p> <p>Q – Can TIFs be used for private projects and is there a limit on that? How can they be used for private projects? A – TIF eligible usage slide – paying principal interest on bonds or leases can be on private or public funding. The bond would be part of the TIF money, and it would be assessed through the city.</p> <p>Q - Who does and does not contribute to the TIF? A - No single-family houses, commercial, industrial (including larger apartment complexes) Library, school, or government owned building.</p> <p>Q - If the city keeps building here, is the TIF useless? A - There must be some sort of private investment. The government facilities don't add value, but they don't hinder it.</p> <p>Q - Can a private funder remove themselves from the already established TIF?</p>



A - If a project is happening within a designated TIF area, the private funder can request to be a single unit TIF and be removed from the larger TIF. It depends on how much money is there.

Other Clarifications:

HOTIF vs. TIF

HOTIF = Housing TIF

TIF = commercial industrial and multi family

Boundaries of the TIF must be primarily residential.

1/3 of the properties must be vacant, 1/3 of the properties must be older than 50 years old, and 1/3 of the properties must come through tax sale and be publicly owned.

Actual value of the land is the base of the TIF but the improvements are what are generating increments.

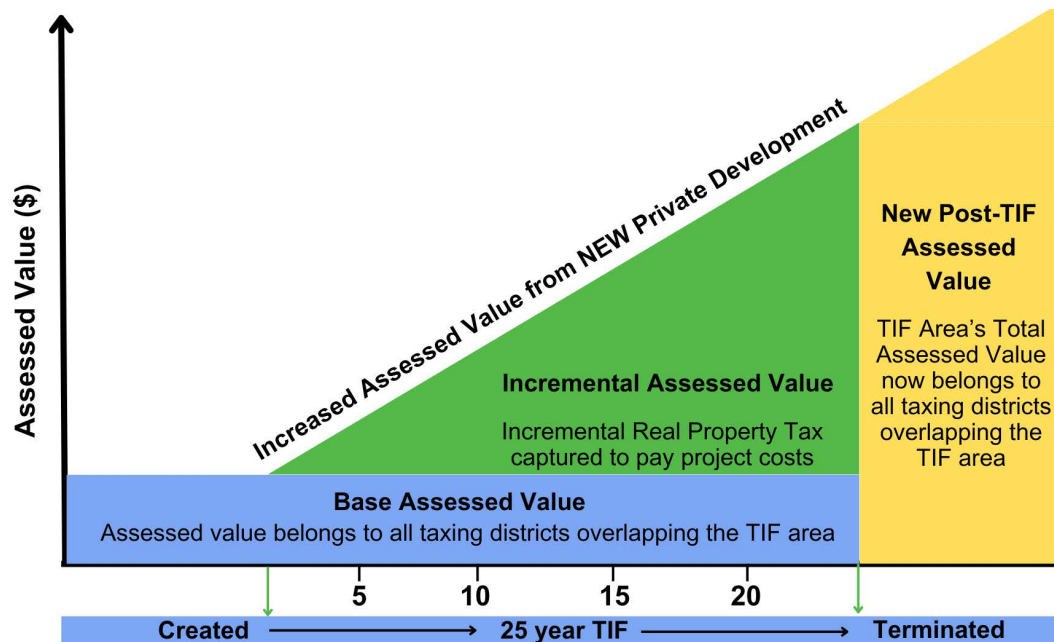
Next Meeting: March 21st 2024

What is a TIF?

Tax Increment Financing (TIF) is an urban planning tool used to fund economic development and investment in infrastructure. TIFs help overcome development or redevelopment obstacles that have not been, and are not likely to be, overcome by private investment.

How do TIFs work?

Property taxes are assessed annually. When a TIF is created, this "base" assessed value is frozen and continues to go into the general fund throughout the TIF's lifespan. Any new added value created by development, called the "increment," goes into a TIF fund for the district. TIFs have a 25-year lifetime limit, after which the base and increment will revert to the general fund.



Are there specific requirements for an area to become a TIF district?

