

GOSHEN COMMON COUNCIL & REDEVELOPMENT COMMISSION

Minutes of the February 4, 2022 Work Session on Multi-Family Housing Policy

Convened in the Schrock Pavilion, Shanklin Park, 411 West Plymouth Avenue, Goshen, Indiana

Present: Mayor Jeremy Stutsman

Council members:

Julia King (At-Large)

Doug Nisley (District 2)

Gilberto Perez Jr. (District 5)

Donald Riegsecker (District 1)

Matt Schrock (District 3)

Council President Brett Weddell (At-Large)

Absent: Megan Eichorn (District 4) Youth Advisor Adrian Mora (Non-voting)

Redevelopment Commission members:

Vince Turner (President)

Brian Garber (Vice President)

Andrea Johnson (Secretary)

Brett Weddell

Absent: Brienne Brenneman Bradd Weddell (School liaison)

City staff:

Deputy Mayor and Community Development Director Mark Brinson

Director of Public Works & Utilities Director Dustin Sailor

City Attorney Bodie Stegelmann

Planning & Zoning Administrator Rhonda Yoder

Redevelopment Director Becky Hutsell

Parks Recreation Coordinator Frank Shula

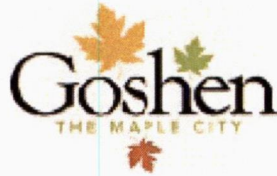
Communications Coordinator Sharon Hernandez

1) Welcome

Mayor Stutsman opened the work session at 9 a.m. and said the City of Goshen is facing a housing shortage which he hopes to be addressed at this meeting. He said that **Redevelopment Director Becky Hutsell** has started a draft multi-family housing policy, which was circulated to some City employees and stakeholders in the past few days. He reminded attendees that this is a public joint meeting of the Redevelopment Commission and Common Council, but there will be no public input.

2) Introductions

Mayor Stutsman asked all attendees, including those from the public, to introduce themselves. He then introduced **Greg Goodnight**, the former mayor of Kokomo, Indiana. Stutsman said Goodnight helped actively develop Kokomo downtown, drew more housing into Kokomo and has a good sense of the current situation in Goshen.



3) Addressing Housing Shortages in Indiana Cities

Greg Goodnight thanked **Mayor Stutsman** for inviting him to the meeting, adding that Mayor Stutsman is “doing a great job” in Goshen. Goodnight said his background includes 12 years as mayor of Kokomo, two terms as a Council member, and he has started consulting on housing issues in the past few months. Goodnight noted that his mayoral experience working with redevelopment in Kokomo directly influences his current work on statewide housing audits and affordable housing across the country. He said prior to his experience as mayor, Kokomo had not invested much in development, so he directed Kokomo to grow affordable housing, senior housing and luxury housing.

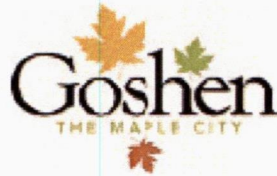
Goodnight discussed the importance of maintaining current employees as residents. In his experience, Kokomo employed many people who worked in the City and chose to live in other counties. Similarly, Elkhart County has many employees who commute to their work, earn a paycheck and then take the money to their home communities. He said Elkhart County has about 25,000 people who commute to the county for jobs, but spend their paychecks in their home communities. Currently, Elkhart County has 8,900 jobs posted and available, which Goodnight said demonstrates that the county does not have a jobs problem. Instead, the county has a problem capturing workers as residents.

Goodnight distributed two articles on housing projects in Noblesville and Fishers, Indiana, noting that most housing projects have some sort of local incentive, including the two examples he distributed (**Exhibits #1 and #2**). Both the Noblesville and Fishers examples were upscale apartment complexes, which is not particularly unusual in today’s environment. Goodnight said that when residents live near their jobs and do not pay travel costs, their money is spent on goods and services within the community. He further noted that providing jobs is fine, but employers also need to benefit the taxpaying residents of their communities.

Redevelopment Commission President Vince Turner noted that both Howard County (the home of Kokomo) and Elkhart County share the similarities of auto and RV industries, and asked if the industries might get on board with supporting housing in their communities. Both former **Mayor Alan Kauffman** and **Mayor Stutsman** said Midwest communities, particularly in Indiana, are resistant to change. Mayor Stutsman suggested that such industrial cities as Goshen or Kokomo sometimes need to advance projects that may appear to have little support and provide strong data-driven arguments. So far, Goshen has revitalized downtown, removed 23 traffic lights, eliminated one-way streets, and given pedestrians and bicycles a chance to exist by giving data to the Common Council and Redevelopment Commission.

Deputy Mayor Mark Brinson noted that Goodnight’s handout suggested that 10% of the new housing in Noblesville was set aside for “workforce housing,” and asked if there’s a clear definition of workforce housing. **Goodnight** responded that it is based on the Average Median Income (AMI) set by the federal government. Goodnight said he completed a few projects in Kokomo as a mayor but found that a city is like a car lot: if a buyer visits a car lot looking for a minivan but only finds a sports car, they will not make a purchase at that lot. Similarly, he said a city needs all types of housing.

Goodnight completed his presentation with additional praise for Mayor Stutsman.



4) TIF Financing Tools for Housing Projects

Jason Semler, a partner with Baker Tilly Municipal Advisors, joined the meeting by phone and discussed his involvement with the Redevelopment Commission for more than a decade. He said developers are increasingly asking communities to help finance housing projects. Communities are providing individualized incentives through Tax Increment Financing (TIF) agreements varying from 50% to 100% funding over 10 to 25 years. He said incentives are based on how badly a community wants a project. For example, the Last Dance project offered no-risk bonds to the City and will eventually provide further revenues to the City.

Semler said TIFs can be used for commercial and multi-family (over five units) developments. Residential TIFs are a fairly recent development, according to Semler, but can now also be used to build single-family homes. Semler said these developments would still need to pay school referendums. **Mayor Stutsman** said Goshen's practice has been to customize each TIF agreement based on the merits of each project.

5) Typical Financial Analysis

Brad Hunsberger, Vice President of Real Estate Development for LaCasa, distributed a PowerPoint presentation outlining the various ways to fund multifamily housing (**Exhibit #3**). These include the 4% Low Income Housing Tax Credit (LIHTC), 9% LIHTC, Market Rate, and Workforce Housing rent structures. Hunsberger noted that every development is different and the variables between each one is innumerable.

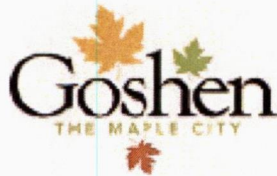
Hunsberger noted the following considerations of each rent structure:

- The 4% option is non-competitive and readily available. It requires extra financial support to the developer due to the tax credits not being worth much to the developer.
- The 9% option offers lots of equity to the developer's funding, but requires city support to make it competitive.
- The Market Rate Housing is generally funded with First Mortgage debt.
- Workforce Housing is based on lower debt due to lower rents, but also requires increased financial support for the developer from other sources.

Hunsberger commented on the following slides, noting that the "Financing Multi Family Housing" slide compares the expenses and cash flows across the four funding models. He also commented on a later slide that showed that the migration into Elkhart County is projected to severely lag behind the County's job growth. Hunsberger further noted that Elkhart County's affordability gap is projected to significantly grow in the coming years.

Redevelopment Director Hutsell further explained the LaCasa handout, which compared workforce earnings to recommended market rates. For example, a two-bedroom apartment at 60% AMI (Average Median Income) should cost approximately \$650 per month. The 60% AMI is the average income for families, according to HUD, which matches requirements for the Arbor Ridge and Shoots Building projects.

Alan Kauffman noted that community members believed that the Park 33 rents were too high and would not fill up. But Park 33 is now completely full, some residents moved to Goshen and others moved within Goshen to find a nicer place to live. Kauffman said this demonstrates a domino effect where increased inventory at the upper level makes affordable housing available to those who need it. **Commissioner Turner** said 70% of the initial move-ins to the Park 33 project were from outside of Goshen.



