

## **IMPACT STATEMENT**

### **AMENDMENT TO DESIGNATE THE DIEBOLD NORTH 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 designating the Diebold North Allocation Area within the Dupont Diebold EDA is 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 NORTH ALLOCATION AREA**

The Dupont Diebold EDA and the Diebold North 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.

This amendment proposes a new allocation area on the north end of Diebold Road called the Diebold North Allocation Area. The Diebold North Allocation Area contains 84 acres owned by GJHL Properties. Planned public infrastructure investment on site is over \$2 million. The 14-lot development plan shows construction of an event center and winery and two lots showing apartment development. The remaining lots range in size

between 1.66 up to 13.86 acres. In June 2022, Oakmont Development was approved by the county plan commission for a 216-unit multi-family housing development.

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 North Allocation Area. Attached is the potential impact on your taxing unit.

**Average Annual Impact of Dupont North Allocation Area  
Funds and Rates of the Northwest Allen County Schools District**  
(Based on 2021 Payable 2022 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 | \$ 14,761,977           | \$ 14,761,977              | \$ -            | 0.00%          | \$ 0.5128               | \$ 0.5110                  | \$ 0.0018       |
| Operations   | \$ 11,540,711           | \$ 11,540,711              | \$ -            | 0.00%          | \$ 0.4009               | \$ 0.3995                  | \$ 0.0014       |
| Referendum   | \$ 2,425,139            | \$ 2,425,139               | \$ -            | 0.00%          | \$ 0.0828               | \$ 0.0828                  | \$ -            |
| Totals       | \$ 28,727,827           | \$ 28,727,827              | \$ -            | 0.00%          | \$ 0.9965               | \$ 0.9933                  | \$ 0.0032       |

Notes:

- 1) Prepared by the Department of Planning Services
- 2) TIF Assesdd Value is based upon an estimated TIF captured of \$10 million
- 3) Assumes tax levy of the tax district remains at 2021 payable 2022 level
- 4) This represents the full impact of the TIF Deduction once a tax abatement, if any, has expired.

Average Annual Impact of Dupont North Allocation Area  
on the Funds and Rates of Perry Township  
(Based on 2021 Payable 2022 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   | \$ 97,491               | \$ 97,491                  | \$ -            | 0.00%          | \$ 0.0040               | \$ 0.0040                  | \$ -            |
| Totals    | \$ 97,491               | \$ 97,491                  | \$ -            | 0.00%          | \$ 0.0040               | \$ 0.0040                  | \$ -            |

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- 3) Assumes tax levy of the tax district remains at 2021 payable 2022 level

**Average Annual Impact of Dupont North Allocation Area  
on the Funds and Rates of the Allen County Public Library**

(Based on 2021 Payable 2022 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   | \$ 27,139,732           | \$ 27,139,732              | \$ -            | 0.00%          | \$ 0.1418               | \$ 0.1417                  | \$ 0.0001       |
| Totals    | \$ 27,139,732           | \$ 27,139,732              | \$ -            | 0.00%          | \$ 0.1418               | \$ 0.1417                  | \$ 0.0001       |

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Average Annual Impact of Dupont North Allocation Area  
on the Funds and Rates of the Fort Wayne Allen County Airport Authority  
(Based on 2021 Payable 2022 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             | \$ 5,033,674            | \$ 5,033,674               | \$ -            | 0.00%          | \$ 0.0263               | \$ 0.0263                  | \$ -            |
| Debt Service        | \$ 535,904              | \$ 535,904                 | \$ -            | 0.00%          | \$ 0.0028               | \$ 0.0028                  | \$ -            |
| Bond #3             | \$ 248,813              | \$ 248,943                 | \$ (130.00)     | -0.05%         | \$ 0.0013               | \$ 0.0013                  | \$ -            |
| Cumulative Building | \$ 574,183              | \$ 574,483                 | \$ (300.00)     | -0.05%         | \$ 0.0030               | \$ 0.0030                  | \$ -            |
| Totals              | \$ 6,392,574            | \$ 6,393,004               | \$ (430.00)     | -0.007%        | \$ 0.0334               | \$ 0.0334                  | \$ -            |

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**Average Annual Impact of Dupont North Allocation Area  
on the Funds and Rates of the County of Allen, Indiana**

(Based on 2021 Payable 2022 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                               | \$ 77,859,261           | \$ 77,859,261              | \$ -            | 0.00%          | 0.4068                  | \$ 0.4066                  | \$ 0.0002       |
| Health                                | \$ 3,330,263            | \$ 3,330,263               | \$ -            | 0.00%          | 0.0174                  | \$ 0.0174                  | \$ -            |
| Major Bridge                          | \$ 4,287,236            | \$ 4,289,476               | \$ (2,240)      | -0.05%         | 0.0224                  | \$ 0.0224                  | \$ -            |
| Cum. Capital Development Reassessment | \$ 3,464,239            | \$ 3,466,049               | \$ (1,810)      | -0.05%         | 0.0181                  | \$ 0.0181                  | \$ -            |
|                                       | \$ 631,602              | \$ 631,602                 | \$ -            | 0.00%          | 0.0033                  | \$ 0.0033                  | \$ -            |
| Totals                                | \$ 89,572,601           | \$ 89,576,651              | \$ (4,050)      | 0.00%          | \$ 0.4680               | \$ 0.4678                  | \$ 0.0002       |

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