A TIF must be located in a Redevelopment Area (RDA) or Economic Development Area (EDA). To become an RDA or EDA, the Metropolitan Development Commission must determine the area is distressed, make a finding of fact, and then vote to adopt a Redevelopment Plan and RDA/EDA through a declaratory resolution. The City-County Council then votes to adopt the Redevelopment Plan and Allocation area, followed by a final confirmatory resolution from the MDC.

Will my property taxes increase?

The creation of a TIF does not directly increase property taxes.

New infrastructure and development can lead to increases in market interest and assessed value. It is possible that property taxes will increase due to these improvements associated with the TIF.

However, in rapidly developing neighborhoods, it is possible that property taxes will increase regardless of whether the TIF is present.

What does the City consider when creating TIFs?

- Does an area meet requirements set by state law?
- Do the needs of the neighborhood align with ways that TIF funds can be spent?
- Does the neighborhood support the creation of a TIF?
- Is a TIF the most appropriate tool, or could other tools meet similar goals?

Are there limits on what TIF funds can be used for?

Yes! State law limits TIF funding to these uses:

- Construction or repair of infrastructure such as streets, sidewalks, and sewers
- Pay principal and interest on bonds or leases
- Acquisition of real estate
- Parking facilities
- Street lighting

Not all entities are permitted to receive or expend TIF housing. Recipients of TIF dollars are qualifying corporations such as nonprofits and community development corporations.

The state also limits where TIF funding can be spent. For example, TIF funds must be spent on projects within TIF boundaries or on projects that directly benefit the area within the TIF boundaries.

Are there existing TIFs in Marion County?

There are 70 existing TIFs in Marion County, including in Midtown, Near North Mass, Castleton, Fort Harrison, and the Airport. View all current TIF districts online at

<https://data.indy.gov/datasets/IndyGIS::tax-increment-financing-tif-districts/>

Who decides how TIF funds are spent?

Projects may be recommended by City staff or by the community, typically through a TIF Advisory Committee comprised of residents, institutional leaders, and community development professionals. The City works closely with TIF Advisory Committees to identify visions and values for the district. Not all proposed projects will be funded, and not all funded projects will come directly from the community. The City Office of Finance and Management may identify critical needs that are necessary for TIF expenditure. The City's redevelopment commission, known as the Metropolitan Development Commission, has the ultimate authority over TIF funds. Larger projects that require bonds must also receive approval from the City-County Council.



TWIN AIRE NEIGHBORHOOD COALITION MEETING

February 15, 2024

Meeting Agenda:

- Welcome
- Twin Aire TIFF Presentation: Tax Increment Financing (TIF) and TIF Advisory Committees, Department of Metropolitan Development (DMD) with the City of Indianapolis
- Land Use/Community Updates



TWIN AIRE TIFF PRESENTATION: TAX INCREMENT FINANCING (TIF) AND TIF ADVISORY COMMITTEES

Department of Metropolitan Development (DMD), City of Indianapolis



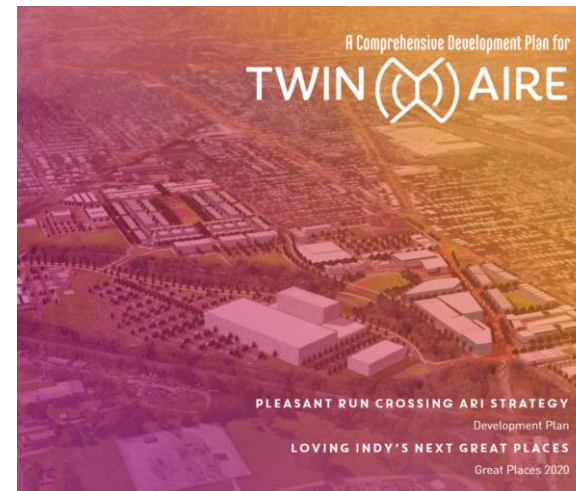
Tax Increment Financing (TIF) and TIF Advisory Committees

Department of Metropolitan Development



Twin Aire TIF Background

- Great Places 2020 and Twin Aire Redevelopment Planning in 2017 served as a catalyst for TIF creation
- Economic Development Area established in May 2019
- TIF district established in November 2019
- **What's new?** TIF Advisory Committee formation



What is an Economic Development or Redevelopment Area?