Councilor Pérez shared that the fastest growth segment in Fishers is empty nesters looking to downsize but maintain amenities they are used to. Pérez asked who the City of Goshen hopes to cater to, noting that Goshen needs people to move around within the city, but also needs to attract them first, similarly to the Park 33 project. **Mayor Stutsman** noted that Goshen has done well with the Shoots, Park 33, and LaCasa projects in the past 20 years. He said Goshen needs to continue adding all levels of housing, and we need to watch the ebb and flow of who is building and why.

6) Local Perspectives

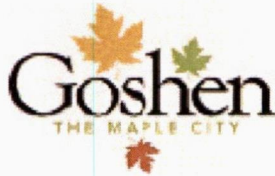
Nick Kieffer, President and CEO of the Goshen Chamber of Commerce, said that he regularly hears from business community members about the need for housing in addition to a need for employees. He said Goshen businesses are heavily invested in bringing jobs to Goshen, even from out of state, and also want to keep the employees in Goshen. **Alan Kauffman** noted that Goshen is working toward “quality of place” improvements that attract more housing to Goshen.

Christina Clauss, a broker with the Coldwell Banker Real Estate Group, said developers need incentives to develop all levels of housing in Goshen. Currently, Goshen schools are losing kids, and housing is necessary to keep money in the community. She said the inventory of available housing is down 30% since December; there are now 12 houses in Goshen for sale and only nine under contract. Available housing since 2011 has significantly dropped. **Councilor Pérez** agreed that Goshen’s housing market is different from what it used to be, and residents are moving to other communities to find affordable housing.

Councilor King asked if lenders are not lending to private buyers. **Clauss** said lending is loosening for private buyers since conventional construction is easier to get with a loan, but there are not enough incentives for affordable housing to keep up with demand. **Commissioner Turner** said lending is often based on appraisal cost, and not on the sale price, so if there is a gap, the buyer needs to fund the gap. Otherwise, he said a lender will not fund an upside-down loan.

Former Mayor Goodnight affirmed the need for all types of housing options. He said that when a resident arrives from out of state, family members build relationships, love their neighborhood, and put down roots. Goshen has only one shot to attract individuals moving from out of state and needs all types of housing. **Mayor Stutsman** said this is an issue across the country. He said Goshen is starting to incentivize housing because otherwise it will fall behind. While Goshen is also working on rehabilitating rundown rental homes, that is a small percentage of the City’s capacity and Goshen really needs new projects.

Travis Bontrager, a sales associate with Bontrager Real Estate, discussed his background in real estate and property management, and said very few homes are available in Goshen. He said the average house price between 2017 and 2021 increased from \$170,000 to \$270,000. Rental prices also took the same trajectory, and currently there is a 2% vacancy rate and units are rented quickly. Bontrager said there are few rental vacancies because there is nowhere for people to move to, alluding to the “mobility wheel” of homes that people buy and rent. Bontrager also shared facts about the history of rents and affordability in Goshen over the past 10 years, concluding that developers are hesitant to build housing in Goshen due to overextended resources and credit after the 2008 housing crisis.



Alan Kauffman noted that Goshen's housing authority recently merged with that of the City of Warsaw. He said currently people are looking for housing vouchers, but only a few rental management firms want to deal with vouchers because they reduce the rent, and a Section 8 voucher cannot compete with market rates. **Councilor King** asked about states where rental agencies are required to accept Section 8 vouchers, but Indiana is not among them. **Councilor Pérez** asked if the State gives incentives to accept Section 8 vouchers, and **Travis Bontrager** said that people are simply having trouble moving up to better homes, or anywhere else for that matter.

Before introducing **Superintendent Dr. Steve Hope of the Goshen Community Schools, Mayor Stutsman** noted that Goshen is looking to protect and attract teachers, first responders and medical staff, and requests that housing units be available to these people for a limited time after completion. **Dr. Hope** affirmed the need for housing available to everyone in Goshen. Dr. Hope shared a document (**Exhibit #4**) showing the concentrations of students within the Goshen school district and added that most students leave Goshen Schools due to housing costs or an inability to find a home in Goshen.

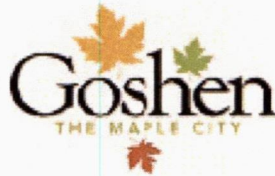
7) Draft Policy Overview and Discussion

Redevelopment Director Hutsell presented a draft of Goshen's proposed Tax Increment Financing (TIF) policy (**Exhibit #5**). She said 18.6% of the City of Goshen is in one of two TIF districts. One district expires in 2031 and the other in 2033, after which less than 1% of Goshen will be in the new College Avenue TIF district. She said Goshen has not had a TIF policy in the past, and Hutsell suggested a committee be formed to explore the various options, perspectives, and criteria on which the policy might be developed. Over the past 20 years, TIF districts were established on a case-by-case basis, but the final page of the draft policy is an attempt to match up with the HUD policy as of 2021.

Former Mayor **Goodnight** said a TIF does not constitute a loss to a City because TIF bonds are paid from TIF revenues. **Mayor Stutsman** said the controls that the City already places into TIF projects disincentivizes developers from making lots of money and leaving. Goodnight said the Chrysler Corporation was the largest employer in Kokomo and received 40 years of abatements and made billions of dollars in profits, but the City of Kokomo still prospered due to the many employees now living in the City.

Hutsell pointed out the "But For" clause on page two of the draft policy, which is a requirement that a project could not occur without the TIF support. This provision requires developers to demonstrate they will complete their project. Discussion ensued regarding the flexibility of the TIF policy on various aspects of development, such as industrial, multi-family housing, multi-purpose development and infrastructure, and what aspects of development might the policy incentivize, such as efficient or LEED certified buildings.

Councilor Pérez asked how the draft policy compared to recent TIF developments, and **Hutsell** noted that the policy does not get particularly specific on a lot of topics. Instead, the policy sets forth what developers submit when applying for TIF funding. She said the policy still needs developer feedback, but comparisons to older projects is difficult because of different economic conditions in the past.



Redevelopment Director Hutsell acknowledged that the feedback from the Common Council and the Redevelopment Commission has already been very helpful.

Deputy Mayor Brinson noted that polices are very good for City staff members and provide helpful guidance for all involved. The policies help establish a firm WHY for a project to merit funding.

Mayor Stutsman ended the discussion by acknowledging that the next two years of construction in Goshen will likely result in more growth than in the past 20 years and he hopes the new TIF policy will continue to take shape. Mayor Stutsman said he anticipates the draft policy going for review to both the Council and Redevelopment Commission, and it may be completed in five to six months. This process will also require conversations with industry and schools representatives for the sake of the City of Goshen.

8) Adjournment

Mayor Stutsman thanked the speakers for their participation and adjourned the work session at 11:15 a.m.

EXHIBIT #1: *"Noblesville council approves economic development agreement for Milhaus mixed-use proposal," article from www.youarecurrent.com, which was cited by Greg Goodnight.*

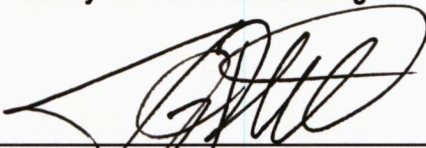
EXHIBIT #2: *"Fishers council approves 190 rental units on 116th Street," article from hagemangroup.com, which was cited by Greg Goodnight.*

EXHIBIT #3: *"LaCasa: Financing Multi Family Housing," a PDF copy of a PowerPoint slide presentation used during the work session by Brad Hunsberger.*

EXHIBIT #4: *"Where Students Live in Goshen," a one-page document distributed by Dr. Steve Hope to establish where students live within the Goshen Community Schools.*

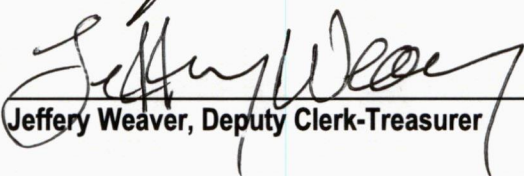
EXHIBIT #5: *"Tax Increment Financing (TIF) Funding Assistance Policy," a draft policy distributed by Redevelopment Director Becky Hutsell at the meeting.*

APPROVED:



Jeremy P. Stutsman, Mayor of Goshen

ATTEST:



Jeffery Weaver, Deputy Clerk-Treasurer

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A rendering of the multi-family units.

