



# CITY OF SOUTH BEND

## REDEVELOPMENT COMMISSION

### Redevelopment Commission Agenda Item

DATE: July 23, 2020

FROM: David Relos, Property Development Manager

SUBJECT: Annual TIF Neutralization Analysis (Baker Tilly)

\_\_\_\_\_ Pres/V-Pres

ATTEST: \_\_\_\_\_ Secretary

Date: \_\_\_\_\_

APPROVED  Not Approved

*SOUTH BEND REDEVELOPMENT COMMISSION*

Funding Source (circle one) River West; River East; South Side; Douglas Road; West Washington; RDC General

#### Purpose of Request:

This Budget Request is for Baker Tilly Municipal Advisors to provide professional services for the annual TIF Neutralization worksheets required by state law. These worksheet calculations are done for each TIF area and are used to adjust the base assessed value for natural growth in property values.

For example, if the base assessed value of a TIF area was originally \$1,000,000 and the area had natural appreciation of 3%, or \$30,000, this amount would become part of the increment captured unless the base is adjusted.

After adjustment, this \$30,000 would be added to the base, which would now be \$1,030,000, allowing other taxing jurisdictions to maintain their tax base by capturing the natural appreciation of property. Increment captured by the TIF area should be a result of new development, not the natural appreciation in property values that pre-existed the TIF.

Staff requests approval of this budget request in the amount of \$15,000, to allow Baker Tilly to complete the required annual TIF Neutralization worksheets.

INTERNAL USE ONLY: Project ID: PROJ \_\_\_\_\_;

Total Amount – New Project Budget Appropriation \$ 15,000 \_\_\_\_\_;

Total Amount – Existing Project Budget Change (increase or decrease) \$ \_\_\_\_\_;

Funding Limits: Engineering: \$ \_\_\_\_\_; Other Prof Serv Amt \$15,000 \_\_\_\_\_;

Acquisition of Land/Bldg (circle one) Amt: \$ \_\_\_\_\_; Street Const Amt \$ \_\_\_\_\_;

Building Imp Amt \$ \_\_\_\_\_; Sewers Amt \$ \_\_\_\_\_; Other (specify) Amt \$ \_\_\_\_\_

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