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**Fax Transmission**

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6 # of pages w/cover

To: <u>The Honorable Gary Herbert</u> Company: <u>City of Greensburg</u> Fax #: <u>(812) 662-6925</u>	To: _____ Company: _____ Fax #: _____
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From: John Julien  
 Re: Greensburg RDC  
 \_\_\_\_\_

Original:  
 Will be mailed: \_\_\_\_\_  
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Message:

UMBAUGH



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May 21, 2008

It's all about experience.

The Honorable Gary Herbert  
Mayor, City of Greensburg  
314 West Washington Street  
Greensburg, Indiana 47240

RE: TIF Information

Dear Mayor:

This letter is to transmit answers to the questions you raised during our phone conversation Monday. First, the amount of assessed valuation currently being captured in the TIF Area is approximately \$21,300,000. That captured increment is generating about \$450,000 in TIF Revenues. The second item we discussed is the amount of TIF Revenue that could be generated assuming future improvements are constructed in the Freeland Road area. I've had the following schedules prepared to give you an illustration of what TIF Revenue might be expected.

The first schedule calculates the estimated annual TIF income for various amounts of new growth. The second schedule is an illustration of a project budget built around TIF increment from \$50,000,000 of new investment. Based on \$50,000,000, it is assumed the City can support a \$9,200,000 project. However, of the \$9,200,000, approximately \$2,100,000 would be needed for capitalized interest funding the debt service reserve and cost of issuance expense, so the actual dollars available for land acquisition, construction, engineering, etc., would be \$7,100,000. The last two schedules attached illustrate the assumed annual payments on the \$9,200,000 bond issue, and how those payments would match up with estimated TIF income from the \$50,000,000 of new assessed valuation.

We hope this information is helpful. If you have any questions, please don't hesitate to contact me.

Very truly yours,

UMBAUGH

John D. Julien

JDJ/jf

Enclosures: Illustrative Tax Increment Calculations  
Illustration of Project Costs and Funding  
Amortization of \$9,240,000 Principal Amount of Tax Increment Revenue  
Bonds of 2008  
Comparison of Estimated Available Tax Increment and Debt Service

cc: Mr. Matthew D. Bailey, City Attorney  
Mr. Richard J. Hall, Barnes & Thornburg LLP

## GREENSBURG REDEVELOPMENT COMMISSION

### *Freeland Road*

### ILLUSTRATIVE TAX INCREMENT CALCULATIONS

Investment Amount	Adjusted Tax Rate	Estimated Tax Increment
	(1)	
\$25,000,000	\$2.1991	\$550,000
50,000,000	2.1991	1,100,000
75,000,000	2.1991	1,649,000
100,000,000	2.1991	2,199,000

- (1) The tax rate is based on the pay 2007 gross tax rate of \$2.3572 reduced by the school general fund, pre-school special education, child welfare, state fair and forestry and the fire and police pension levies and adjusted for the Supplemental Homestead Deduction for the City of Greensburg.

For Discussion Purposes Only  
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May 21, 2008

**GREENSBURG REDEVELOPMENT COMMISSION***Freeland Road***ILLUSTRATION OF PROJECT COSTS AND FUNDING****(Assumes \$50,000,000 of New Investment)****Estimated Project Costs:**

Total estimated fundable project costs	\$7,097,029
Allowance for capitalized interest	1,087,130
Allowance for debt service reserve	863,441
Allowance for bond discount (1%)	92,400
Estimated bond issuance costs & contingencies	<u>100,000</u>
Estimated Total Project Costs	<u><u>\$9,240,000</u></u>

**Sources of Funding:**

Proposed Tax Increment Revenue Bonds of 2008	<u><u>\$9,240,000</u></u>
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**GREENSBURG REDEVELOPMENT COMMISSION**