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Noblesville council approves economic development agreement for Milhaus mixed-use proposal

BY ANNA SKINNER ON SEPTEMBER 30, 2021

NOBLESVILLE COMMUNITY

Mayor Chris Jensen announced several new developments during his State of the City address Sept. 21, including one that appeared before the Noblesville Common Council's Sept. 28 meeting.

The council unanimously approved an economic development agreement between the city and Milhaus, a mixed-use developer that specializes in urban, multi-family residential buildings. Milhaus is based in Indianapolis. The agreement is for what Economic Development Director Andrew Murray calls a "transformative project" spanning 46 acres on the northwest corner of 146th Street and River Road.

"We are very excited to have Milhaus as a partner," Murray said. "There's been a lot of interest in this site over the last couple years and proposals we passed on to ensure we get the right project and the right partner before us."

The \$118 million mixed-use development will be funded through developer bonds issued by the city, which Murray said is consistent with the structure of all the city's economic development deals. The bonds will not exceed \$12.7 million. The developer will purchase the bonds, and the city will pledge 90 percent of tax increment revenue from the project for repayment of the bonds for a period of 20 years. The payment is secured with a 90 percent pledge to the debt service of the bonds, and the city will secure 10 percent of the property taxes produced by the development, which are estimated to be \$7.5 million. The estimate doesn't include growth in assessed value.

The project will include 312 market-rate, multi-family units, 10 percent of which will be set aside for workforce housing. There will be 28,000 square feet of space designated for commercial retail; 132 age-restricted multi-family units; and 102 for-sale townhomes. The project also will include trails and green space.

Murray said he expects the development will spur further developments along the 146th Street corridor. Construction is expected to begin in April 2022.

For more, visit cityofnoblesville.org.

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Fishers council approves 190 rental units on 116th Street

October 27, 2020

Originally published in the Current

By Anna Skinner

The Fishers City Council unanimously approved an economic development agreement for the Maple Del development on 116th Street west of the strip center, including Chatham Tap, Pure Eatery and Wild Ginger.

The \$30 million project includes 190 units, with 164 garden-style units, 18 three-story townhomes, eight two-story patio homes and 352 parking spaces. The 10-acre property was previously unincorporated, but the developer plans to annex it into the city corporate limits.

“We wanted this to feel like a neighborhood within the city instead of just a detached multi-family project that didn’t incorporate and didn’t blend well,” economic development director Megan Baumgartner said.

The properties on the west side of the development border a neighborhood, which will be duplexes. The garden-style apartments will be on the east side of the development near the strip center. All units will be rentals.

The economic development agreement guarantees that 100 percent of TIF funds will remain within the development during the next 25 years, estimated at \$6.1 million.

Tom Dickey, managing director of real estate with The Hageman Group, presented to the council prior to the vote. He responded to concerns regarding the development, including those community members worried that Fishers is outpacing other communities with apartment developments. Although Fishers has increased its apartment housing by 3 percent since 2000, it still trails Carmel, Noblesville and Zionsville in the percentage of rental options. The national average for apartment housing within a community is 22 percent. Fishers is at 16 percent.

Another concern is the development causing a burden on public safety and the government budget.

“This is actually the opposite of that,” Dickey said. “The infrastructure on 116th Street is already there. The only public infrastructure improvement to 116th is at the light. There will be a new left turn lane going west and a sidewalk funded by

the developer.”

Dickey also said there wouldn’t be a negative impact on the Hamilton Southeastern Schools district. The developer, JC Hart, expects 10 percent of units to have one student. But with an estimated \$24 million of assessed value, Dickey said the impact won’t be negative.

“ The rents here are not cheap,” Dickey said. “ They’ll be one of the highest in Fishers. That renter is not someone who can’t afford a house in Fishers. That renter is someone who chooses to rent. That’s the renter this targets. One of the fastest-growing segments of JC Hart is empty nesters.”

[Read the Full Article](#)

