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June 24, 2014

Mr. Bryan Stumpf, PLA, AICP
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12965 Old Meridian Street
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Re: Oak Park - Westfield, Indiana

The attached schedules, listed below, present unaudited and limited financial information for the purpose of discussion and consideration of a proposed expansion of a development in Westfield, Indiana. The purpose of this report is to quantify the anticipated fiscal impact that the Oak Park project could have on the City, County, Westfield-Washington School Corporation, Library and other taxing units.

The prospective financial impact calculations reflect assumptions provided by Estridge management relative to the type of development within Oak Park and the anticipated market value. We have also obtained additional information from local, county and state officials. The pay 2014 property tax rates and income tax ratios serve as the basis for the revenue projections.

Schedules 1 through 4 represent computed post build-out financial impact computations.

FINANCIAL IMPACT

Schedule 1 Proposed Project Overview

This schedule summarizes the proposed development, including the number of units, estimated market value, and the assumed net assessed value (NAV). All units in the proposed development are eligible for homestead deduction and mortgage exemptions. Beginning in 2009, the standard deduction for homestead deductions are the lesser of \$45,000 or 60% of assessed value. Additionally, there is a supplemental homestead deduction equal to 35% of the next \$600,000 of assessed value remaining after the standard deduction and 25% of the remaining assessed value over \$600,000. We have assumed that every new unit would receive the maximum of \$45,000 homestead deduction, along with the maximum supplemental deduction. We have also assumed each unit would qualify and apply for the \$3,000 mortgage exemption. The estimated NAV for the proposed development is \$13,041,000, with 28 units. *The increase in the estimated NAV could provide additional General Obligation Bonding capacity in the amount of approximately \$87,000.*

Schedule 2 **Estimated Annual Tax Revenues**

This schedule summarizes the proposed project’s potential impact on property tax for the City, School District, County, Library and other taxing units. Based upon pay 2014 tax rates, the proposed development at build-out could generate an additional \$210,002 in net property tax revenues for the governmental taxing units in the Westfield total tax rate. IC 6-1.1-20.6 provides taxpayers with a tax credit for all property taxes in an amount that exceeds the gross assessed value of real and personal property eligible for the credit (“Circuit Breaker Tax Credit”). For property assessed as a homestead (as defined in IC 6-1.1-12-37), the Circuit Breaker Tax Credit is equal to the amount by which the property taxes attributable to the homestead exceed 1% of the gross assessed value of the homestead. Property taxes are limited to 2.0% of the gross assessed value of other residential property, agricultural property, and long-term care facilities; and 3.0% of the gross assessed value for other non-residential real property and personal property. Additional property tax limits are available to certain senior citizens.

If applicable, the Circuit Breaker Tax Credit will result in a reduction of property tax collections for each political subdivision in which the Circuit Breaker Tax Credit is applied. A political subdivision may not increase their property tax levy or borrow money to make up for any property tax revenue shortfall due to the application of the Circuit Breaker Tax Credit.

We have used the pay 2014 COIT to property tax ratio to estimate an additional \$61,084 in COIT distributions to Westfield, Hamilton County, the Library and other taxing units.

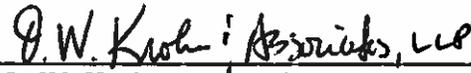
Schedule 3 **Project Composition and Estimated Annual Tax Revenues at Build-Out for the City of Westfield**

This schedule summarizes the potential annual tax benefit to the City, through the City’s portion of property tax revenues and COIT distributions. The resulting annual revenues, at build-out, are anticipated to amount to approximately \$54,772 (net of Circuit Breaker Tax Credit) and \$42,122 respectively.

Schedule 4 **Anticipated Annual Tax Revenues for the City of Westfield**

Based upon an 8-year build-out, this schedule illustrates the estimated total annual revenues to the City as the project is developed. We have assumed a 2-year lag in property tax collections from the start of construction of each unit. *It is not anticipated that the proposed development would require additional personnel for the City.*

Actual results could vary from the prospective financial impact calculations and the variations could be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.



