

## ANALYSIS OF PROPERTY TAXES FOR THE PORTS OF INDIANA

### CONSOLIDATED EXECUTIVE SUMMARY

Baker Tilly Municipal Advisors, LLC has been engaged by the Ports of Indiana (the "Ports") to analyze the property tax revenues being paid by Port companies within the three Ports of Indiana facilities. Our task is to identify the funds that flow to the overlapping taxing units which consist of local units of governments, including city, county, township, school corporation, public library, redevelopment districts and others.

It should be noted that the Ports of Indiana, unlike many port and airport authorities, does not receive any local or state tax dollars to support its development and operations. Port land is owned by the State of Indiana and is considered non-taxable. However, the land is leased to dozens of tenant companies that pay taxes on their real property improvements and personal property. While this analysis only focuses on Port companies, there are also tax revenues collected from other outside companies that utilize the Ports or support Port companies that are not included in this analysis.

Our research shows that from 2017 to 2020, property taxes generated within Indiana's three ports have totaled \$43.25 million, an average of over \$10.81 million per year of which 57% goes to the local cities' civic and redevelopment budgets, and 24% goes to the local schools. These taxes were distributed as follows:

#### **Distribution of Property Taxes from Port Companies in 2017-2020:**

|                                    |                               |
|------------------------------------|-------------------------------|
| • City Civic Government:           | \$12.19 million (28%)         |
| • City Redevelopment Commission:   | \$12.70 million (29%)         |
| • School Corporation:              | \$10.29 million (24%)         |
| • County Government:               | \$5.95 million (14%)          |
| • Township Government:             | \$956,000 (2%)                |
| • Public Library:                  | \$822,000 (2%)                |
| • Airport Authority:               | \$43,000 (0.1%)               |
| • Parks and Recreation Department: | \$193,000 (0.4%)              |
| • Solid Waste Management District: | \$104,000 (0.2%)              |
| <b>TOTAL:</b>                      | <b>\$43.25 million (100%)</b> |

**Ports of Indiana-Burns Harbor:** In 2017-2020, companies at the Ports of Indiana-Burns Harbor generated \$18.27 million in property taxes, of which more than 55% goes to the City of Portage's civic and redevelopment budgets, and 25% goes to the Portage Township School Corporation. The property tax revenues generated by the Port are \$4.57 million per year on average, including annual contributions of approximately \$2.61 million to Portage's civic and redevelopment budgets, \$1.12 million to the local schools, \$576,000 to Porter County and a combined \$263,000 to Portage Township, Porter County Library and Porter County Airport Authority. Port companies contribute 10% of the property tax revenues for the city's civic budget, 15% for the city redevelopment commission and 7% for the local schools.

**Ports of Indiana-Jeffersonville:** In 2017-2020, companies at the Ports of Indiana-Jeffersonville generated \$19.79 million in property taxes, of which more than 70% goes to the City of Jeffersonville's civic and redevelopment budgets, and 17% goes to the Greater Clark County School Corporation. The property tax revenues generated by the Port are nearly \$4.95 million per year on average, which includes annual contributions of \$3.62 million to Jeffersonville's city government and redevelopment budgets, \$829,000 to the local schools, \$452,000 to Clark County and a combined \$49,000 to Charlestown-Clark County Library and Utica Township. Port companies contribute 6% of the property tax revenues for the city's civic budget, 16% for the city redevelopment commission and 4% for the local schools.

**Ports of Indiana-Mount Vernon:** In 2017-2020, companies at the Ports of Indiana-Mount Vernon generated approximately \$5.19 million in property taxes, of which more than 48% goes to Mount Vernon School Corporation and 35% goes to Posey County. The property tax revenues generated by the Port are \$1.30 million per year on average, including annual contributions of \$621,000 to local schools, \$459,000 to Posey County and a combined \$218,000 to the Mount Vernon Parks & Recreation Department, Black Township, Alexandrian Public Library and Posey County Solid Waste Management District. Port companies contribute 6% of the property tax revenues for the local schools, 4% for the county and 9% for the township.

A breakdown of the property taxes paid to each taxing unit within the port districts is listed below:

**Ports of Indiana-Burns Harbor**

Property taxes generated within the Burns Harbor Port in 2017-2020 have totaled \$18.27 million in 2017-2020, an average of nearly \$4.57 million per year of which approximately \$2.61 million per year goes to the City of Portage, including the Portage Redevelopment Commission.

These taxes were distributed as follows:

**Distribution of Property Taxes from Port Companies in 2017-2020:**

|                                       |                     |
|---------------------------------------|---------------------|
| • City of Portage                     | \$6,270,000         |
| • City of Portage Redevelopment       | 4,153,000           |
| • Portage Township School Corporation | 4,494,000           |
| • Porter County                       | 2,304,000           |
| • Portage Township                    | 658,000             |
| • Porter County Library               | 352,000             |
| • Porter County Airport Authority     | <u>43,000</u>       |
| <b>TOTAL:</b>                         | <b>\$18,274,000</b> |

**Ports of Indiana-Jeffersonville**

Property taxes generated within the Jeffersonville Port have totaled over \$19.79 million in 2017-2020, an average of nearly \$4.95 million per year of which approximately \$3.62 million per year goes to the City of Jeffersonville, including the Jeffersonville Redevelopment Commission.

These taxes were distributed as follows:

**Distribution of Property Taxes from Port Companies in 2017-2020:**

|                                                    |                     |
|----------------------------------------------------|---------------------|
| • City of Jeffersonville                           | \$5,915,000         |
| • City of Jeffersonville Redevelopment (TIF Areas) | 8,557,000           |
| • Greater Clark County School Corporation          | 3,317,000           |
| • Clark County                                     | 1,810,000           |
| • Charlestown-Clark County Contractual Library     | 168,000             |
| • Utica Township                                   | <u>28,000</u>       |
| <b>TOTAL:</b>                                      | <b>\$19,795,000</b> |

**Ports of Indiana-Mount Vernon**

Property taxes generated within the Port have contributed \$5.19 million in 2017-2020 to the local community, averaging nearly \$1.30 million per year of which more than \$621,000 goes to the local schools.

These taxes were distributed as follows:

**Distribution of Property Taxes from Port Companies in 2017-2020:**

|                                                |                    |
|------------------------------------------------|--------------------|
| • M.S.D. Mount Vernon School Corporation       | \$2,485,000        |
| • Posey County                                 | 1,837,000          |
| • Alexandrian Public Library                   | 302,000            |
| • Black Township                               | 271,000            |
| • Mount Vernon Civil City (Parks & Rec Only)   | 193,000            |
| • Posey County Solid Waste Management District | <u>104,000</u>     |
| <b>TOTAL:</b>                                  | <b>\$5,192,000</b> |