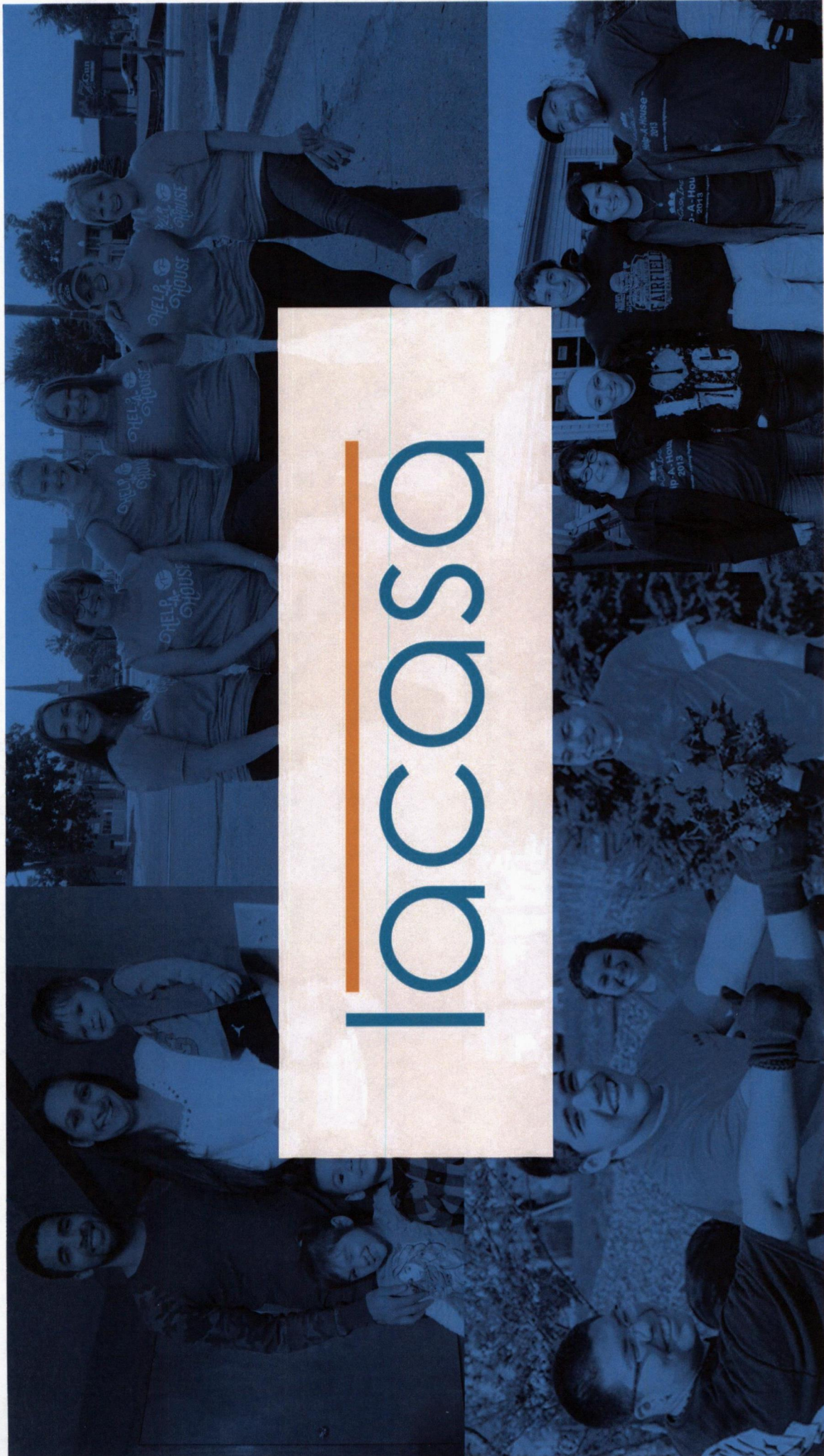


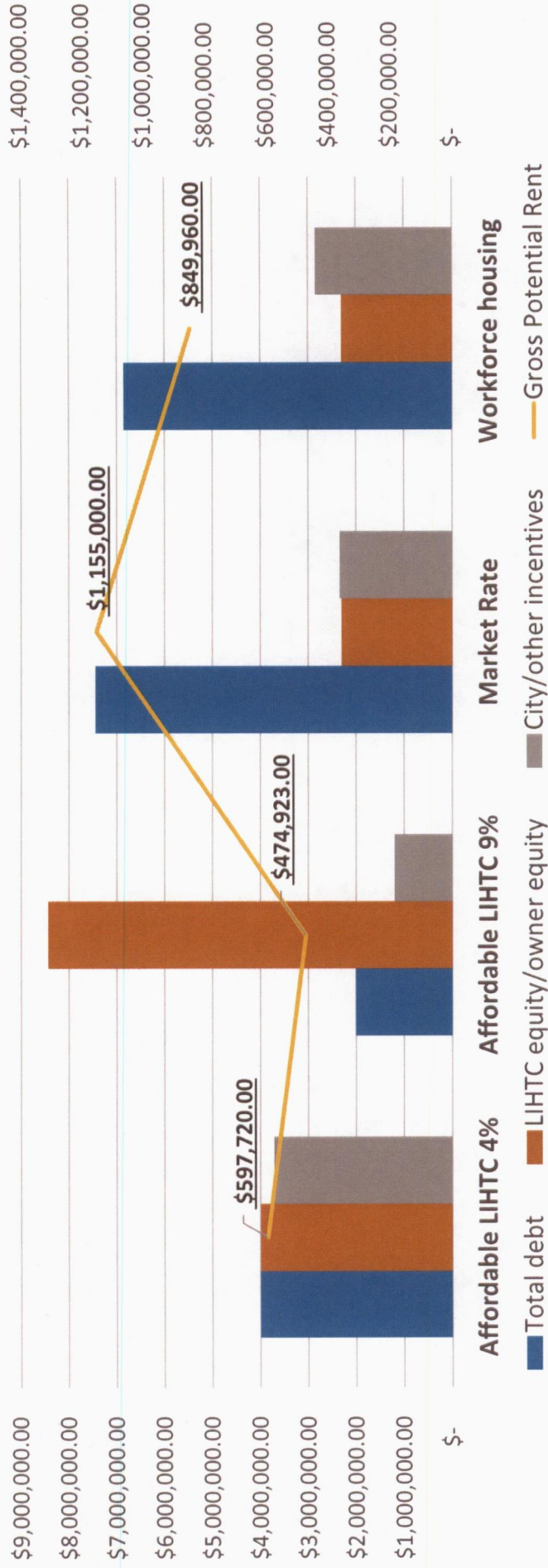
Exhibit
#3

Financing Multi Family Housing

1. Presentation represents an academic realistic comparison of 4 methods of funding Multi Family housing construction. The content should not be construed as “final” or “complete” but more of an overhead look for comparisons sake.
2. All four scenarios have the following variables “fixed” so as to allow comparison. These variables will change as plans develop, but for this exercise they are all the same
 1. 60 units, same unit mix (10; one bed, 40; two bed, 10; three bed)
 2. Total Development Cost of 12 million
 3. Debt Coverage Ratio i.e. “max debt the deal can support”
 4. Yearly expenses except differences in property taxes
3. Rent structures are:
 1. 4% LIHTC: 100% of units at 60% AMI
 2. 9% LIHTC: 40% of the units are between 30% AMI and 50% AMI
 3. Market Rate: 120+% AMI rents
 4. Workforce Housing: 90-120% AMI rents
4. City/other incentives represents the “gap” in each model

Financing Multi Family Housing

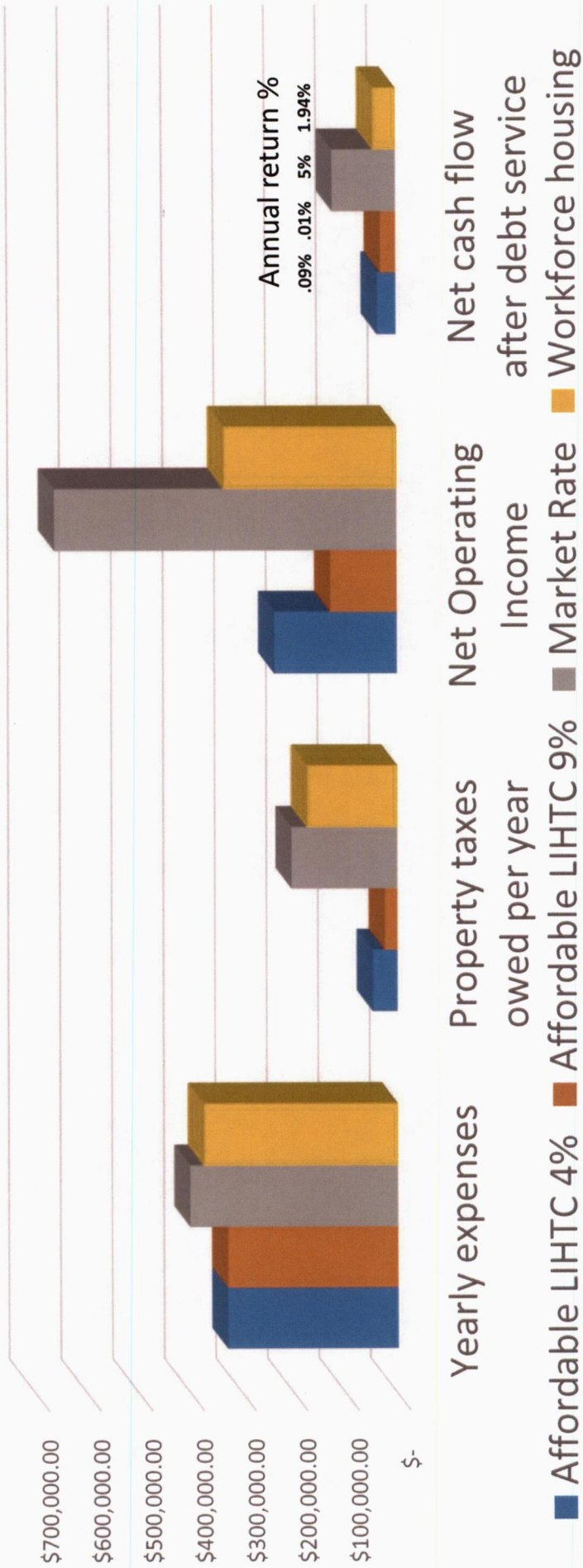
Sources of Funding with annual rent comparison



NOTE: LIHTC rents are net rents inclusive of utility allowance, market rate and workforce assumes utilities in

Financing Multi Family Housing

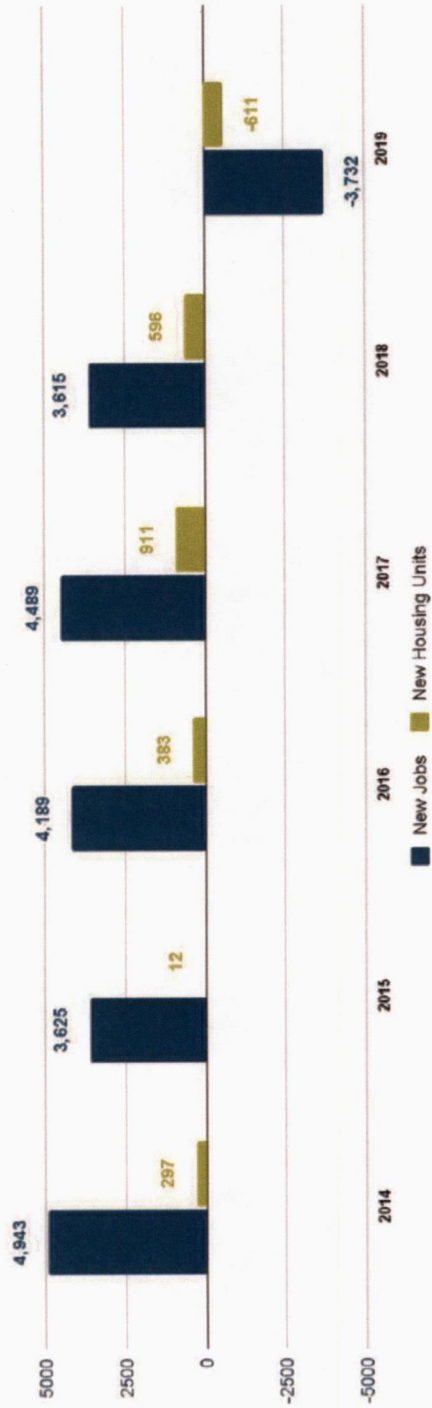
Expenses and Cashflow



Financing Multi Family Housing

JOB GROWTH AND HOUSING PRODUCTION | Elkhart County has created 17,129 jobs and 1,588 housing units between 2014 and 2019, or 9 housing units for every 100 jobs created.

