

RESOLUTION NO. 10, 2003

WHEREAS, under 2002 legislation, Indiana's property tax replacement credit was modified by adding to it 60% of the total property tax levy for school general funds;

WHEREAS, as a result of this legislation, the Valparaiso tax increment financing allocation areas ("TIF") will suffer a loss of revenue resulting from this reduction in tax increment;

WHEREAS, the 2002 legislation provides that redevelopment commissions may estimate the "tax increment replacement amount", which generally equals the amount of revenue lost, and may also ask the Department of Local Government Finance Board to levy a tax on the entire redevelopment district (in this case, all of Valparaiso), in order to generate an amount equal to the tax increment replacement amount;

WHEREAS, the Valparaiso Redevelopment Commission has preliminarily determined that the estimated tax increment replacement amount is \$320,000 and has asked the Department of Local Government Finance Board to levy the additional tax.

NOW, THEREFORE, BE IT RESOLVED, The Common Council of the City of Valparaiso endorses the action taken by the Valparaiso Redevelopment Commission, specifically finding that generating the tax increment replacement amount will permit the Valparaiso Redevelopment Commission

to continue to complete its scheduled projects without delay or added expense, all to the benefit of the citizens of Valparaiso.

ADOPTED this 25th day of August 2003, by a 5-0 vote of all members present and voting.

absent
T.J. Edwards

J. Joey Larr
Joey Larr

Donald Ragsdale
Donald Ragsdale

Judy Dorris
Judy Dorris

absent
Al Eisenmenger

Fred Kruger
Fred Kruger

Jan Dick
Jan Dick

ATTEST:

Sharon Swihart
Sharon Swihart, Clerk-Treasurer

**Department of Local Government Finance
Certificate of Tax Increment Finance (TIF) Replacement Amount Worksheet**

IC 6-1.1-21.2 provides for an automatic tax levy on a Redevelopment District to generate sufficient tax increment to replace the amount lost due to changes in the property tax replacement credit for the school general fund. In order to receive the levy, the Redevelopment Commission must estimate the tax increment replacement amount for each allocation area under its jurisdiction for the next calendar year. The tax will be imposed on all taxable property in the District and will be at a rate sufficient to generate the tax increment replacement amount.

The legislative body of the unit that established the District may reduce or determine that no tax should be levied. The Redevelopment Commission must submit Part I to the Department of Local Government Finance, Budget Division, before September 1. Part II must be submitted by September 20, 2003. The Redevelopment Commission must also submit the estimated tax increment tax rate to the County Auditor by September 22, 2003, for inclusion in the notice to taxpayers of tax rates.

PART I TAX INCREMENT REPLACEMENT LEVY

Section A. Taxing Unit Information

1. County: Porter
2. Political Subdivision: Valparaiso Redevelopment Commission
3. Name and type (county or city) of District: City of Valparaiso
4. Name of Allocation Area: Southeast - Center Township Economic Development Area
5. Payable Year: 20 04
6. Total Net Assessed Value of the Redevelopment District: 828,791,633.00 (3/31/01) (1)
7. Contact Information: Name: Sharon Swihart
Address: City of Valparaiso
166 W. Lincolnway
Valparaiso, IN 46383
Phone: (219) 462-1161
8. Financial Advisor: Name: Karl Cender
Address: Cender and Company, L.L.C.
8585 Broadway, Suite 777
Merrillville, IN 46410
Phone: (219) 736-1800

8. If the Redevelopment Commission charges the gross tax rate, then the TIF replacement levy does not apply Proceed to Section D.

Section B. Estimate of Tax Increment Replacement Amount

1a. Estimated Tax Incremental Assessed Value of Allocation Area	\$ 42,928,197.00 (1)	
1b. Current year School General Fund Tax Rate	<u>0.9648</u>	
1c. Estimated Gross Tax Increment (Multiply 1a by 1b, divided by 100)	\$ 414,171.24	
1d. PTRC rate in effect January 1, 2001	<u>20%</u>	
1e. Estimated PTRC	\$ 82,834.25	
1f. Total Estimated Tax Increment School Gen. Fund (subtract line 1e from 1c)		<u>\$331,337.00</u>
2a. Estimated Tax Incremental Assessed Value of Allocation Area	\$ 42,928,197.00 (1)	
2b. Current year School General Fund Tax Rate	<u>0.9648</u>	
2c. Estimated Gross Tax Increment (Multiply 2a by 2b, divide by 100)	\$ 414,171.24	
2d. PTRC Rate as amended by IC 6-1.1-21 (P.L. 192-2002(49))	<u>60%</u>	
2e. Estimated PTRC	\$ 248,502.75	
2f. Total Estimated Tax Increment School Gen. Fund (subtract line 2e from 2c)		<u>\$ 165,668.50</u>
3. Estimated Tax Increment Replacement Amount (Subtract 2f from 1f)		<u>\$165,668.50</u>
Estimated Property Tax Rate		<u>\$0.0200</u>

(1) Most recently assessed valuation information available, pending completion of March 1, 2002 reassessment.

