

MONROE COUNTY REDEVELOPMENT COMMISSION

Monroe County, Indiana

COOK PROPERTY INCORPORATED

Tax Increment Revenue Bonds of 2018

Analysis of Cook TIF

March 8, 2018

REVISED FOR 2018 TAX RATE



Financial

Solutions

Group,

Inc.



March 8, 2018

Monroe County Redevelopment Commission

c/o Mr. Jeff Cockerill

100 W. Kirkwood Avenue
Courthouse, Room 220
Bloomington, IN 47404

VIA EMAIL: jcockerill@co.monroe.in.us

RE: PROPOSED TIF FINANCING (COOK) - UPDATED FOR 2018 TAX RATE

2680 East Main Street
Suite 223
Plainfield, IN 46168
Phone: 317.837.4933

Email Addresses:

greg@fsgcorp.com

tina@fsgcorp.com

Dear Commission Members, Mr. Cockerill:

The Indiana Department of Local Government Finance issued final property tax rates, for 2018, on February 9, 2018. The 2018 Richland Township tax rate was increased to 1.948 from 1.7915 in 2017. The growth in tax rate increases the amount of TIF revenue that might be available for debt service, if the tax rate remains at the new level. The estimated increase in TIF revenue reduces the estimated amortization of the TIF Bonds by one year.

This report assumes that the bonds would be sold on May 1, 2018 and the proceeds would be used, by Cook, on improvements to the property. Interest on the bonds purchased by Cook is assumed to be forgiven until May 1, 2023. The proposed TIF Bonds have been structured as a term bond with a final maturity date of January 1, 2039, with optional sinking fund redemption. The debt service schedules attached to this report are for illustrative purposes only and the actual redemption amount will be reviewed on an annual basis.

This report is based upon our current understanding of the project and the current property tax system in the State of Indiana. As we have seen several times, this is a best estimate analysis. The actual results will be different and, in most cases, timing does not occur as projected by the developer. Please give me a call if you have any questions, or need additional information.

Sincerely,

Financial Solutions Group, Inc.

A handwritten signature in black ink, appearing to read "Gregory T. Guerrettaz", is written over a light blue horizontal line.

Gregory T. Guerrettaz

MONROE COUNTY REDEVELOPMENT COMMISSION
 Monroe County, Indiana

Estimated Tax Increment from Real Property
(Assumes 10-Year Standard Abatement on Real Property)

Estimated Percent of Investment = Assessed Value 50%

<u>Year of Investment</u>	<u>Estimated Assessed Value</u>	<u>Taxes Payable</u>										
		<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	
2018	\$ 2,500,000	\$ -	\$ 125,000	\$ 500,000	\$ 875,000	\$ 1,250,000	\$ 1,500,000	\$ 1,750,000	\$ 2,000,000	\$ 2,250,000	\$ 2,375,000	
2019	2,500,000		-	125,000	500,000	875,000	1,250,000	1,500,000	1,750,000	2,000,000	2,250,000	
2020	2,500,000			-	125,000	500,000	875,000	1,250,000	1,500,000	1,750,000	2,000,000	
2021	2,500,000				-	125,000	500,000	875,000	1,250,000	1,500,000	1,750,000	
2022	2,500,000					-	125,000	500,000	875,000	1,250,000	1,500,000	
2023	2,500,000						-	125,000	500,000	875,000	1,250,000	
2024	2,500,000							-	125,000	500,000	875,000	
2025	2,500,000								-	125,000	500,000	
2026	2,500,000									-	125,000	
2027	2,500,000										-	
2028	2,500,000											
2029	2,500,000											
2030	3,000,000											
2031	1,500,000											
2032	-											
2033	-											
2034	-											
Total	\$ 34,500,000	\$ -	\$ 125,000	\$ 625,000	\$ 1,500,000	\$ 2,750,000	\$ 4,250,000	\$ 6,000,000	\$ 8,000,000	\$ 10,250,000	\$ 12,625,000	
Estimated Tax Rate		1.9458	1.9458	1.9458	1.9458	1.9458	1.9458	1.9458	1.9458	1.9458	1.9458	
Estimated TIF Revenue		\$ -	\$ 2,432	\$ 12,161	\$ 29,187	\$ 53,510	\$ 82,697	\$ 116,748	\$ 155,664	\$ 199,445	\$ 245,657	