**Job Growth and Housing Production
Elkhart County | New Jobs, New Housing Units**

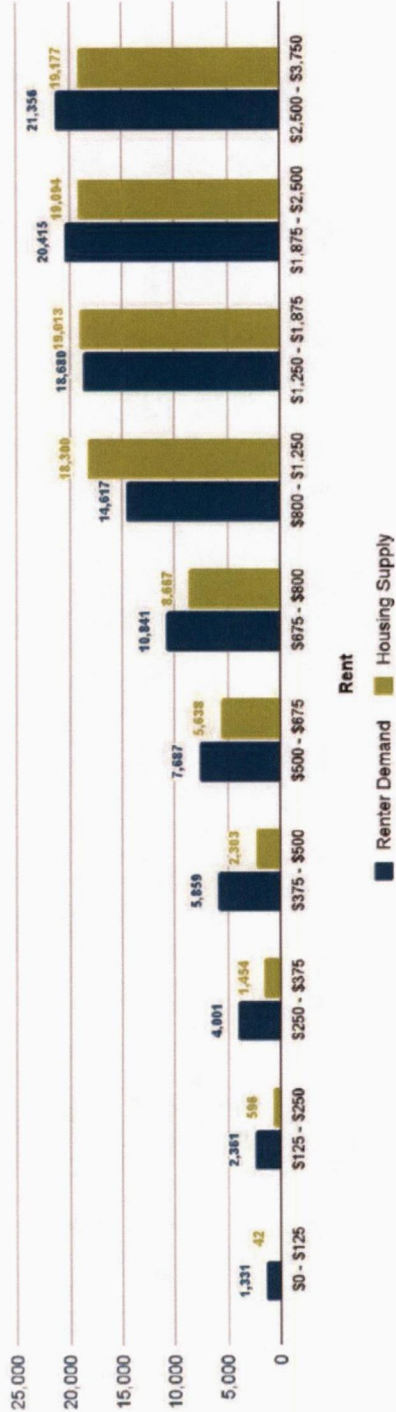


Housing Units includes all existing units, single family and multifamily.
Source: ACS 2010-2019 5-year estimates

Financing Multi Family Housing

CUMULATIVE RENTAL HOUSING GAP | There is a 10,000 unit gap in rental homes available for households who earn less than \$50,000 annually or units renting below \$1,250 per month.

Cumulative Housing Gap
Elkhart County, Indiana | 2010-2019



Rental Housing Gap is the number of households in each income group and number of existing housing units that are affordable to those households.
Source: ACS 2010-2019 5-year estimates

Financing Multi Family Housing

2021 AMI Rents				
Unit Size	60-90% AMI	91-120% AMI	121% +	Plus Monthly Utility Cost
Studio (1 person)	528 - 883	884 - 1,238	1,239 +	181
1 Bedroom (1.5 persons)	525 - 905	906 - 1,285	1286 +	234
2 Bedroom (2 persons)	523 - 928	929 - 1,333	1,334 +	287
3 Bedroom (3 persons)	576 - 1,032	1,033 - 1,488	1,489 +	336

Annual Income Information per Unit Type			
Annual Income	60-90% AMI	91-120% AMI	121% +
Studio (1 person)	28,380 - 42,570	42,571 - 56,760	56,761 +
1 Bedroom (1.5 persons)	30,390 - 45,585	45,586 - 60,780	60,781 +
2 Bedroom (2 persons)	32,400 - 48,600	48,601 - 64,800	64,801 +
3 Bedroom (3 persons)	36,480 - 54,720	54,721 - 72,960	72,961 +



Exhibit
#4

Where Students live in Goshen:

Housing Developments	# of Students
Clover Trails	147
Larimer Greens	63
Colonial Manor	177
Aspen Meadows Apartments	58
Maple Court Place	42
Riverbend	35
Arbor Court Apartments	80
Silverwood Apartments	130
Park 33 Apartments	24
The Orchard	122
Broadview	81
Terrace Park	37
East of Goshen	85
Creekside Estates	2
Hawthorne Group Homes	111
Westgate Manor	41
Kercher Rd. Housing	197
C.R. 40 & Prairie View Dr.	696
C.R. 40 & C.R. 27	53
C.R. 138 & C.R. 31	77
Sherman Acres	23
W. Clinton & Greenway Dr.	37
Watertower Apartments	18
Keim Estates	15
Country Place Condominiums (Tanglewood Dr.)	24
Ridgewood Place (C.R. 21 & Ridgeview Dr)	7
The Meadows of Goshen College	22
College Manor	22

Students moving out of district

100 students went to Elkhart

The most common reason given with exit interviews was less expensive rent

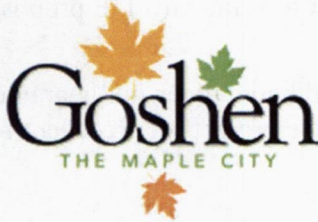
36 students went to Concord

The most common reason given was inability to find a quality home in Goshen

Anecdotal evidence

My own home search

Employee home searches

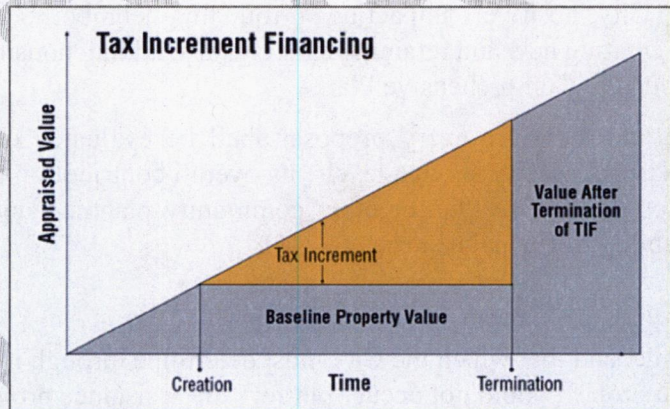


TAX INCREMENT FINANCING (TIF) FUNDING ASSISTANCE POLICY

- Adopted February XX, 2022 by the Redevelopment Commission
- Adopted March XX, 2022 by the Goshen Common Council

What is TIF?

Tax Increment Financing (TIF) is a special funding tool available to local municipalities that spurs economic development which otherwise would not occur. When a TIF district is created, property owners within the district continue to pay the same property tax rates as those outside the district. The difference is that tax collections, over and above the “base value” are placed into a special fund that is used to pay for project costs. Once all costs incurred by the creation of the project-based TIF district are recouped by the additional tax increment created, the district is terminated and the additional property taxes created are released to be shared by all taxing entities. The use of TIF varies from project to project and district to district. In some cases, the City uses TIF to promote redevelopment in older parts of the community. In other cases, the City uses TIF to create industrial parks through land acquisition and construction of infrastructure. In both cases, increased property tax collections are used to pay down debt service associated with project costs. This document outlines the City’s policy regarding utilizing TIF funding for partnerships with private developers to spur economic development.



Purpose

The purpose of this Policy is to articulate to existing or potential businesses the City of Goshen’s desire to promote economic development that is consistent with the City’s Comprehensive Plan and provides a community benefit that will ultimately be shared by all taxing entities (city, schools, library, and county) impacted through the establishment of TIF districts.

Notwithstanding compliance with any or all of the guidelines herein, the provision of TIF assistance is a policy choice to be evaluated on a case-by-case basis first by the Goshen Redevelopment Commission and then by the Goshen Common Council for final approvals. The burden of establishing the public benefit of TIF shall be placed upon the applicant and the application must substantially

meet the criteria contained herein. City Administration reserves the right to bring any TIF proposal forward for Commission and Council consideration.

