

Plan Commission Meeting
Tuesday, July 17, 2018
6:00 p.m. Town Hall

Edinburgh Plan Commission met in a meeting at 6:00 p.m. Tuesday, July 17, 2018.

Members Present:

- Jerry Lollar
- Glenn Giles
- Ray Walton
- Mike Graham
- Curtis Rooks
- Matt Ervin
- Stephanie Taylor
- Keith Sells
- Richard Pile

Also Present: Dustin Huddleston, Town Attorney
 Lisa Brockman, Plan Commission Secretary
 Wade Watson, Town Manager

Matt Ervin, Chairman opened the meeting at 6:00 p.m.

Matt Ervin did roll call of the Plan Commission. Jerry Lollar here, Glenn Giles here, Ray Walton arrived later, Mike Graham here, Curtis Rooks here, Stephanie Taylor here, Keith Sells here, Richard Pile here, Dustin Huddleston Attorney present, Matt Ervin here.

Matt Ervin presented the first item on the agenda, which are the minutes from the May 22, 2018 meeting. Matt Ervin asked for motion to approve. Richard Pile made motion to approve, Glenn Giles seconded. Matt Ervin asked for vote for all in favor by saying aye. All board members present voted aye to approve the minutes. Motion carried.

Matt Ervin opened the floor for discussion on the Plan Commission Resolutions that were developed by Edinburgh Redevelopment Commission to be approved by the Plan Commission.

Dustin Huddleston, Town Attorney recommended for someone to make a motion to read the Plan Commission Resolutions by title only to avoid having to read them in their entirety.

Matt Ervin opened the floor for someone to make the motion. Richard Pile made the motion that the Resolutions be read as titled. Jerry Lollar seconded. Matt Ervin asked for a vote for all in favor by saying aye. All board members present voted aye to approve presenting the Plan Commission Resolutions by reading by title only. Motion carried.

Matt Ervin presented the Resolutions:

- US 31 Resolution 2018-2
- I-65 Resolution 2018-3
- Downtown Resolution 2018-4
- Center Cross Street Resolution 2018-5

Dustin Huddleston, Town Attorney, explained the Resolutions. The four resolutions are Tax Increment Finance Districts. Each district is a separate area in the Town of Edinburgh. How it came to the Plan Commission Committee is by Redevelopment Commission began the process for the adopted similar resolutions that were presented in the packets. Each Resolution contains its own economic development plan. The Resolutions provide Under Indiana Law, Municipalities such as Town of Edinburgh to create special districts that capture a percentage amount of property tax within that district and it is reallocated to The Redevelopment Commission to be used for a variety of things.

- One example of a Municipality using TIF dollar is in Hamilton County in the City of Carmel, they have redeveloped their downtown paid for by TIF dollars. TIF is an acronym for Tax Increment Finance.

- Another example is the City of Franklin Redevelopment Commission that has used TIF dollars to redevelop the Interstate Exit for roundabout, lights and signs. They have also purchased Chrome books which are laptops for each student at the Middle and High Schools.

The Redevelopment Commission have a huge list of things they can do that a Town Council cannot do by design. The Redevelopment Commission has more authority or options than a Town Council could do. The money goes directly from property taxes and are allocated to the Redevelopment Commission. An example: When property tax is paid it's divided up:

- Library receives percentage
- School district receives largest percentage
- Municipality receives percentage
- County receives percentage.

When a TIF District is created, then part of the money is reallocated to the Redevelopment Commission, so Library loses out some, school district loses out some, it is not a tax increase.

Example: A tax bill that generates one hundred thousand dollars, those tax dollars will split up between the above groups: Library, School District, Municipality and County.

Once a TIF has been established, the TIF captures any monies above the set amount of the one hundred thousand dollars. If that area improves by building a business on that land that is currently farm land, that would increase its property value, then any money above the one hundred thousand would go to the TIF that would go to the Redevelopment Commission.

One of the areas proposed is South of town in the Industrial Park. If a new factory is built in that area which is currently farm ground that is probably only collecting two to three hundred dollars per year in property taxes, a new factory would cause the property value to go up and any money above the initial line would go directly into the Redevelopment Commission. The property tax that was previously collected will continue to be distributed as before. The other side to this is the additional taxes cannot be used to distribute among the Schools Districts, Library, Municipality and County. However, the TIF monies may be used to improve roads around new buildings. When Meier's store and Kroger were built in Franklin, Franklin put TIF districts along US 31, and they are going to use it to put sidewalks, new curbs, gutters along US 31 once the tax dollars come in.