O. W. Krohn & Associates, LLP

Oak Park, Westfield Indiana

Financial Impact Analysis

Proposed Project Overview

Proposed Project Configuration

	Estimated Total Units	Estimated Market Value per Unit	Total Estimated Market Value	Assumed Net Assessed Value
Single Family	28	\$ 750,000	\$ 21,000,000	\$ 13,041,000
TOTALS	28		\$ 21,000,000	\$ 13,041,000

Oak Park, Westfield Indiana

Financial Impact Analysis

Estimated Annual Tax Revenues

Proposed Project Configuration

	Assumed Net Assessed Value	Westfield	School District	Hamilton County	Library	Other	Totals
Tax Rates - Pay 2014		\$ 0.8075	\$ 1.9250	\$ 0.3054	\$ 0.0479	\$ 0.0102	\$ 3.0960
Single Family	\$ 13,041,000	\$ 105,306	\$ 251,039	\$ 39,827	\$ 6,247	\$ 1,330	\$ 403,749
Total Estimated Property Taxes		105,306	251,039	39,827	6,247	1,330	403,749
Less: Circuit Breaker Credits		(50,534)	(120,468)	(19,111)	(2,997)	(637)	(193,747)
Estimated Annual COIT		42,122	-	15,931	2,499	532	61,084
Total Estimated Annual Revenues		<u>\$ 96,894</u>	<u>\$ 130,571</u>	<u>\$ 36,647</u>	<u>\$ 5,749</u>	<u>\$ 1,225</u>	<u>\$ 271,086</u>

Oak Park, Westfield Indiana

Financial Impact Analysis

Project Composition and Estimated Annual Tax Revenues at Build-Out for the City of
Westfield

	<u>Single Family</u>	<u>Total Proposed Development</u>
Number of Units	28	28
Estimated Market Value per Unit	\$ 750,000	
Total Estimated Market Value	\$ 21,000,000	\$ 21,000,000
Assumed Net Assessed Value	\$ 13,041,000	\$ 13,041,000
City Property Tax \$ 0.8075 per \$100	\$ 105,306	\$ 105,306
Less Circuit Breaker Credit	(50,534)	(50,534)
City COIT \$ 0.40 of property taxes	<u>42,122</u>	<u>42,122</u>
Potential Annual Tax Benefit to City	<u>\$ 96,894</u>	<u>\$ 96,894</u>

NOTE: Estimated property tax revenues are based upon 2013 pay 2014 tax rates. Estimated COIT revenues are based upon the pay 2014 certified distribution which indicates that the City receives \$.40 in COIT for every \$1.00 of property tax levy.

Oak Park, Westfield Indiana

Anticipated Annual Tax Revenues for the City of Westfield

Based Upon an 8-Year Build-Out

<u>Year</u>	<u>Anticipated Number of Units Closed</u>	<u>Estimated Annual Property Taxes net of Circuit Breaker Credits</u>	<u>Estimated Annual Income Taxes</u>	<u>Total Annual Revenues</u>
1 2015	4	\$ -	\$ -	\$ -
2 2016	7	-	-	-
3 2017	11	6,846	5,265	12,111
4 2018	14	13,692	10,530	24,222
5 2019	18	20,538	15,795	36,333
6 2020	21	27,384	21,060	48,444
7 2021	25	34,231	26,325	60,556
8 2022	28	41,078	31,590	72,668
9 2023	28	47,925	36,856	84,781
10 2024	28	54,772	42,122	96,894
11 2025	28	54,772	42,122	96,894
12 2026	28	54,772	42,122	96,894
13 2027	28	54,772	42,122	96,894
14 2028	28	54,772	42,122	96,894
15 2029	28	54,772	42,122	96,894
16 2030	28	54,772	42,122	96,894
17 2031	28	54,772	42,122	96,894
18 2032	28	54,772	42,122	96,894
19 2033	28	54,772	42,122	96,894
20 2034	28	54,772	42,122	96,894
TOTALS		<u>\$ 739,414</u>	<u>\$ 568,641</u>	<u>\$ 1,404,949</u>

Subject to the comments in the attached letter dated June 24, 2014 of O.W. Krohn Associates, LLP
Schedule 4