Meeting statutory requirements, policy guidelines and other criteria listed herein does not guarantee provision of TIF financial assistance nor does the approval or denial of one project set precedent for approval or denial of another project.

TIF Authority

The authority and regulations for Tax Increment Financing and the establishment of TIF districts are found in IC § 36-7-14. The City of Goshen reserves the right to be more restrictive than provided under the statutes.

Basic Provisions

As a matter of policy, the City of Goshen will consider using TIF to assist private development in those circumstances where the proposed private project shows a **demonstrated financial gap** and that the financial assistance request is the minimum necessary to make the project feasible. The developer is expected to have exhausted all other financial alternatives prior to requesting the use of TIF, including equity participation, other federal and state funds, bonds, tax credits, loans, etc.

The City will only provide the minimum amount of TIF assistance to make the project viable and not solely to broaden a developer's profit margin on the project. Prior to consideration of a TIF assistance request, the City will undertake (at the applicant's expense) an independent analysis of the project to ensure the request for assistance is valid.

In requesting TIF assistance, the developer must demonstrate that there will be a substantial and significant public benefit to the community by eliminating blight, strengthening the economic and employment base of the City, positively impacting surrounding neighborhoods, increasing property values and the tax base, creating new and retaining existing jobs, adding housing opportunities within the City and implementing the Comprehensive Plan.

Each project is unique and therefore every proposal shall be evaluated on its individual merit, including the potential impact on city service levels, its overall contribution to the economy and its consistency with the Comprehensive Plan or other community planning documents. Each project must demonstrate probability of financial success.

"BUT FOR" TIF

The fundamental principle, and that which the City must determine through information provided by the developer, is that the project would not occur "but for" the assistance provided through TIF. The burden is on the developer to make this case to the City and not the City to make this case for the developer. Should this "but for" determination not be made, TIF assistance for the project cannot be approved.

TIF Objectives

The City will consider utilizing Tax Increment Financing to meet the following basic objectives:

1. Stimulate and continue revitalization of the City of Goshen by:
 - a. Improving and expanding infrastructure;
 - b. Supporting the creation of a variety of housing opportunities to grow the City's population, including, but not limited to the following:

- i. Low-income housing (30-60% AMI);
- ii. Entry-level workforce housing (61-90% AMI);
- iii. Advanced level workforce housing (91-120% AMI); and
- iv. Market rate housing (121% AMI and above).

Consideration will be given to other housing types where there is a demonstrated gap (i.e. affordable assisted living projects, complicated development sites, etc.).

- c. Constructing mixed-use developments; and
 - d. Attracting desirable businesses and retaining existing businesses.
2. Promote efficient usage of land through redevelopment of blighted and underutilized areas in addition to brownfield properties.
 3. Strengthen and diversify the economic base of the City and support economic development.
 4. Stabilize and upgrade neighborhoods.
 5. Create and retain family supporting jobs in the City.
 6. Increase property values and tax revenues.
 7. Leverage the maximum amount of non-city funds into a development and back into the community.

What Development Is Eligible?

The types of development that the City will consider for TIF assistance include:

1. Business and industrial development (attraction, retention and expansion) – TIF assistance will be evaluated on its impact on existing local markets. Additional points will be granted to projects that assist in diversifying the local economy.
2. Multi-family residential development that provides housing opportunities for all income levels within the population.
3. Mixed-use developments that creatively integrate commercial and retail projects into a residential development.
4. Revitalization of historically significant or deteriorated buildings.
5. Projects that promote downtown office, retail and housing development.
6. Projects that promote neighborhood stabilization or revitalization.
7. Projects consistent with the City's approved TIF Project Plans.
8. Projects that involve environmental clean-up and removal of blight.
9. Projects that contribute to the implementation of other public policies, as adopted by the City in its strategic plans such as promotion of high-quality architectural design, energy conservation, green infrastructure, etc.

What Development Is Ineligible?

The City will not favor use of TIF funding to help support the following types of development:

1. Primarily speculative office development (projects where a majority of the space have no secured tenants).
2. Relocation of offices, retail and/or commercial uses for purposes other than retaining or substantially expanding the business.
3. Projects not consistent with the Comprehensive Plan.
4. Any project that will not generate TIF revenue.

Eligible Costs

TIF funding assistance requests are limited to the costs associated with the following items:

1. Public infrastructure;
2. Stormwater retention/detention facilities;
3. Demolition; and
4. Environmental remediation.

For assistance requests related to multi-family housing development, **site infrastructure** costs will be considered eligible in addition to the four (4) items listed above. For the purpose of this policy, site infrastructure is defined as the following:

1. Water Main Installation – Connection to the existing public water main and service lines to the residential units within the development;
2. Sewer Main Installation – Connection to the existing public sewer main and service lines to the residential units within the development;
3. Sidewalk Construction – Construction of all sidewalks within the development, including those required by Planning & Zoning within the rights-of-way;
4. Roadway Improvements & Construction – Construction of all roadway improvements required by City departments for the adjacent public roadways, including entrances into the development, and roadway and parking improvements within the residential development;
5. Construction of footers and building slabs associated with the residential units;
6. Installation of all underground plumbing;
7. Installation of all underground water lines; and
8. Installation of underground electrical services.

If the financial gap is larger than the costs associated with the specific items detailed above, the TIF funding assistance would be limited to only the costs associated with public infrastructure. For multi-family housing projects, the site infrastructure costs would be included with the public infrastructure costs.

Criteria for TIF Assistance

All of the following financial criteria must be met in order to be considered for TIF assistance:

1. Equity Requirement – Developers must provide a minimum 10% equity of total project costs. Projects that exceed the 10% equity requirement will be looked upon favorably by the City. Exceptions will be considered if Developer provides adequate explanation of overall financing

structure. Equity is defined as cash or un-leveraged value in land or prepaid costs attributable to the project. TIF shall not be used to supplant cash equity.

2. **75% Rule** – Projects that score a minimum of 50 points will be considered for TIF assistance of up to 75% of the annual tax increment generated by a private development. For projects that are faced with substantial barriers to development (i.e. – development of brownfields, infill development, incorporation of affordable housing units, etc.), an increased percentage of participation will be considered.
3. **Payback Period** – 25-year maximum payback period. Preference will be given to projects with payback periods of 20 years or less.
4. **TIF Cap** – The total amount of TIF assistance should not exceed 30% of total project costs. This limitation may be waived upon approval by both the Goshen Redevelopment Commission and the Goshen Common Council.
5. **Self-Supporting Projects** – Each project requesting TIF assistance should generate sufficient tax increment to cover the requested TIF assistance and a portion of any public infrastructure costs within the district.
No increment from other private development projects within the district may be used to supplement another project's inability to generate sufficient tax increment to cover project costs.
6. **Internal Rate of Return** – The amount of assistance provided to a developer will be limited to the amount necessary to provide the developer a reasonable rate of return on investment in the project and the subject site. A developer's return on equity, return on cost or internal rate of return will be based on current market conditions as determined by the City or City's financial advisor. In no case shall the internal rate of return exceed 25%.
7. **Taxable Increase** – The project should result in an increase in taxable valuation of at least 20% upon project completion.

Additional Criteria Related to Residential Development

While TIF assistance for multi-family residential development is not as common as traditional industrial and commercial assistance, the City of Goshen recognizes that the current housing stock is insufficient to accommodate the number of people working within this community. Specifically, the City desires to expand the available housing within Goshen as recent statistics show that approximately 30,000 people commute into Elkhart County for employment daily.

Our goal is to provide housing opportunities that will allow for commuting workers and others to relocate to Goshen. Requests for projects that fall into the following categories will be considered:

1. Low-income housing (30-60% Area Median Income) **with at least 10% of the units qualifying with rent limits within this range;**
2. Entry-level workforce housing (61-90% Area Median Income) **with at least 25% of the units qualifying with rent limits within this range;** or
3. Advanced level workforce housing (91-120% Area Median Income) **with at least 50% of the units qualifying with rent limits within this range.**

Market rate housing (121% Area Median Income and above) will be considered only if substantial barriers to development are present (i.e. – development of brownfield sites, infill development, etc.).