Dustin Huddleston, Town Attorney, stated that the Plan Commission will be voting on four specific districts. Edinburgh has never had a TIF district, unlike most municipalities who do have it. The Edinburgh Town Council has discussed this option for several years. Part of the process is; Redevelopment Commission began the process, had a public meeting, then a second meeting where they adopted the Resolutions. If the Plan Commission approves the Resolutions, it will go onto the Town Council for consideration and approval. These are all public meetings so people are aware. The final step of the process it will go back to the Redevelopment Commission for final approval. Once it has been approved the TIF districts are established and then we begin collecting taxes. The key on TIFs are, with the exception of the downtown, most of the areas are vacant land or land yet to be developed. You want to establish these before the land is developed. Downtown is special because we hope there will be a revitalization on the buildings to be improved and then the value goes up. Dustin Huddleston then opened the floor for any questions, or concerns.

Keith Sells expressed his concerns about Bartholomew County TIFs. He expressed that he believes Bartholomew County has had to implement tax increases due to the TIFs. He stated that vacant land the taxes are the same; however, if someone builds a twenty-million-dollar factory on that land, the taxes are not received by town.

Dustin Huddleston responded by stating Keith Sells described a Tax Abatement, and that this is not a Tax Abatement.

Keith Sells, restated that he was talking about TIF Districts. The trouble with Tax Abatements they already give Tax Abatements to every new factory that comes into town. However, they always locate in the TIF Districts, so schools in Bartholomew County get no money, they are

broke there and because of this the County had to raise the taxes two or three times and it's the worse thing that can happen to a county. Anytime there are no taxes, or anytime tax dollars you don't collect, someone else has to pay that dollar, every dollar that doesn't get paid, someone else has to pay. A small service station in town, if they are not Districts, they have to pick up those taxes. Whatever amount of money your county spends, it has to be picked up by taxpayers.

Dustin Huddleston, responded by disagreeing. Taxes are being collecting, except the tax dollars are being allocated into a different place.

Keith Sells responded by stating, yes, it's only allocated on what they want to spend it on.

Dustin Huddleston, responded by stating, no the Redevelopment Commission determines where it is spent.

Keith Sells responded by stating that all the different government entities have tried to get TIF Districts to grant them money. Last year in Bartholomew County, they did give the school a small amount of money, but they hold onto it. TIF District Commission in Bartholomew County is rich, they have thousands of dollars to spend.

Dustin Huddleston, replied he agreed that they are taking money that the school or library would receive and putting it into another entity that can decide whether or not to give it back to the schools. It's up to the Commission.

Keith Sells stated that when that law was developed, the heading of that law was warning counties to make sure you can afford to avert your tax dollars.

Matt Ervin, stated his concerns that it is additional tax dollars, not the initial tax dollars, it's in addition to what you have already collected.

Keith Sells, stated that the town will not get the money, whatever bills in those TIF Districts, schools will not benefit from it, counties will never.

Matt Ervin, stated it depends on what Edinburgh Redevelopment Commission decides to do with the money.

Keith Sells, restated that TIF District has pretty well specified where the money will go.

Matt Ervin, stated that the people on the Edinburgh Redevelopment Commission are planning on doing things for the Town, the Town of Edinburgh improvements as well as the school districts. He stated that the Redevelopment Commissions are planning on spending the money, they will not hold onto it.

Stephanie Taylor expressed her concerns that the TIFs are worrisome for the schools.

Matt Ervin stated that the schools are already getting money from the taxes. This is on new development.

Stephanie Taylor questioned that with TIF, any new development, does it mean the schools would not receive any money unless the Redevelopment Commission would allocate it to them?

Dustin Huddleston, stated it only applies to the "increase" in taxes.

Matt Ervin stated the schools will continue to receive the regular tax.

Dustin Huddleston, responded that with the "new factories" that would bring in new families that would now reside in Town and the schools will be getting new students. The money is reallocated to the Commission; therefore, the Commission by law has a School Board Member that's on the committee, Mr. Rooks. Mr. Rooks is in tune with what they are voting on and it gives the School Board a say.