MONROE COUNTY REDEVELOPMENT COMMISSION
 Monroe County, Indiana

Estimated Tax Increment from Real Property
(Assumes 10-Year Standard Abatement on Real Property)
 (Continued)

Year of Investment	Estimated Assessed Value	<u>Taxes Payable</u>											
		2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	
2018	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
2019	2,500,000	2,375,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
2020	2,500,000	2,250,000	2,375,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
2021	2,500,000	2,000,000	2,250,000	2,375,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
2022	2,500,000	1,750,000	2,000,000	2,250,000	2,375,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
2023	2,500,000	1,500,000	1,750,000	2,000,000	2,250,000	2,375,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
2024	2,500,000	1,250,000	1,500,000	1,750,000	2,000,000	2,250,000	2,375,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
2025	2,500,000	875,000	1,250,000	1,500,000	1,750,000	2,000,000	2,250,000	2,375,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
2026	2,500,000	500,000	875,000	1,250,000	1,500,000	1,750,000	2,000,000	2,250,000	2,375,000	2,500,000	2,500,000	2,500,000	2,500,000
2027	2,500,000	125,000	500,000	875,000	1,250,000	1,500,000	1,750,000	2,000,000	2,250,000	2,375,000	2,500,000	2,500,000	2,500,000
2028	2,500,000	-	125,000	500,000	875,000	1,250,000	1,500,000	1,750,000	2,000,000	2,250,000	2,375,000	2,500,000	2,500,000
2029	2,500,000		-	125,000	500,000	875,000	1,250,000	1,500,000	1,750,000	2,000,000	2,250,000	2,375,000	2,500,000
2030	3,000,000			-	150,000	600,000	1,050,000	1,500,000	1,800,000	2,100,000	2,400,000	2,700,000	2,700,000
2031	1,500,000				-	75,000	300,000	525,000	750,000	900,000	1,050,000	1,200,000	1,200,000
2032	-					-	-	-	-	-	-	-	-
2033	-						-	-	-	-	-	-	-
2034	-							-	-	-	-	-	-
Total	\$ 34,500,000	\$ 15,125,000	\$ 17,625,000	\$ 20,125,000	\$ 22,650,000	\$ 25,175,000	\$ 27,475,000	\$ 29,400,000	\$ 30,925,000	\$ 32,125,000	\$ 33,075,000	\$ 33,775,000	\$ 33,775,000
Estimated Tax Rate		1.9458	1.9458	1.9458	1.9458	1.9458	1.9458	1.9458	1.9458	1.9458	1.9458	1.9458	1.9458
Estimated TIF Revenue		\$ 294,302	\$ 342,947	\$ 391,592	\$ 440,724	\$ 489,855	\$ 534,609	\$ 572,065	\$ 601,739	\$ 625,088	\$ 643,573	\$ 657,194	\$ 657,194

NOTE: SEE SUMMARY OF SIGNIFICANT ASSUMPTIONS ON PAGE 7.