In evaluating assistance requests, consideration will be given to the income level that the proposed development will serve. Rental housing at all incomes levels is needed within Goshen but having the ability to further define the types of projects requesting assistance will ensure that support is provided to accommodate all different incomes levels. Proposed mixed-income developments providing at least two affordable housing types, as defined by this Policy, will be given additional consideration.

The City will utilize the most recent US Census data to determine the Area Median Income and will use the most current statistics in evaluating received requests. An exhibit is provided detailing the current data and corresponding rent limits for our area.

Policy Criteria

In addition to meeting all of the above financial criteria, projects must accumulate a minimum of 50 points based on the following policy criteria to be considered for TIF funding assistance. Points can range from 0 to the maximum shown below in each category:

Policy Scoring Criteria	Max Score
1. Projects that attract, retain or expand businesses that result in a significant increase in tax base	20
2. Projects that increase housing opportunities within the City of Goshen. Projects that meets one or more of the following criteria will be granted additional points. a. Low-income housing (30-60% Area Median Income) with at least 10% of the units qualifying with rent limits within this range; b. Entry-level workforce housing (61-90% Area Median Income) with at least 25% of the units qualifying with rent limits within this range; or c. Advanced level workforce housing (91-120% Area Median Income) with at least 50% of the units qualifying with rent limits within this range. d. Market rate housing (121% and above Area Median Income) where substantial barriers to development exist.	30
3. Projects involving retail development that is targeted to encourage an inflow of customers from outside the City that result in exported goods, or that provide services or fill retail markets that are currently unavailable or underserved in the City.	5
4. Presence of extraordinary development/redevelopment costs such as: a. Remodeling/Rehabilitation/Demolition b. Environmental Remediation c. Capital Purchases d. Public Infrastructure	20
5. Proposed employment potential a. Number of new employees b. Skill and education levels required for the jobs c. Range of salary and compensation rates for the jobs as compared with the median income level for Elkhart County (70% of new jobs must be above median income level) d. Cost of public assistance per job e. Potential for executive relocation	20
6. Enhances the streetscape and pedestrian experience within the City	5
7. Historic Preservation – Preservation/rehabilitation of a locally significant historic structure	10

8. Provides direct benefit to distressed areas through blight elimination	5
9. Quality of development and overall aesthetics (architectural, site quality, landscaping, etc.) beyond that which is minimally required by the Zoning Ordinance	10
10. Use of green infrastructure within the proposed development	10
11. Projects that provide traditional neighborhood development or conservation development within the City	10
12. Mixed-use income developments that provide at least two (2) affordable housing types as defined in the Policy	10
13. Provides a minimum of 20% of proposed housing units for essential workers	10
14. Provides diversification of the current economic base by attracting high technology or knowledge-based jobs which are likely to be resistant to the normal business cycle	10
15. Produces jobs at a time when the Elkhart County unemployment rate exceeds ten percent (10%)	10
16. Provides housing at a time when the City of Goshen vacancy rates exceed seven percent (7%)	10

Process of TIF Approval

TIF District creation requires following statutory prescribed timelines that include notification to the overlying taxing jurisdictions (i.e. – schools, County, etc.), property owners within the district, and published meeting notifications in the newspaper. Ultimately, the City’s Plan Commission, Redevelopment Commission and Common Council must all approve the TIF creation request.

1. A pre-application meeting is held between the developer and the City. Contact Becky Hutsell, Redevelopment Director, at beckyhutsell@goshencity.com to schedule a pre-application meeting.
2. A completed TIF Application is submitted by the developer to the City.
3. The City will review the application and determine completeness and whether the proposed project is eligible under the City’s policy and statutory requirements.
4. An analysis of the TIF Plan and financial proformas will be conducted by city staff and/or outside consultants.
5. If eligible, a Development Agreement is drafted and negotiated between the City and Developer.
6. Once general agreement has been reached on the terms of the Development Agreement, it will require approval by the Redevelopment Commission and the Common Council.
7. Execution of the Development Agreement between the City and Developer.
8. Depending on whether or not the project location is within an existing TIF district and whether or not a new TIF district needs to be established for the project, additional approvals will be needed by the Redevelopment Commission, Plan Commission and Common Council. Process typically takes between 60-90 days once Development Agreement is executed.

9. If an Economic Development Commission (EDC) bond is required for the project, additional approvals will be needed by the Redevelopment Commission and Common Council. Process typically takes 90 days and can occur concurrently with #8.
10. If all steps are approved, project can proceed to construction.

Structure for Tax Increment Financing (TIF) Assistance

1. The City of Goshen provides three (3) different mechanisms to assist private development projects. The City will determine the funding options available on a project-specific basis after reviewing an application. Generally, however, TIF funding assistance is provided in one of the following ways:
 - **TIF Reimbursement Agreements**

Developer provides all upfront project costs to the City to allow for public infrastructure to be constructed and developer is repaid annually by revenues generated from the completed project. Terms for such agreements are negotiated with the City and approved by the Redevelopment Commission and, in most cases, allow for 50% reimbursement to the developer of the revenue generated annually. TIF Reimbursement Agreements bear no interest.
 - **Issuance of EDC Bonds**

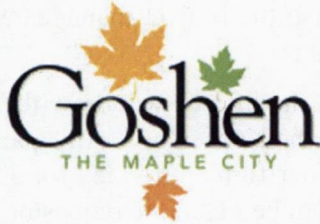
City issues an Economic Development Commission (EDC) bond, which is a tax-exempt revenue bond, to assist industrial and commercial development. The developer purchases the bond and, as established through a Development Agreement, the City pledges a portion of the TIF revenue generated by the project annually as bond repayment. The total bond proceeds available to support the project are established by determining future revenues to be generated by the project.
 - **Public Infrastructure Construction**

Requests for up-front financing of the public infrastructure required to allow for private development may be considered on a case-by-case basis if increment within an existing TIF district is sufficient to meet initial financing and is not the first dollars spent on a project. Such requests must align with existing Redevelopment projects and the approved Five (5) Year Capital Plan to be considered for this funding approach.
2. No Mortgage Guarantees – The City will not provide any mortgage guarantees.
3. Personal Guarantees – The City may require a personal guarantee for receiving TIF assistance. The amount and form shall be deemed acceptable to the City in advance of execution of a Development Agreement.
4. The property owner shall agree not to appeal the County Assessor’s determination of the property value for the properties for which the assistance is requested.
5. The property owner shall agree not to request any type of tax abatement for any project that is receiving TIF funding assistance.
6. When the project is intended as a “for sale” development (i.e. – office, retail or residential condominiums), the developer must retain ownership of the overall project until final completion; provided, however, that individual condominium units may be sold as they are completed. For all other projects, the developer must retain ownership of the project at least

long enough to complete it, to stabilize its occupancy, to establish the project management and to initiate payment of taxes based on the increased project value.

7. Exceptions to TIF Policy. The City reserves the right to amend, modify, or withdraw these policies or require additional statements or information as deemed necessary. Any party requesting waiver from the guidelines found herein or on any other forms provided for TIF assistance may do so on forms provided by the City with the burden being on the requestor to demonstrate that the exception to these policies is in the best interest of the City.

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TAX INCREMENT FINANCING (TIF) FUNDING ASSISTANCE APPLICATION REQUIREMENTS

- Adopted February XX, 2022 by the Redevelopment Commission
- Adopted March XX, 2022 by the Goshen Common Council

The City of Goshen reviews all applications for TIF assistance. To allow for an effective evaluation of requests, the Applicant must:

- Provide all applicable items in a single submission
- Organize the submission and present the required information in the manner indicated below
- Provide one (1) hard copy and one (1) electronic copy of all submission materials

Failure to provide all the required information in a complete and accurate manner could delay the processing of your application. The City reserves the right to reject or halt the processing of applications that lack all required items.

The following is a general overview of the of the items listed in the TIF Funding Assistance Application Checklist included as an exhibit to this packet.