Curtis Rooks stated he has a say but he does not have a vote. But if legislation changes, he may eventually have a vote sometime in the future. At the current time the school board members have a voice, not a right to vote.

Matt Ervin stated Curtis Rooks can bring to the table projects that need improving.

Keith Sells stated that there are no TIF Districts in the County in Bartholomew County, they are all inside the city limits, that's the reason there was an annexation out at Walesboro so they could have TIF Districts because Bartholomew County have never approved any.

Dustin Huddleston stated that Counties can create TIF Districts; however, they are typically done by cities.

Wade Watson replied that joint district which is an extension of the county created a TIF District that was approved by County Commissioners for Bartholomew County.

Jerry Lollar inquired who would initially determine how the TIF funds are allocated.

Dustin Huddleston, stated the Redevelopment Commission directly; however, indirectly the Town Council controls the Redevelopment Commission because they are the ones that appoint the members of the Commission. The Commission does allocate dollars, they can't just do anything they want with it, but it is a long list of things they can choose from. They can purchase properties, rehab it to attempt to develop some programs that encourage growth in the community. The goal is to use the money to improve the Town.

Richard Pile asked if the Golf Course is a part of the Resolutions.

Dustin Huddleston explained that the Golf Course was not apart of the Town's District. The property north of the Golf Course is one of the ones. TIF Districts are not allowed in residential except under very special circumstances.

Richard Pile asked if we receive property taxes from the Golf Course.

Dustin Huddleston, stated we receive tax dollars from the houses in that area, not the Golf Course because the Town owns the Golf Course.

Wade Watson discussed the potential of the growth population in Edinburgh.

1. The greatest growth potential in Edinburgh is in the District we have south of town, US 31 stopping at 900 North. This area is already platted, water, sewer and gas.
2. The next largest potential would be the parcel that is north of 252 in Shelby County east of 800, that is all undeveloped land near I65 that is northwest of the Shell station.
3. The third largest potential would be the Center Cross District there is vacant land that is potentially buildable. It goes from Main Street and stops where Banks Machinery once was.
4. Hopefully with the emphasis that is on the refurbishing of the downtown area we will see those properties go up as well.

Dustin Huddleston, stated that the Plan Commission is not obligated to vote on the Resolutions at this time. If is it approved, it is not the end of the process, there are two more steps with the Town Council and then back to Redevelopment Commission. The Plan Commission is not the final say, just part of the process due to the statute.

Jerry Lollar inquired if the property owners receive notification that they are being considered for a TIF District or if it is passed, then they are in one?

Dustin Huddleston responded by stating the property owners are not notified. There is however a public hearing notice that went out by advertisement with the Redevelopment Commission; however, no one came. If a TIF District is passed, the property owners won't see any effect on their property taxes. If the Resolutions go before the Town Council and the Town Council wants to send out specific notice before it is adopted, the Council has the right to do so.

Richard Pile asked if this affects business and no residential.

Dustin Huddleston, stated the target is to zone commercial investments.

Matt Ervin stated additional taxes for business.

Dustin Huddleston stated that if a business updates their property and their property tax goes up, and a TIF District is in that area, the TIF District will receive the additional tax money instead.

Keith Sells discussed that anything new coming to the town or area will never benefit the schools, and the police department. The school expenses will go up because you are going to have to provide for the new students that they bring to town.

Matt Ervin stated anytime you bring anything you're increasing the tax base initially.

Keith Sells, stated that when you have TIF Districts, you will have to come up with new taxes, and new tax rates to afford all the expenses that these other entities will no longer receive. The example of an empty field, that if you build a ten-million-dollar factory on that, none of those taxes benefit your town, other than the Commission. They won't increase the funds at schools, and they won't increase the funds your county Sheriff's Department receives or the Police Department.

Mike Graham asked if none of the money would go to county at all would it only be for the Town of Edinburgh.

Matt Ervin stated the money would go to the Redevelopment Commission who works for the Town of the Edinburgh which is controlled by the Town Council of Edinburgh.

Stephanie Taylor expressed her concerns that it would be wonderful to be able to bring in new businesses. She stated that the school needs the money that would come from property taxes.