MONROE COUNTY REDEVELOPMENT COMMISSION
 Monroe County, Indiana

Estimated Tax Increment from Personal Property
(Assumes 10-Year Standard Abatement on Personal Property)

<u>Year of Investment</u>	<u>Abatable Estimated Assessed Value</u>	<u>Non-Abatable Estimated Assessed Value</u>	<u>Taxes Payable</u>																	
			<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>								
2018																				
2019																				
2020	\$ 4,000,000	\$ 1,000,000			\$ 400,000	\$ 784,000	\$ 756,000	\$ 704,000	\$ 780,000	\$ 900,000	\$ 1,020,000	\$ 1,140,000								
2021	4,000,000	1,000,000				400,000	784,000	756,000	704,000	780,000	900,000	1,020,000								
2022	4,000,000	1,000,000					400,000	784,000	756,000	704,000	780,000	900,000								
2023	4,000,000	1,000,000						400,000	784,000	756,000	704,000	780,000								
2024	4,000,000	1,000,000							400,000	784,000	756,000	704,000								
2025	4,000,000	1,000,000								400,000	784,000	756,000								
2026	4,000,000	1,000,000									400,000	784,000								
2027	4,000,000	1,000,000										400,000								
2028	4,000,000	1,000,000																		400,000
2029	4,000,000																			
2030	4,000,000																			
2031	3,000,000																			
2032																				
2033																				
2034																				
Total	\$ 47,000,000	\$ 9,000,000	\$ -	\$ -	\$ 400,000	\$ 1,184,000	\$ 1,940,000	\$ 2,644,000	\$ 3,424,000	\$ 4,324,000	\$ 5,344,000	\$ 6,484,000								
Estimated Tax Rate			1.9458	1.9458	1.9458	1.9458	1.9458	1.9458	1.9458	1.9458	1.9458	1.9458								
Estimated TIF Revenue			\$ -	\$ -	\$ 7,783	\$ 23,038	\$ 37,749	\$ 51,447	\$ 66,624	\$ 84,136	\$ 103,984	\$ 126,166								

MONROE COUNTY REDEVELOPMENT COMMISSION

Monroe County, Indiana

**Estimated Tax Increment from Personal Property
(Assumes 10-Year Standard Abatement on Personal Property)**

(Continued)

<u>Year of Investment</u>	<u>Abatable</u> <u>Estimated</u> <u>Assessed</u> <u>Value</u>	<u>Non-Abatable</u> <u>Estimated</u> <u>Assessed</u> <u>Value</u>	<u>Taxes Payable</u>											
			<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2035</u>	<u>2036</u>	<u>2037</u>	<u>2038</u>	<u>2037</u>	
2018														
2019														
2020	\$ 4,000,000	\$ 1,000,000	\$ 1,260,000	\$ 1,380,000	\$ 1,380,000	\$ 1,380,000	\$ 1,380,000	\$ 1,380,000	\$ 1,380,000	\$ 1,380,000	\$ 1,380,000	\$ 1,380,000	\$ 1,380,000	\$ 1,380,000
2021	4,000,000	1,000,000	1,140,000	1,260,000	1,380,000	1,380,000	1,380,000	1,380,000	1,380,000	1,380,000	1,380,000	1,380,000	1,380,000	1,380,000
2022	4,000,000	1,000,000	1,020,000	1,140,000	1,260,000	1,380,000	1,380,000	1,380,000	1,380,000	1,380,000	1,380,000	1,380,000	1,380,000	1,380,000
2023	4,000,000	1,000,000	900,000	1,020,000	1,140,000	1,260,000	1,380,000	1,380,000	1,380,000	1,380,000	1,380,000	1,380,000	1,380,000	1,380,000
2024	4,000,000	1,000,000	780,000	900,000	1,020,000	1,140,000	1,260,000	1,380,000	1,380,000	1,380,000	1,380,000	1,380,000	1,380,000	1,380,000
2025	4,000,000	1,000,000	704,000	780,000	900,000	1,020,000	1,140,000	1,260,000	1,380,000	1,380,000	1,380,000	1,380,000	1,380,000	1,380,000
2026	4,000,000	1,000,000	756,000	704,000	780,000	900,000	1,020,000	1,140,000	1,260,000	1,380,000	1,380,000	1,380,000	1,380,000	1,380,000
2027	4,000,000	1,000,000	784,000	756,000	704,000	780,000	900,000	1,020,000	1,140,000	1,260,000	1,380,000	1,380,000	1,380,000	1,380,000
2028	4,000,000	1,000,000	400,000	784,000	756,000	704,000	780,000	900,000	1,020,000	1,140,000	1,260,000	1,380,000	1,380,000	1,380,000
2029	4,000,000			400,000	784,000	756,000	704,000	780,000	900,000	1,020,000	1,140,000	1,260,000	1,380,000	1,380,000
2030	4,000,000				400,000	784,000	756,000	704,000	780,000	900,000	1,020,000	1,140,000	1,260,000	1,380,000
2031	3,000,000						-	168,000	252,000	288,000	360,000	450,000	540,000	630,000
2032														
2033														
2034														
Total	\$ 47,000,000	\$ 9,000,000	\$ 7,894,000	\$ 9,274,000	\$ 10,654,000	\$ 11,634,000	\$ 12,398,000	\$ 13,106,000	\$ 13,818,000	\$ 14,490,000	\$ 15,060,000	\$ 15,510,000	\$ 15,840,000	\$ 15,840,000
Estimated Tax Rate			1.9458	1.9458	1.9458	1.9458	1.9458	1.9458	1.9458	1.9458	1.9458	1.9458	1.9458	1.9458
Estimated TIF Revenue			\$ 153,601	\$ 180,453	\$ 207,306	\$ 226,374	\$ 241,240	\$ 255,017	\$ 268,871	\$ 281,946	\$ 293,037	\$ 301,794	\$ 308,215	\$ 308,215

