

Transit Development District Steering Committee meeting November 18, 2020

Note

The meeting can be viewed here: <https://www.youtube.com/watch?v=H3P22dPPQM8&t=2s>

Location

Conducted via Zoom

Present

Scott Jefferson, AJ Monroe, Brian Poland, Carolyn Saxton, Richard Morrisroe, Michael Barry, Eric Reaves, Skyler York, Tim Corcoran

Minutes

Minutes of the previous meeting were approved.

Regional Development Authority Update

RDA COO Sherri provided an update on the rail projects. She noted that the West Lake Corridor had received federal funding and that NICTD was already working with the design/construction team to begin construction. On double track, there was no substantive update since the previous meeting.

Sherri also provided updates on the progress of the community meetings for the TDDs. The RDA was hosting its first meeting later that evening for the Munster Ridge Road station. Other boundary areas had been presented to local leadership and more meetings would be happening soon. Finally she introduced the new TDD web site, nwtidd.com.

Discussion

The meeting then moved to a discussion of how the TDDs interact with Tax Increment Financing (TIF) districts led by David Reynolds of Policy Analytics.

Dave began with a review of the TDDs as established in legislation and how they can be drawn. He then reviewed the basics of TIFs. After that, he reviewed how the RDA is implementing the TDD legislation.

Dave then handed off to Bill Sheldrake of Policy Analytics. He began by noting that in many cases areas around the station were already targeted for development over the years and TIF districts had already been established. He said that the TDD overlapping a TIF had been

anticipated by the legislation, and the first thing he emphasized was that in the case a TDD overlaps a TIF, it cannot impair the commitment of debt service to existing bond obligations. How the funds from a TDD overlapping a TIF will be laid out in an MOA between the RDA and community.

Bill then used a graphic (slide 11 of the presentation) to lay out how incremental funding could be distributed under various circumstances.

He noted that a TDD may have a longer life than a TIF and so the TDD could continue to provide additional funds for development beyond the life of the TIF.

He noted the same allowable uses for a TIF increment are the same allowed for a TDD as well.

A said that the MOA between the community and RDA will be an extremely important part of their work.

The floor was then opened for questions.

Q: Re slide 11 and small sliver of orange.

A: That's the income tax collected by the TDD.

Q: Is there a minimum amount of allocation that would be needed for a TDD?

A: The only minimum would be to make sure that any debt obligated against the increment is covered. But the TDD wouldn't have any debt when you are initially negotiating the MOA.

Q: How is the income tax increment defined?

A: The TDD would capture local income (individual) taxes of individuals that reside and work in the district. The RDA would be required to work with the businesses in the district to get that information to state department of revenue.

Q: How is the income tax increment base established?

A: At the time the TDD is formed that would be established by the department of revenue.

Q: At what point in the process will the MOAs be negotiated?

A: It would be an ongoing process as we continue to work with communities and finalize the districts and begin to simulate what the TDD might capture, at that point is when the discussions would happen. It's just a continuation of what we are doing now.

Q: Can the TDD extend the life of a whole TIF district or just the overlap, and can you define local income tax for the group?

A: To the extent a TDD overlaps a TIF it extends the capture of increment in that overlapped district and extend the life of that increment to be used back into the district. Notes that when the TIF expires its incremental dollars go back to the base while TDD increment continues to grow. Income tax question was answered earlier.

Q: When will the TDD public meetings happen for all the West Lake communities?

A: It's a three step process. First are the public engagement sessions, then after that is a second and third set when our Board will hold formal public hearings. We will be holding meetings for all the communities soon.

Q: How does it work with Michigan City and South Bend, do we execute an MOA with ourselves?

A: Funds from districts in LaPorte and St. Joe counties the funds go to the redevelopment commission. So your redevelopment commission will have to decide how much increment goes to the base revenue and how much is captured. The RDA's role after the boundary is established contains some ambiguity. There could be a MOA for the RDA to assist but for those two counties the redevelopment commission is in charge.

Q: Will there be many MOAs per TDD or just one?

A: The MOA process will be an iterative process. This will be working relationship between the RDA and the community. The MOAs will likely be structured to allow amendments.

The 2021 meeting calendar was agreed upon.

The meeting was adjourned.