

IMPACT STATEMENT

AMENDMENT TO ENLARGE THE DIEBOLD CORNER ALLOCATION AREA IN THE DUPONT DIEBOLD ECONOMIC DEVELOPMENT AREA

As required by I.C. 36-7-14-17, the purpose of this impact statement is to set forth the costs and benefits of the above-noted Economic Development Area (EDA) as well as the financial impact on each of the tax units within the allocation area.

COSTS AND BENEFITS OF THE DIEBOLD CORNER ALLOCATION AREA

I.C. 36-7-14-17(c)(2) requires the estimation of the economic benefits and costs of an Economic Development Area, as measured by both increased employment and anticipated growth of real property assessed values.

COSTS ASSOCIATED WITH THE DIEBOLD CORNER ALLOCATION AREA

The purpose for enlarging the Diebold Corner Allocation Area within the Dupont Diebold EDA is to continue to allow the Redevelopment Commission to use tax increment financing (TIF) to assist in the funding of public infrastructure improvements in the area. The Allen County Redevelopment Commission staff received input on public improvement projects for road, trails, sidewalks, street lighting, wayfinding signage, water, sanitary sewer, and stormwater identified by City of Fort Wayne utilities, the Allen County Highway Department, the Northeast Indiana Regional Coordinating Council and Fort Wayne Trails.

BENEFITS ASSOCIATED WITH THE DIEBOLD CORNER ALLOCATION AREA

The Dupont Diebold EDA and the Diebold Corner Allocation Area will provide an alternative source of funding for projects to support future growth in the area that is already a significant employment center for the county. Parkview Health System is the largest employer in Northeast Indiana and employs over 6,000 people at its regional medical center campus (PRMC). In addition, Manchester University employs over 300 faculty and staff at its Fort Wayne campus and the Mirro Center for Research and Innovation hosts thousands of visitors annually. When you add staff, patients and visitors together, more than 9,000 people visit the PRMC campus daily. Planned commercial development is ongoing. Two multi-family housing projects were approved in the fall of 2019 for Saxon Partners. One is a 264 unit complex and the other is a 344 unit complex. A new 13,000 square foot daycare facility and 4,000 square foot office building is planned for 11726 Diebold Road.

The economic development area's allocation areas will collect increment to be used on projects in response to additional commercial development.

IMPACT ON TAXING UNITS ASSOCIATED WITH DUPONT DIEBOLD EDA

There are several methods for funding infrastructure improvements in Indiana. However, most of these entail a direct tax on the incomes or property of a community's citizens. Tax increment Financing (TIF) is a method which is not a direct tax. Basically, TIF is a mechanism which uses the increase in assessed value from a designated property. Except for reassessment years, if there is no growth within an allocation area, there is no increment or increase in assessed value.

How does using the increase in assessed value to fund public infrastructure impact other taxing units? First and foremost, since tax increment financing only relies on the increase in assessed value, the other taxing units retain the assessed value that they received prior to the Economic Development Area and Allocation Area designation. Also, during reassessment years, the Indiana Department of Local Government Finance uses a formula to neutralize the effect of reassessment allowing the other taxing units to benefit from reassessment.

The formula used in establishing tax rates precludes the other taxing units from being impacted except in rare instances. These instances are situations where a taxing unit has a set rate established (e.g. a cumulative building fund). Since a taxing unit determines its budget and this budget is divided by the assessed value of the taxing unit, historically the only impact on other taxing units that using tax increment financing has is on the rate. By not being able to use the increase in assessed value, taxing units' tax rate may be slightly higher than if the taxing units were allowed to use the increase in assessed value. However, the introduction of rate caps that limit the amount of property taxes that can be paid can result in foregone revenue in variable rate funds.

The specific impact depends on the assessed value of a particular taxing unit and the amount of increased assessed value as well as whether taxpayers have hit the rate cap. It is impossible to specifically make a determination as to the impact on your taxing unit's rate and the revenues of your taxing unit. However, staff has developed a model to estimate the impact based on similar commercial developments. This model assumes that there is no change in the tax rate and no change in the levy. The projection in this case assumes an investment of \$20 million in the Diebold Corner Allocation Area. Attached is the potential impact on your taxing unit.