Matt Ervin asked her if the State gives money with each new student, and if the school receives new students then the school would win.

Matt Ervin asked for a motion to approve or further discussion?

Richard Pile stated he believes everyone would agree to continue the meeting rather than approve it at this time.

Dustin Huddleston stated that would be fine the only time frame on the voting is that it would need to be approved by the end of the year.

Wade Watson stated he has been in Economic Development for the community for five years and there are frequent requests for a new business coming into the community is, what can a town do for me? If I'm going to come to this town, what can the town provide for me? Infrastructure, new sidewalks, water and sewer at the facility?

Ray Walton stated the Tax Abatements.

Wade Watson stated the Tax Abatements are given, but they are becoming less popular and businesses are looking for cash incentives. The Town Council doesn't have the authority or the ability to spend or invest in private industries with tax dollars. Redevelopment Commission has authority through TIF dollars, if a factory came to town that would provide three hundred jobs and the only way we could sell that deal and get that development to come is if we made some sort of contribution to that entity. The TIF dollars can be used to help encourage that kind of growth. That will not come here if we don't get it, so if we don't have TIF District then we don't have the money that we can spend for them then we have no leverages. The only thing we have is Tax Abatements and Tax Abatements are good if used effectively, but often companies expanding that value of that Tax Abatement gets swallowed up in the county process and its less than satisfactory. In fact, the Council awarded Macbeth a ten-year Tax Abatement two years ago and they didn't even file for it in year two, because the value of that Tax Abatement was no

discount on their finances at all. So, if Tax Abatements are the only tool we have today in our tool chest to recruit new businesses in Town. If we have TIF Districts, then we can establish money that we can set aside and say let's invest this much to give to this factory.

Dustin Huddleston stated another example. There is an old liquor store in Franklin on the corner of the Interstate that was an eyesore and they wanted to get rid of it. The Redevelopment Commission contributed half a million dollars to a developer to purchase that property, so there is now going to be a Hampton Inn in that spot. All the monies came from the Redevelopment Commission. The reverse of that is, that's half a million dollars that part of that could have been for the school and they could have put in security cameras or metal detectors. There are two sides to it.

Matt Ervin stated if you don't have a business coming in you're not getting the money coming in.

Curtis Rooks stated the schools' funding is done by the number of students. ADM account that what the money is based on and so the position that the school has taken, whatever the Town can do to bring more people in, whatever we can do to sell the Town to get more people here. We are hoping to bring families in Town to get the schools count up. As far as the tax dollars go, there is no such thing for the school.

Keith Sells asked if they weren't funded by property taxes.

Curtis Rooks replied the only thing the school is funded by property taxes are the debt service. That is the debt, whatever the schools owe as far as bonds, that's what's paid out of that. As far as the general fund, teachers' salaries, supplies, school buses that all comes out of the ADM account.

Matt Ervin stated without the students, the school will not get any increase in monies.


Curtis Rooks stated the schools are running in the red.

Matt Ervin stated that if there is something the Edinburg Redevelopment Commission needs to bring people into town and make improvements, this would definitely help, the money would be put back.

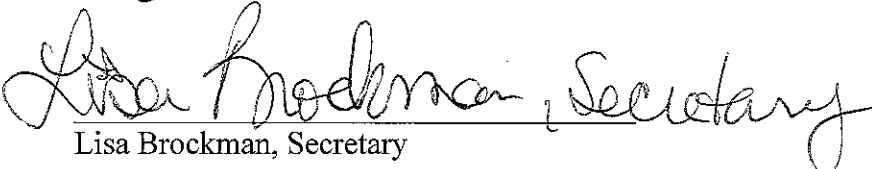
Jerry Lollar expressed his concerns to take extra time to study on the pros and cons on this subject before voting on it.

Jerry Lollar made a motion to table a vote until the August 21st meeting. Stephanie Taylor seconded the motion. Matt Ervin asked for all in favor by saying aye. All board members present voted aye to table the vote until the August meeting. The ayes carried.

Matt Ervin asked for a motion to adjourn. Jerry Lollar made the motion to adjourn, Mike Graham seconded. Matt Ervin for all in favor say aye. All board members present voted aye. Meeting adjourned.



 Matt Ervin, Chairman



 Lisa Brockman, Secretary