Section C. Allocation Area Assessed Value Information

1. Total Incremental Net Assessed Value of all Allocation Areas in District \$ 50,734,877.00
Please list name and net assessed value of each allocation area.

Name	Incremental AV for Alloc. Area Established before 12/31/02	Name of School District Associated w/Alloc. Area
1 Southeast - Center Twp.	42,928,197	Valparaiso
2 Franklin Street	812,490	Valparaiso
3 Southeast - Washington Twp.	1,838,760	East Porter Schools
4 South 49	5,155,430	East Porter Schools
5 _____	_____	_____
6 _____	_____	_____
7 _____	_____	_____
8 _____	_____	_____
9 _____	_____	_____
10 _____	_____	_____
Total	50,734,877	

Section D. Certification

I, Sharon Emerson Swihart, certify to the best of my knowledge that the above is a full, true and complete listing of information on the above entitled allocation area.

Dated this 25th day of August, 2003.

Sharon Emerson Swihart
Title: _____

Section E. After the Department receives final assessed values from the County Auditor, the Redevelopment Commission has one more opportunity to provide a revised tax increment replacement amount to the Department of Local Government Finance. The Redevelopment Commission has one week to respond to the Department of Local Government Finance's "1782 Notice" of the proposed Tax Increment Replacement Levy and Rate determined by the Department. If no response is received, the rate and levy calculated in the notice will be certified for the Redevelopment District.

PART II TAX INCREMENT REPLACEMENT LEVY APPEAL

Section A. Taxing Unit Information

- 1. County:
2. Political Subdivision:
3. Name and type (county or city) of District:
4. Name of Allocation Area:
5. Payable Year: 20
6. Total Net Assessed Value of the Redevelopment District:
7. Contact Information:
8. Financial Advisor:

Section B. Reduced TIF Levy or No Levy

Complete the following section if the legislative body of the unit requests the TIF amount shown on Part I, Section B, Line 3 be reduced or rescinded. Also, attach the resolution governing body.

The Legislative Body by resolution has taken the following action:

Check One

- Rescinds the Tax Increment Financing Replacement Levy.
X Requests that the Tax Increment Replacement amount be limited to \$ 320,000.00

Section C. Allocation Area Assessed Value Information

If the total assessed value of all the allocation areas in the Redevelopment District exceeds 10% of the total assessed value of the Redevelopment District, as defined in 6-1.1-21.2-5, the Redevelopment District may appeal to the Department of Local Government Finance for a distribution from the property tax replacement fund if the tax imposed does not exceed the lesser of (1) the tax increment replacement amount or (2) the amount that will result from the imposition of a rate for the tax levy that will cause the total tax rate in the district to be 110% of the rate that would apply if the tax levy were not imposed (the "Estimated Maximum Tax Increment Replacement Amount").

- 1. Total Incremental Net Assessed Value of All Allocation Areas in the District (Part I, Line C1) \$ 50,734,877
2. Is the amount above more than 10% of total Net Assessed Value of District (Part I, Line A6)? If NO, continue to section C. If YES, go to Step 3 below. Circle One Yes No
3. Estimated Maximum Tax Increment Replacement Amount
a. Total Tax Rate in District (Total Rate of City or County)
b. Times 10% 0.10
c. Maximum Additional Tax Rate (Line a times Line b)
d. Total AV of Redevelopment District
e. Additional amount resulting from 110% of tax rate (Line c times Line d)
f. Property Tax Replacement Amount from Part I Line B3
g. Estimated Maximum Tax Increment Replacement Amount (lesser of line e or line f)
4. Requested Property Tax Replacement Amount
Estimated property tax rate

5. The Department shall approve an appeal if it determines that:

Check all that apply

- A tax levy in excess of the maximum estimated tax increment replacement amount would create a significant financial hardship on taxpayers residing in the district.
- A tax levy in excess of the maximum estimated tax increment replacement amount significantly reduces the benefits from the increase in the property tax credits payable under IC 6-1.1-21, as amended by the Indiana General Assembly in 2002, or
- A tax levy in excess of the maximum estimated tax increment replacement amount would have a disproportionate impact on a small businesses or low income families or individuals; and
- The district has made reasonable efforts to limit its use of the special fund for the allocation area to appropriations for payments of:
 - a. The principal and interest on loans or bonds;
 - b. Lease rentals on leases;
 - c. Amounts due on other contractual obligations; and
 - d. Additional credits.

The Department of Local Government Finance will make a final determination on the appeal by December 1, 2003.

