

Scope

The Primary focus of this report summary will be to review and analyze the actual Request (17 Amendment) and provide a summary of the results. This summary will provide the estimated financial benefits to the City and Bethel Schools only versus the cost of providing additional TIF funds to support the public infrastructure improvements necessary to continue the Development Projects.

As part of this review process we will provide a more in depth discussion, a time line, source documents, additional historical data, and other information as requested. In particular we will provide current and historical information related previous TIF funding provided, the Original Special Assessments and the Developer's assumption of a portion of the City's debt service payments on the Bonds issued to fund the original public infrastructure while the special assessments were deferred, and any other items requested by City Council. It is our goal to provide the information necessary to allow City Leaders and Citizens to make informed decisions with regard to this and any future requests for TIF funding from the Developer.

FINALCIAL ANALYSIS

The current Agreement allows the Developer to approach the City with a project and request that the City provide a certain amount of TIF funds generated by the project. The Developer has provided a description of the proposed project (Section and Phase), and estimate of the costs of development both private and public infrastructure, an estimate of the TIF funds generated by the project and the debt service this new revenue can support, and finally a request for a portion of these funds to pay a portion of the costs of the public infrastructure. The City will analyze the request and may or may not provide these funds or may provide a reduced amount. If the City and the developer agree to an amount the Agreement is amended to include this additional amount. The Agreement has been amended sixteen times the majority of which were to provide additional TIF funds to pay a portion of the costs of public infrastructure necessary to move these particular projects forward.

The core of the analysis is fairly straight forward. The project will generate new revenue of various types and sources to the City and the Schools. We seek to estimate these revenues and compare these estimated new revenues to the costs required to generate these new revenues. These revenues can be broken down by their various types: i.e. value generated vs. income generated revenues, one-time vs. on-going long term revenues, one-time fees, water & sewer usage fees, and other revenue items particular to each development. The underlying assumptions and methodology of this analysis will be provided and discussed at the next Council Workshop.

Preliminary Summary:

TIF FUNDING REQUESTED:

- Section 7 – 3
 1. Estimated Infrastructure Costs to complete Project – \$953,650
 2. Requested TIF Funding - \$199,000 or 20.8% of actual Cost of Public Infrastructure
 3. Creates 25 Single Family Lots
 4. Total Debt Service required to amortize the initial TIF investment of \$199,000 if amortized over 21 years (remaining life of TIF) will be \$313,519

REVENUE CREATED:

- **On-Going New Revenue Sources:** (Before TIF Expires 2016 -to- 2037)

CITY:

1. New **TIF** Revenue Generated by New Home Construction - \$639,344
Avg. \$1,218 per year per house
2. New **Income Tax** Revenue Generated by new Home Owners - \$476,172
Avg. \$907 per year per house
3. New **Water/Sewer** Net Revenue Generated by 25 new homes - \$304,175
Avg. \$575 per year per house

Total On-Going New Revenue to City - \$1,419,690

Avg. \$2,690 per house per year

SCHOOLS:

1. New **Property Tax** Revenue - \$1,393,435
Avg. \$2,654 per year per house
2. New **School Income Tax** Revenue - \$310,524
Avg. \$591 per year per house

Total On-Going New Revenue to Schools - \$1,703,959

Avg. \$3,145 per year per house

- **On-Going New Revenue Sources:** (After TIF expires - 2037 -to- Forever)

CITY:

1. City will receive annual New Property Tax Revenue - \$8,834 per year forever
 2. City will continue to receive Income Tax Revenues - \$25,265 per year forever
- Total Annual Revenue to City \$34,009 per year forever

BETHEL SCHOOLS:

1. Bethel Schools continue annual New Property Tax Revenue - \$74,510 per year forever
 2. Bethel Schools continue School Income Tax Revenues - \$16,195 per year forever
- Total Annual Revenue to Bethel Schools \$90,705 per year forever

MIAMI COUNTY AGENCIES:

1. Miami County Agencies annual New Property Tax Revenue - \$25,474 per year forever

- **One-Time New Revenue Sources To CITY:** (Received During Construction)

CITY:

1. Fees & Permits - \$55,806
2. Income Tax Revenue Generated by Construction of Homes and Infrastructure - \$34,003

Total One-Time New Revenue to City - \$89,809

- **TOTAL ALL NEW REVENUE SOURCES (Before TIF Expires 2016 – 2037)**

CITY: Total All New Revenue Sources to City - \$1,509,499

SCHOOLS: Total All New Revenue to Bethel Schools - \$1,703,959

Total All NEW REVENUE SOURCES CITY & SCHOOLS - \$3,213,458

NET REVENUE CREATED TO CITY VS. INVESTMENT IN INFRASTRUCTURE:

- Total All New Revenue Sources to City - \$1,509,499
- Less Total Debt Service Costs of TIF Request - \$313,519
- Net Excess Revenue over Costs - \$1,195,980
- Annual Excess Revenue Generated per House available to City to support other City Wide activities - \$2,278 per house per year after debt service on the initial investment of \$199,000.

Based on Census Date the average household in Huber Heights will generate revenue of \$1,427 per year to support City Services.