*Freeland Road*

**AMORTIZATION OF \$9,240,000 PRINCIPAL AMOUNT  
OF TAX INCREMENT REVENUE BONDS OF 2008**

Assumes Bonds dated July 1, 2009

Assumed Interest Rates as Indicated

<u>Bonds Maturing</u>	<u>Principal Balance Remaining (in 000s)</u>	<u>Principal (in 000s)</u>	<u>Interest Rates (%)</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Capitalized Interest</u>	<u>Net Debt Service</u>	<u>Budget Year</u>
1/1/2010	\$9,240			\$230,710.00	\$230,710.00	(\$230,710.00)	\$0.00	\$0.00
7/1/2010	9,240			230,710.00	230,710.00	(230,710.00)	0.00	
1/1/2011	9,240			230,710.00	230,710.00	(230,710.00)	0.00	0.00
7/1/2011	9,240			230,710.00	230,710.00	(145,000.00)	85,710.00	
1/1/2012	9,240			230,710.00	230,710.00	(140,000.00)	90,710.00	176,420.00
7/1/2012	9,240			230,710.00	230,710.00	(55,000.00)	175,710.00	
1/1/2013	9,240			230,710.00	230,710.00		175,710.00	351,420.00
7/1/2013	9,240	\$30	4.20	230,710.00	260,710.00		260,710.00	
1/1/2014	9,210	35	4.30	230,080.00	265,080.00		265,080.00	525,790.00
7/1/2014	9,175	120	4.30	229,327.50	349,327.50		349,327.50	
1/1/2015	9,055	130	4.40	226,747.50	356,747.50		356,747.50	706,075.00
7/1/2015	8,925	215	4.40	223,887.50	438,887.50		438,887.50	
1/1/2016	8,710	220	4.55	219,157.50	439,157.50		439,157.50	878,045.00
7/1/2016	8,490	225	4.55	214,152.50	439,152.50		439,152.50	
1/1/2017	8,265	230	4.65	209,033.75	439,033.75		439,033.75	878,186.25
7/1/2017	8,035	235	4.65	203,686.25	438,686.25		438,686.25	
1/1/2018	7,800	240	4.75	198,222.50	438,222.50		438,222.50	876,908.75
7/1/2018	7,560	245	4.75	192,522.50	437,522.50		437,522.50	
1/1/2019	7,315	255	4.85	186,703.75	441,703.75		441,703.75	879,226.25
7/1/2019	7,060	260	4.85	180,520.00	440,520.00		440,520.00	
1/1/2020	6,800	265	4.95	174,215.00	439,215.00		439,215.00	879,735.00
7/1/2020	6,535	270	4.95	167,656.25	437,656.25		437,656.25	
1/1/2021	6,265	280	5.00	160,973.75	440,973.75		440,973.75	878,630.00
7/1/2021	5,985	285	5.00	153,973.75	438,973.75		438,973.75	
1/1/2022	5,700	295	5.00	146,848.75	441,848.75		441,848.75	880,822.50
7/1/2022	5,405	300	5.00	139,473.75	439,473.75		439,473.75	
1/1/2023	5,105	310	5.05	131,973.75	441,973.75		441,973.75	881,447.50
7/1/2023	4,795	315	5.05	124,146.25	439,146.25		439,146.25	
1/1/2024	4,480	325	5.10	116,192.50	441,192.50		441,192.50	880,338.75
7/1/2024	4,155	330	5.10	107,905.00	437,905.00		437,905.00	
1/1/2025	3,825	340	5.15	99,490.00	439,490.00		439,490.00	877,395.00
7/1/2025	3,485	350	5.15	90,735.00	440,735.00		440,735.00	
1/1/2026	3,135	360	5.20	81,722.50	441,722.50		441,722.50	882,457.50
7/1/2026	2,775	365	5.20	72,362.50	437,362.50		437,362.50	
1/1/2027	2,410	375	5.20	62,872.50	437,872.50		437,872.50	875,235.00
7/1/2027	2,035	385	5.20	53,122.50	438,122.50		438,122.50	
1/1/2028	1,650	395	5.20	43,112.50	438,112.50		438,112.50	876,235.00
7/1/2028	1,255	405	5.20	32,842.50	437,842.50		437,842.50	
1/1/2029	850	420	5.25	22,312.50	442,312.50		442,312.50	880,155.00
7/1/2029	430	430	5.25	11,287.50	441,287.50		441,287.50	441,287.50
<b>Totals</b>		<b>\$9,240</b>		<b>\$6,352,940.00</b>	<b>\$15,592,940.00</b>	<b>(\$1,087,130.00)</b>	<b>\$14,505,810.00</b>	<b>\$14,505,810.00</b>

Note: Assumes the sunset date for the allocation area is December 31, 2028 or later.

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May 21, 2008

**GREENSBURG REDEVELOPMENT COMMISSION**

*Freeland Road*

**COMPARISON OF ESTIMATED AVAILABLE TAX INCREMENT AND DEBT SERVICE**

<u>Year Payable</u>	<u>Estimated Available Tax Increment (1)</u>	<u>Proposed Tax Increment Revenue Bonds of 2008 (2)</u>	<u>Estimated Annual Surplus</u>	<u>Estimated Coverage Ratio</u>	<u>Estimated Cumulative Surplus</u>
2009		\$0 (3)	\$0	N/A	\$0
2010		0 (3)	0	N/A	0
2011	\$220,000	176,420 (3)	43,580	125%	43,580
2012	440,000	351,420 (3)	88,580	125%	132,160
2013	660,000	525,790	134,210	126%	266,370
2014	880,000	706,075	173,925	125%	440,295
2015	1,100,000	878,045	221,955	125%	662,250
2016	1,100,000	878,186	221,814	125%	884,064
2017	1,100,000	876,909	223,091	125%	1,107,155
2018	1,100,000	879,226	220,774	125%	1,327,929
2019	1,100,000	879,735	220,265	125%	1,548,194
2020	1,100,000	878,630	221,370	125%	1,769,564
2021	1,100,000	880,823	219,178	125%	1,988,741
2022	1,100,000	881,448	218,553	125%	2,207,294
2023	1,100,000	880,339	219,661	125%	2,426,955
2024	1,100,000	877,395	222,605	125%	2,649,560
2025	1,100,000	882,458	217,543	125%	2,867,103
2026	1,100,000	875,235	224,765	126%	3,091,868
2027	1,100,000	876,235	223,765	126%	3,315,633
2028	1,100,000	880,155	219,845	125%	3,535,478
2029	1,100,000	441,288	658,713	249%	4,194,190
<b>Totals</b>	<b><u>\$18,700,000</u></b>	<b><u>\$14,505,810</u></b>	<b><u>\$4,194,190</u></b>		

(1) Assumes the following captured growth:

March 1, 2010	\$10,000,000
March 1, 2011	\$20,000,000
March 1, 2012	\$30,000,000
March 1, 2013	\$40,000,000
March 1, 2014	\$50,000,000

(2) See Page 3.

(3) Net of capitalized interest.

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