Average Annual Impact of Dupont Diebold Allocation Area on the
on the Funds and Rates of the County of Allen, IN
(Based on 2020 Payable 2021 Levies and Rates)

Fund Name	Levy With TIF Deduction	Levy Without TIF Deduction	Levy Difference	Percent Change	Rate With TIF Deduction	Rate Without TIF Deduction	Rate Difference
General	\$ 74,663,501	\$ 74,663,501	\$ -	0.00%	\$ 0.4483	\$ 0.4477	\$ 0.0006
Health	\$ 3,201,142	\$ 3,201,142	\$ -	0.00%	\$ 0.0192	\$ 0.0192	\$ -
Major Bridge	\$ 3,730,865	\$ 3,735,345	\$ (4,480.00)	-0.12%	\$ 0.0224	\$ 0.0224	\$ -
Cum. Capital Development Reassessment	\$ 3,031,328	\$ 3,034,968	\$ (3,640.00)	-0.12%	\$ 0.0182	\$ 0.0182	\$ -
Totals	\$ 85,234,874	\$ 85,242,994	\$ (8,120.00)	-0.0095%	\$ 0.5118	\$ 0.5111	\$ 0.0007

Notes:

- 1) Prepared by the Department of Planning Services
- 2) TIF Deduction is based upon an estimated assessed value eligible for TIF of \$20 million
- 3) Assumes tax levy of the tax district remains at 2020 payable 2021 level

Average Annual Impact of Dupont Diebold Allocation Area on the
on the Funds and Rates of the Fort Wayne Allen County Airport Authority
(Based on 2020 Payable 2021 Levies and Rates)

Fund Name	Levy With TIF Deduction	Levy Without TIF Deduction	Levy Difference	Percent Change	Rate With TIF Deduction	Rate Without TIF Deduction	Rate Difference
General	\$ 4,828,638	\$ 4,828,638	\$ -	0.00%	\$ 0.0290	\$ 0.0290	\$ -
Debt Service	\$ 1,913,532	\$ 1,913,532	\$ -	0.00%	\$ 0.0115	\$ 0.0115	\$ -
Cumulative Building	\$ 499,669	\$ 500,269	\$ (600.00)	-0.12%	\$ 0.0030	\$ 0.0030	\$ -
Totals	\$ 7,241,839	\$ 7,242,439	\$ (600.00)	-0.008%	\$ 0.0435	\$ 0.0435	\$ -

Notes:

- 1) Prepared by the Department of Planning Services
- 2) TIF Deduction is based upon an estimated assessed value eligible for TIF of \$20 million
- 3) Assumes tax levy of the tax district remains at 2020 payable 2021 level

Average Annual Impact of Dupont Diebold Allocation Area on the
on the Funds and Rates of the Allen County Library
(Based on 2020 Payable 2021 Levies and Rates)

Fund Name	Levy With TIF Deduction	Levy Without TIF Deduction	Levy Difference	Percent Change	Rate With TIF Deduction	Rate Without TIF Deduction	Rate Difference
General	\$ 26,002,570	\$ 26,002,570	\$ -	0.00%	\$ 0.1561	\$ 0.1559	\$ 0.0002
Debt	\$ 2,074,483	\$ 2,074,483	\$ -	0.00%	\$ 0.0125	\$ 0.0124	\$ 0.0001
Totals	\$ 28,077,053	\$ 28,077,053	\$ -	0.00%	\$ 0.1686	\$ 0.1683	\$ 0.0003

Notes:

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- 3) Assumes tax levy of the tax district remains at 2020 payable 2021 level

Average Annual Impact of Dupont Diebold Allocation Area on the
on the Funds and Rates of Perry Township
(Based on 2020 Payable 2021 Levies and Rates)

Fund Name	Levy With TIF Deduction	Levy Without TIF Deduction	Levy Difference	Percent Change	Rate With TIF Deduction	Rate Without TIF Deduction	Rate Difference
General	\$ 92,800	\$ 92,800	\$ -	0.00%	\$ 0.0045	\$ 0.0045	\$ -
Assistance	\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -	\$ -
Totals	\$ 92,800	\$ 92,800	\$ -	0.00%	\$ 0.0045	\$ 0.0045	\$ -

Notes:

- 1) Prepared by the Department of Planning Services
- 2) TIF Deduction is based upon an estimated assessed value eligible for TIF of \$20 million
- 3) Assumes tax levy of the tax district remains at 2020 payable 2021 level

Average Annual Impact of Dupont Diebold Allocation Area on the
Funds and Rates of the Northwest Allen County Schools District
(Based on 2020 Payable 2021 Levies and Rates)

Fund Name	Levy With TIF Deduction	Levy Without TIF Deduction	Levy Difference	Percent Change	Rate With TIF Deduction	Rate Without TIF Deduction	Rate Difference
Debt Service	\$ 14,353,182	\$ 14,353,182	\$ -	0.00%	\$ 0.5932	\$ 0.5884	\$ 0.0048
Operations	\$ 10,031,464	\$ 10,031,464	\$ -	0.00%	\$ 0.4146	\$ 0.4112	\$ 0.0034
Referendum	\$ 2,490,661	\$ 2,490,661	\$ -	0.00%	\$ 0.0920	\$ 0.0920	\$ -
Totals	\$ 26,875,307	\$ 26,875,307	\$ -	0.00%	\$ 1.0998	\$ 1.0916	\$ 0.0082

Notes:

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- 3) Assumes tax levy of the tax district remains at 2020 payable 2021 level