NOTE: SEE SUMMARY OF SIGNIFICANT ASSUMPTIONS ON PAGE 7.

MONROE COUNTY REDEVELOPMENT COMMISSION

Monroe County, Indiana

COOK PROPERTY INCORPORATED

Estimated Sources and Uses of Funds

Sources of Funds

Bond Proceeds	\$ 6,200,000
Estimated Interest Earnings (5)	-
	<hr/>
Total Sources of Funds	\$ 6,200,000
	<hr/> <hr/>

Uses of Funds

Project Costs	\$ 6,050,000
Capitalized Interest (1)	-
Debt Service Reserve Fund (2)	-
Cost of Issuance and Rounding (3)	150,000
Underwriter's Discount (4)	-
	<hr/>
Total Uses of Funds	\$ 6,200,000
	<hr/> <hr/>

- (1) Assumes interest is forgiven through and including May 1, 2023
- (2) Assumes the Developer purchases the Bonds and Reserve Fund is not needed
- (3) Does not include costs of Developer's representatives
- (4) Assumes Developer purchases the Bonds and discount is not needed
- (5) No interest earnings are assumed at this time.

MONROE COUNTY REDEVELOPMENT COMMISSION

Monroe County, Indiana

COOK PROPERTY INCORPORATED

**Estimated Debt Service Schedule
(Sized at Minimum Cumulative Coverage Level)**

Date	Principal	Interest Rate	Interest Amount	Semi-Annual Debt Service	Annual Debt Service	TIF Revenue	Coverage - %	Coverage - \$	Cumulative Coverage - \$
5/1/2018									
7/1/2018									
1/1/2019									
7/1/2019									
1/1/2020						\$ -			
7/1/2020									
1/1/2021						2,432			
7/1/2021									
1/1/2022						19,944		\$ 19,944	\$ 19,944
7/1/2022									
1/1/2023						52,225		52,225	72,170
7/1/2023			\$ 25,833	\$ 25,833					
1/1/2024		2.50%	77,500	77,500	\$ 103,333	91,258	88%	(12,075)	60,094
7/1/2024			77,500	77,500					
1/1/2025		2.50%	77,500	77,500	155,000	134,143	87%	(20,857)	39,238
7/1/2025			77,500	77,500					
1/1/2026		2.50%	77,500	77,500	155,000	183,372	118%	28,372	67,610
7/1/2026			77,500	77,500					
1/1/2027	\$ 70,000	2.50%	77,500	147,500	225,000	239,800	107%	14,800	82,410
7/1/2027			76,625	76,625					
1/1/2028	130,000	2.50%	76,625	206,625	283,250	303,428	107%	20,178	102,588
7/1/2028			75,000	75,000					
1/1/2029	200,000	2.50%	75,000	275,000	350,000	371,823	106%	21,823	124,411
7/1/2029			72,500	72,500					
1/1/2030	280,000	2.50%	72,500	352,500	425,000	447,904	105%	22,904	147,315
7/1/2030			69,000	69,000					
1/1/2031	350,000	2.50%	69,000	419,000	488,000	523,401	107%	35,401	182,716
7/1/2031			64,625	64,625					
1/1/2032	430,000	2.50%	64,625	494,625	559,250	598,898	107%	39,648	222,364
7/1/2032			59,250	59,250					
1/1/2033	500,000	2.50%	59,250	559,250	618,500	667,098	108%	48,598	270,962
7/1/2033			53,000	53,000					
1/1/2034	560,000	2.50%	53,000	613,000	666,000	731,095	110%	65,095	336,057
7/1/2034			46,000	46,000					