- Economic Development (EDA) and Redevelopment Areas (RDA) are tools outlined in Indiana Code to stimulate economic development or redevelop a defined geographic area.
- Must meet certain thresholds outlined in State Code.
- Area designation requires a plan and approval by the Metropolitan Development Commission and City-County Council

Indiana Code ([36-7-15.1-29](#)) requires the MDC to make the following findings to designate an area as an EDA:

1. *Promotes significant opportunities for the gainful employment of its citizens;*
2. *Attracts a major new business enterprise to the unit;*
3. *Retains or expands a significant business enterprise existing in the boundaries of the unit; or*
4. *Meets other purposes of this section and sections 28 and 30 of this chapter;*

Allocation Areas or “TIFs”

- The Metropolitan Development Commission may, **but is not required to**, designate all or a portion of any redevelopment area or economic development area as an **allocation area** for purposes of capturing incremental new taxes in the area commonly known as “tax increment” or “TIF”.
- The EDA or RDA may be designated several years in advance of an allocation area, or at the same time.

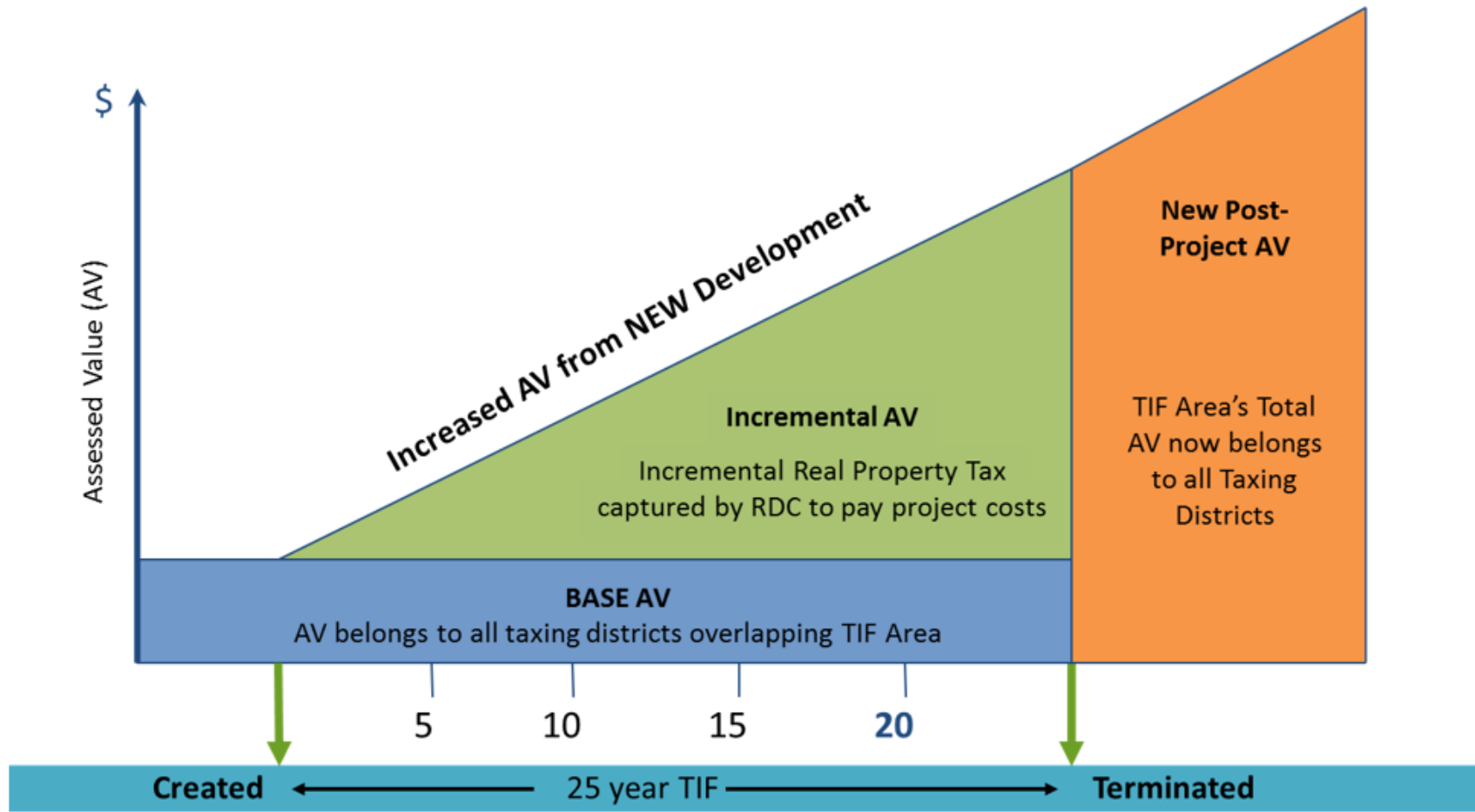
TIF Theory

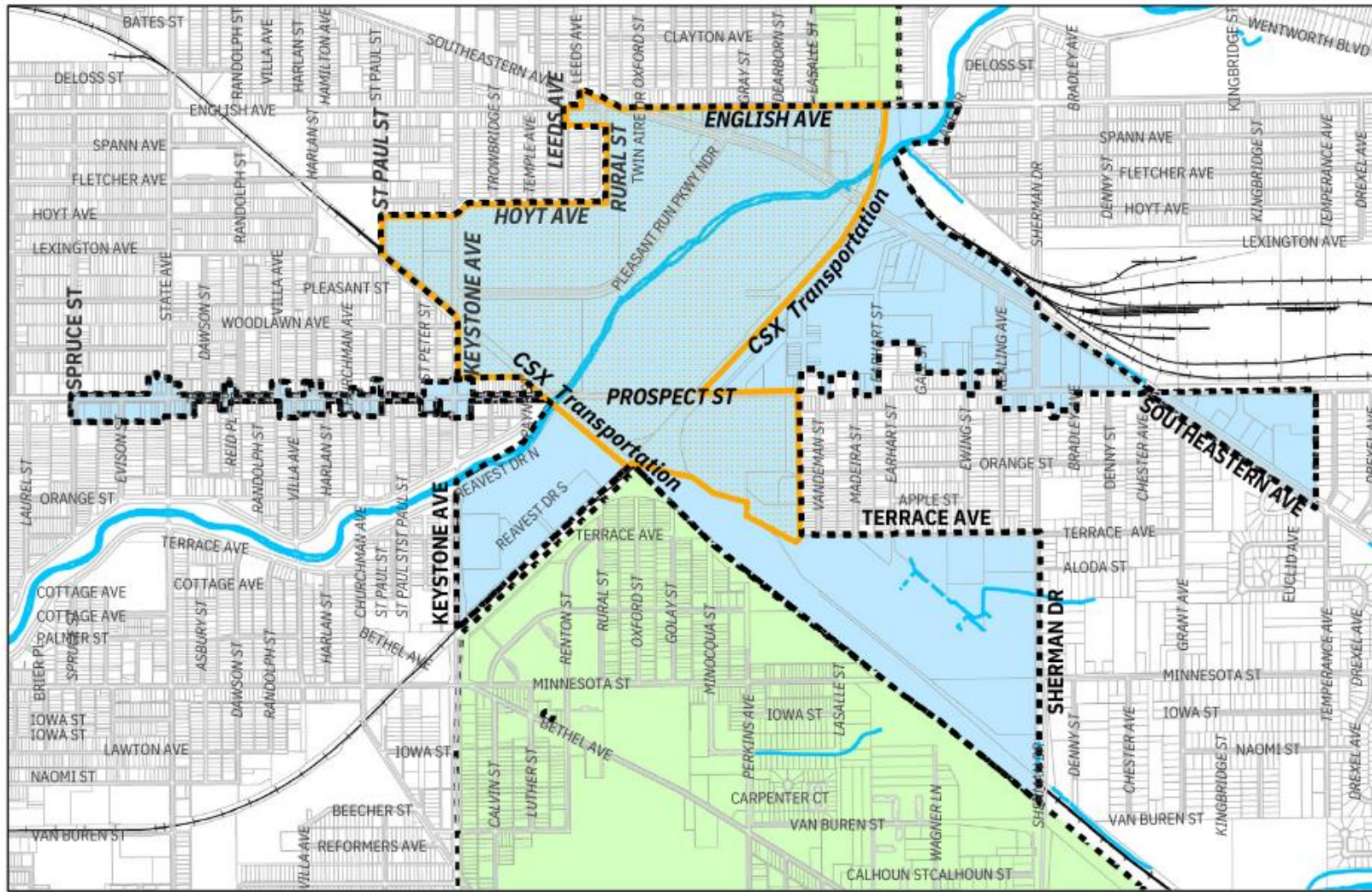
- Tax Increment Financing (TIF) is a tool that may be used to help overcome redevelopment obstacles that have not been, and are not likely to be, overcome by normal operations of private enterprise.
- TIF is the use of new property taxes generated by private redevelopment to help pay for the cost of removing the obstacles.
- The “but for” test