Section D. Certification

I, Sharon Emerson Swihart, certify to the best of my knowledge that the above is a full, true and complete listing of information on the above entitled allocation area.

Dated this 25th day of August, 2003.

Sharon Emerson Swihart
Title: _____

Contact Information:

Name: Sharon Swihart
 Address: City of Valparaiso
166 W. Lincolnway
Valparaiso, IN 46383
 Phone: (219) 462-1161

Financial Advisor:

Name: Karl Cender
 Address: Cender and Company, L.L.C.
8585 Broadway, Suite 777
Merrillville, IN 46410
 Phone: (219) 736-1800

Section B. Estimate of Tax Increment Replacement Amount - Franklin Street Economic Development Area

1a. Estimated Tax Incremental Assessed Value of Allocation Area	\$	812,490.00	(1)	
1b. Current year School General Fund Tax Rate		0.9648		
1c. Estimated Gross Tax Increment (Multiply 1a by 1b, divided by 100)	\$	7,838.90		
1d. PTRC rate in effect January 1, 2001		20%		
1e. Estimated PTRC	\$	1,567.78		
1f. Total Estimated Tax Increment School Gen. Fund (subtract line 1e from 1c)				\$6,271.12
2a. Estimated Tax Incremental Assessed Value of Allocation Area	\$	812,490.00	(1)	
2b. Current year School General Fund Tax Rate		0.9648		
2c. Estimated Gross Tax Increment (Multiply 2a by 2b, divide by 100)	\$	7,838.90		
2d. PTRC Rate as amended by IC 6-1.1-21 (P.L. 192-2002(ss))		60%		
2e. Estimated PTRC	\$	4,703.34		
2f. Total Estimated Tax Increment School Gen. Fund (subtract line 2e from 2c)	\$			3,135.56
3. Estimated Tax Increment Replacement Amount (Subtract 2f from 1f)				\$3,135.56
Estimated Property Tax Rate				\$0.0004

(1) Most recently assessed valuation information available, pending completion of March 1, 2002 reassessment.

Section B. Estimate of Tax Increment Replacement Amount - Southeast - Washington Township Economic Development Area

1a. Estimated Tax Incremental Assessed Value of Allocation Area	\$	1,838,760.00	(1)	
1b. Current year School General Fund Tax Rate		1.0876		
1c. Estimated Gross Tax Increment (Multiply 1a by 1b, divided by 100)	\$	19,998.35		
1d. PTRC rate in effect January 1, 2001		20%		
1e. Estimated PTRC	\$	3,999.67		
1f. Total Estimated Tax Increment School Gen. Fund (subtract line 1e from 1c)				\$15,998.68
2a. Estimated Tax Incremental Assessed Value of Allocation Area	\$	1,838,760.00	(1)	
2b. Current year School General Fund Tax Rate		1.0876		
2c. Estimated Gross Tax Increment (Multiply 2a by 2b, divide by 100)	\$	19,998.35		
2d. PTRC Rate as amended by IC 6-1.1-21 (P.L. 192-2002(ss))		60%		
2e. Estimated PTRC	\$	11,999.01		
2f. Total Estimated Tax Increment School Gen. Fund (subtract line 2e from 2c)	\$			7,999.34
3. Estimated Tax Increment Replacement Amount (Subtract 2f from 1f)				\$7,999.34
Estimated Property Tax Rate				\$0.0010

(1) Most recently assessed valuation information available, pending completion of March 1, 2002 reassessment.

Section B. Estimate of Tax Increment Replacement Amount - South 49 Economic Development Area

1a. Estimated Tax Incremental Assessed Value of Allocation Area	\$	5,155,430.00	(1)	
1b. Current year School General Fund Tax Rate		1.0876		
1c. Estimated Gross Tax Increment (Multiply 1a by 1b, divided by 100)	\$	56,070.46		
1d. PTRC rate in effect January 1, 2001		20%		
1e. Estimated PTRC	\$	11,214.09		
1f. Total Estimated Tax Increment School Gen. Fund (subtract line 1e from 1c)				\$44,856.37
2a. Estimated Tax Incremental Assessed Value of Allocation Area	\$	5,155,430.00	(1)	
2b. Current year School General Fund Tax Rate		1.0876		
2c. Estimated Gross Tax Increment (Multiply 2a by 2b, divide by 100)	\$	56,070.46		
2d. PTRC Rate as amended by IC 6-1.1-21 (P.L. 192-2002(ss))		60%		
2e. Estimated PTRC	\$	33,642.27		
2f. Total Estimated Tax Increment School Gen. Fund (subtract line 2e from 2c)	\$			22,428.18
3. Estimated Tax Increment Replacement Amount (Subtract 2f from 1f)				\$22,428.18
Estimated Property Tax Rate				\$0.0027

(1) Most recently assessed valuation information available, pending completion of March 1, 2002 reassessment.