



# CITY OF SOUTH BEND

## REDEVELOPMENT COMMISSION

### Redevelopment Commission Agenda Item

DATE: 11/9/2023

FROM: Caleb Bauer, DCI Exec. Director

SUBJECT: TIF Projections and Bond Capacity Analysis

\_\_\_\_\_ 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

\*Funds are subject to the City Controller's determination of availability; if funds are unavailable, as solely determined by the City Controller, then the authorization of the expenditure of such funds shall be void and of no effect.

#### Purpose of Request:

RDC staff requests approval of funding to support TIF revenue projections and bond capacity analysis for four of the economic development areas; River West Development Area, River East Development Area, River East Residential Development Area, and South Side Development Area.

These projections will allow staff to plan for the growth of revenue in the districts and also assess the viability of bond issuances to support future projects.

The proposal from Baker Tilly Municipal Advisors sets a not-to-exceed \$15,000 amount per development area.

Staff requests approval of the following budget requests:

- \$15,000 from RWDA
- \$15,000 from REDA
- \$15,000 from RE Residential DA
- \$15,000 from SSDA

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**SCOPE APPENDIX to  
Engagement Letter dated: June 15, 2022  
Between City of South Bend Redevelopment Commission and  
Baker Tilly US, LLP**

**RE: Municipal Advisory Services – Allocation Area TIF Updates**

**DATE: October 27, 2023**

This Scope Appendix is attached by reference to the above-named engagement letter (the “Engagement Letter”) between City of South Bend Redevelopment Commission (the “Client”) and Baker Tilly US, LLP and relates to services to be provided by Baker Tilly Municipal Advisors, LLC.

**SCOPE OF WORK**

Baker Tilly Municipal Advisors, LLC (“BTMA”) will perform the following services:

**A. Preparation of a TIF Update (Consulting and Municipal Advisory Services)**

1. For the City’s Tax Increment Allocation Areas (“TIF Areas”), prepare tax increment (“TIF”) revenue estimates based upon current law and property tax data, including the impact of known new developments (as provided by City officials), estimated tax abatement reductions, and estimated changes in tax rates (if applicable).
2. Prepare a schedule demonstrating the extent to which estimated TIF revenue is expected to be sufficient to pay actual debt service or lease rentals on outstanding bonds and other planned projects (as provided by City officials) for the TIF Areas.
3. If requested, prepare illustrative schedules of amortization for bonds, leases, or other obligations payable from TIF revenue generated in the applicable TIF Area(s). *Any illustrative amortizations prepared under this section will be for informational purposes only, and may not be utilized in conjunction with the issuance of debt obligations.*
4. Provide a summary report and additional written materials as appropriate, reporting findings to the Commission.
5. If requested, present the Report at a meeting of the Commission. Such Report is limited to the purposes set forth herein, and may not be used in conjunction with the issuance of additional debt obligations. TIF revenue estimates in support of the issuance of debt will be accomplished pursuant to the parameters of separate agreements.

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Compensation and Invoicing

Fees for services set forth in the Scope Appendix will be billed at BTMA's standard billing rates based upon the actual time and expenses incurred and will not exceed Fifteen Thousand Dollars (\$15,000) per allocation area.

Standard Hourly Rates by Job Classification  
1/1/2023

Partners / Principals / Directors	\$295.00	to	\$525.00
Manager	\$235.00	to	\$340.00
Consultants / Analysts	\$160.00	to	\$235.00
Support / Paraprofessional	\$115.00	to	\$175.00
Interns	\$110.00	to	\$145.00

- *Billing rates are subject to change periodically due to changing requirements and economic conditions. Baker Tilly will notify Client thirty (30) days in advance of any change to fees. If Client does not dispute such change in fees within that thirty (30) day period, Client will be deemed to have accepted such change. The fees billed will be the fees in place at the time services are provided. Actual fees will be based upon experience of the staff assigned and the complexity of the engagement.*

The above fees shall include all expenses incurred by BTMA with the exception of expenses incurred for mileage which will be billed on a separate line item. No such expenses will be incurred without the prior authorization of the Client. The fees do not include the charges of other entities such as rating agencies, bond and official statement printers, couriers, newspapers, bond insurance companies, bond counsel and local counsel, and electronic bidding services, including Parity<sup>®</sup>. Coordination of the printing and distribution of Official Statements or any other Offering Document are to be reimbursed by the Client based upon the time and expense for such services.

Billing Procedures

Normally, you will receive a monthly statement showing fees and costs incurred in the prior month. Occasionally, we may bill on a less frequent basis if the time involved in the prior month was minimal or if arrangements are made for the payment of fees from bond proceeds. The account balance is due and payable on receipt of the statement.

Nonattest Services

As part of this engagement, we will perform certain nonattest services. For purposes of the Engagement Letter and this Scope Appendix, nonattest services include services that the *Government Auditing Standards* refers to as nonaudit services.

We will not perform any management functions or make management decisions on your behalf with respect to any nonattest services we provide.

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In connection with our performance of any nonattest services, you agree that you will:

- > Continue to make all management decisions and perform all management functions, including approving all journal entries and general ledger classifications when they are submitted to you.
- > Designate an employee with suitable skill, knowledge, and/or experience, preferably within senior management, to oversee the services we perform.
- > Evaluate the adequacy and results of the nonattest services we perform.
- > Accept responsibility for the results of our nonattest services.
- > Establish and maintain internal controls, including monitoring ongoing activities related to the nonattest function.

Conflicts of Interest

Attachment A to the Engagement Letter contains important disclosure information that is applicable to this Scope Appendix.

We are unaware of any additional conflicts of interest related to this Scope Appendix that exist at this time.

Termination

This Scope Appendix will terminate according to the terms of the Engagement Letter.

If this Scope Appendix is acceptable, please sign below and return one copy to us for our files. We look forward to working with you on this important project.

Sincerely,



Matthew R. Eckerle, Principal

**Signature Section:**

The services and terms as set forth in this Scope Appendix are agreed to on behalf of the Client by:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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