1/1/2035	620,000	2.50%	46,000	666,000	712,000	789,625	111%	77,625	413,682
7/1/2035			38,250	38,250					
1/1/2036	680,000	2.50%	38,250	718,250	756,500	840,936	111%	84,436	306,799
7/1/2036			29,750	29,750					
1/1/2037	750,000	2.50%	29,750	779,750	809,500	883,685	109%	74,185	380,985
7/1/2037			20,375	20,375					
1/1/2038	790,000	2.50%	20,375	810,375	830,750	918,126	111%	87,376	468,360
7/1/2038			10,500	10,500					
1/1/2039	840,000	2.50%	10,500	850,500	861,000	945,367	110%	84,367	498,049
7/1/2039			-	-					
1/1/2040	-		-	-	-	-	0%	-	498,049
	<u>\$ 6,200,000</u>		<u>\$ 1,798,083</u>	<u>\$ 7,998,083</u>	<u>\$ 7,998,083</u>	<u>\$ 8,744,561</u>			

Interest is forgiven through and including May 1, 2023.

NOTE: Some years require use of cumulative coverage. TIF revenue will be available for 5 additional years to pay any remaining principal and interest previously due.

MONROE COUNTY REDEVELOPMENT COMMISSION

Monroe County, Indiana

COOK PROPERTY INCORPORATED

Summary of Significant Assumptions

1. Beginning in 2018, the Developer will invest \$5,000,000 in real property, per year, for 12 years; \$6,000,000 in the 13th year, and \$3,000,000 in the 14th year.
Beginning in 2020, the Developer will invest \$4,000,000 in abatable personal property, per year, for 11 years, and \$3,000,000 in the 12th year.
Beginning in 2020, the Developer will invest \$1,000,000 in non-abatable personal property, per year, for 9 years.
2. Due to the nature of the investment, the assessed value of real property is assumed to be equal to 50% of the estimated investment.
The total estimated investment in real property improvements is \$69,000,000.
3. No net change in value of land has been assumed.
4. The estimated property tax rate of \$1.9458 is based upon the actual Pay 2018 tax rate with no adjustments for potential future tax law changes.
5. The Bonds have been assumed to be purchased and held by the Developer and no default would occur if revenue is insufficient.
6. The Bonds are assumed to be issued and closed on May 1, 2018.
7. A Debt Service Reserve Fund is assumed to not be needed since the Bonds will be purchased by the Developer and agreed to by the Developer.
8. Interest on the Bonds is assumed to be forgiven until TIF revenue is available.
9. The debt payments have been structured to produce the necessary proceeds and maintain cumulative debt service coverage based on the projected TIF revenue. Annual shortfalls are expected and will not accrue any additional interest.
10. TIF revenue will be available for 25 years and can be used to pay remaining principal and interest not previously paid.
There will be no compounding of any interest not paid.