Per IC 36-7-15.1-20, TIF may be used to help remove obstacles such as:

- Lack of needed public infrastructure
- Acquisition, rehabilitation or demolition of existing structures
- Environmental contamination
- High cost of land
- High cost of structured parking

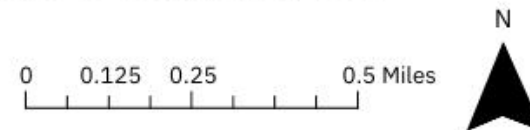
Incremental AV and Revenue





Twin Aire - EDA and TIF Allocation Area Boundaries

- Twin Aire TIF Allocation Area
- Existing RDAs
- Twin Aire EDA



Twin Aire Proposed Priorities

The following priorities were included in the Twin Aire EDA Plan and are likely necessary to support economic development:

- Public infrastructure such as street, curb, sidewalk, trail, bridge, public transportation, and utility construction or reconstruction within public rights-of-way or within or necessary to serve private development projects
- Rezoning
- Site preparation necessary for economic development
- Environmental remediation
- Public park or public facility development

TIF Advisory Committees

- Not outlined in state or city statute but an effort of the City to see that neighbors have a voice in how funds are spent
- Focus on the district's vision and values
- Provide feedback on specific projects
- Propose projects and priorities for the area that are TIF eligible
 - Construction of streets, sidewalks, and sewers
 - Pay principal and interest on bonds or leases
 - Acquisition of real estate
 - Parking facilities
 - Street lighting

Advisory Committee Membership

- 5-7 members is ideal
- City consults with CDCs and key community groups to informally nominate members
- Seeking a mix of residents, organizational leaders, and community development professionals
- Term length, term limit, procedures for gathering community input, and other organizational matters are at the discretion of the committee

Project Recommendations

- TIF Funds are a tool for both the City and the community
- Recommendations may come from City staff or from the community
- Projects can meet immediate needs, i.e. close gaps in sidewalk infrastructure, or look to solve larger problems in the future, i.e. community center down payment



Project Approval Process

- Once a project is identified by City staff or the advisory committee, staff will discuss when it makes most sense to fund based on existing TIF balance or projected increment.
- City staff present a resolution to the Controller's Office, which serves as the Treasurer of the Metropolitan Development Commission (MDC).
- If the Controller's Office, in coordination with the Administration, agrees to a project/expense, then the resolution goes to the MDC for hearing, ideally with advisory committee member(s) present.
- If the project requires a bond, then the resolution must go through the City-County Council.
- MDC takes final vote to authorize expenditures.
- DMD executes a contract to complete the project, either with a City agency such as DPW or with an external contractor.

What's Next?

- Each TANC neighborhood organization should discuss a nominee for their organization
- Email nominee name and contact info to Krista Bozacki, krista.bozacki@indy.gov, by end of February
- First quarterly meeting in March or April, depending on members' schedules



Questions?





LANDUSE AND COMMUNITY UPDATES