General Project Information

Summary Letter

Provide a summary of the project in the form of a letter addressed to the City of Goshen Redevelopment Director. The letter should not exceed three (3) pages in length and should include only the following essential information about the project:

- Description of site or building, including address
- Current and proposed uses
- Description of end users
- Name of developer and owner(s)
- Name(s) of proposed project team (architects, surveyors, contractors, etc.)
- Total development costs
- Overview of private-sector funding
- Amount of TIF assistance requested
- Statement regarding why TIF is essential
- Summary of increment projections
- Profitability
- Description of public benefits, including job creation

Project Narrative

- Current condition of the site and historical overview that includes the size and condition of any existing structures, environmental conditions, and past uses of the site
- Proposed use(s) or project (i.e. industrial, commercial, retail, office, residential for sale or for rent, senior housing, etc.)
- Construction information about the project including size of any existing structure to be demolished or renovated, size of any new construction, types of construction materials (structural and finish), delineation of square foot allocation by use, total number and

individual square footage of residential units, type of residential units (i.e. for-sale, condominium, single-family, etc.), number and type of parking spaces provided, and construction phasing

- Confirm that this project is consistent with goals and objectives identified in the City of Goshen Comprehensive Plan

Site Map

Provide a map that shows the location of the site. Also provide a map that focuses on the project and its immediate surroundings. Both maps should be no larger than 11x17.

Detailed Project Information

List of Specific Parcel Numbers

Identify the specific parcels and their associated parcel numbers in the proposal. Also include the “base” EAV for each parcel. This information can be obtained from the Elkhart County Assessor’s Office.

Table of Residential Unit Mix

Provide a detailed overview of the residential units in the project. Details must include: the number and type of unit (i.e. number of bedrooms and bathrooms), unit size measured in square feet, construction cost per square foot, base sales price, “write-down” for affordable units (as defined previously in this Policy), and the project amount of total sales revenue.

Renderings of Project

Provide preliminary architectural elevations, conceptual site plans and renderings for the project. These drawings should be no larger than 11x17.

Project Timeline

A comprehensive project timeline is required. Include anticipated dates for site acquisition, project start and completion, as well as other project milestones. Multi-phase projects must include details for each phase. The timeline should also identify any critical or time-sensitive dates as well as any time constraints facing the applicant.

Public Benefits

Fully describe the public benefits that can be realized by the completion of this project. Projects with a high degree of public benefits are typically more likely to receive TIF assistance. Examples of public benefits include, but are not limited to, the following:

- Re-occupancy of a vacant building
- Elimination of blight
- Creation of new retail choices
- Rehabilitation of a historic building
- Increased property tax revenue
- Creation of new housing stock

This statement should include qualitative examples of public benefits as well as quantifiable and measurable outcomes of the short-term and long-term benefits to the subject neighborhood/area and to the City of Goshen. Support documentation for the estimates of public benefits can be included in the Professional Studies Section.

Demonstration of Need

Provide a detailed statement that accurately and completely explains why TIF assistance is needed. This statement should provide the reasons why the project would have unacceptable financial returns without TIF assistance.

Project Financial Information

Sources and Uses of Funds

Identify the sources of funds used to finance the project. Typical sources include equity, lender financing, mezzanine financing, other anticipated types of public assistance and any other types or methods of financing. Describe the sources of equity and include a term sheet for lender financing, if available.

TIF assistance is generally available as a reimbursement after the project is complete. Thus, the project budget must identify the up-front sources intended to finance the development costs of the project. If determined, specify the specific line items of the project budget that each source will finance.

Summarize the uses of funds. General categories to be identified include: acquisition and related site costs, hard construction costs and a breakdown of soft costs.

All projects must include for the construction phase a monthly or quarterly cash flow (i.e. sources or "cash in" by source, and uses or "cash out" by use).

For-sale housing development must show income from the rental or sale of commercial space, the sale or rental of parking spaces, and unit upgrades must be included. Clearly identify all assumptions (such as absorption, sales prices, taxes, etc.). Identify the profit expected at the completion of the project.

Development Budget

Provide an accurate and detailed development budget for the project that includes a detailed breakdown of significant line item costs consistent with the samples included in the application packet. The budget should be arranged to identify acquisition and site related costs, hard costs and soft costs. Also, identify all line items that are performed by the developer, owner or related entities.

Request for TIF Funding Assistance

Specifically state the amount of TIF assistance that is necessary to make this project possible. Also specify the terms of payment (i.e. TIF Reimbursement Agreement, EDC bond, etc.) and how the developer will fund project costs that will be reimbursed with TIF increment after those project costs have been incurred. For example, will the developer provide additional equity or borrow additional funds to "front-fund" the TIF assistance?

Budget of TIF Eligible Expenses

Provide a table showing all eligible costs, as detailed on Page 4 of this Policy, documenting that the borrowed funds are no more than the total of the project's eligible costs for TIF assistance.

Pro Forma Income and Expense Schedule

Applicants whose projects involve the rental of commercial, retail, industrial or housing units must submit project pro formas that identify incomes and expense projections on an annual basis for an

eleven-year period. Clearly identify all assumptions (such as absorption, vacancies, debt service, operational costs, etc.) that serve as the basis for the proformas.

Two sets of proformas are to be submitted. The first set should show the project without TIF assistance and the second set with TIF assistance.

Analysis of Financial Need

Each application must include financial analyses that demonstrate the need for TIF assistance. Two analyses must be submitted: one WITHOUT TIF assistance and one WITH TIF assistance. The applicant must indicate the minimum return or profit the applicant needs to proceed with the project and rationale for this minimum return or profit. The analyses will necessarily differ according to the type of project that is being developed.

- **Rental Property** - For projects involving rental of space by the developer to tenants (tenants include offices, retail stores, industrial companies and households), an internal rate of return on equity must be computed with and without TIF assistance based on the proforma of income and expense prepared for the Income and Expense Schedule below. The reversion at the end of the ten-year holding period must be based on the capitalized 11th year net operating income. The reversionary value is then added to the 10th year cash flow before discounting to present value. State all assumptions to the analyses.
- **For Sale Residential** - Show profit as a percent of project cost (minus developer fee and overhead and minus sales commissions and closing costs, which should be subtracted from gross sales revenue). Other measures of profitability may be submitted; such as profit as a percent of sales revenue.
- **Mixed-Use Commercial/For-Sale Residential** - Provide either separate analyses for each component of the project or include in the revenue sources for the for-sale portion, the sale value of the commercial component based on the net operating income of the commercial space at stabilization. Indicate how the sale value was derived.
- **Owner-Occupied Commercial** - Provide copies of the analyses that the company needs to meet or exceed the company's minimum investment threshold(s) for proceeding with the project.
- **Competitive Projects** - In instances where the City is competing with other jurisdictions for the project (i.e. – corporate headquarters, new manufacturing plant), present detailed analyses that demonstrate the capital and operating cost differential between the proposed location(s) in Goshen and other locations that are seriously being considered by the applicant.

TIF Performance Measures

Identify the performance outcomes of the requested TIF assistance. Actual performance will vary from project to project. Typical performance measures of TIF assistance include, but are not limited to, the following:

- TIF assistance as a percentage of total project costs
- TIF assistance as a percentage of increment generated
- Ratio of public (TIF) to private investment
- TIF assistance per FTE job created
- TIF assistance per FTE job retained

Financial Commitments

Submit commitment letters and/or term sheets from all lenders for proposed debt (such as construction, mezzanine, permanent and government financing) and all other financial sources of the project (such as grants and tax credits). Commitment letters must clearly specify the nature and terms of the obligations.

Most Recent Property Tax Bills

Submit a copy of the most recent second installment property tax bill for each parcel included in the project.

Appeal of Property Taxes

Provide a statement, signed by the developer/owner, that the property has not received an Elkhart County real estate tax reduction and that such a reduction has not and will not be applied for if TIF assistance is awarded to the project.

Professional Studies

Market Studies

Applications for commercial and residential projects must include a comprehensive market study. The market study must identify target markets, analysis of competition, demographics, market rents, letters of intent/interest from prospective tenants, or for housing developments, sale prices, or rental rates of comparable properties.

Appraisals

All projects that involve the transfer of land must include a recent appraisal. Projects that include land as a form of equity or collateral must also submit a recent appraisal. The appraisal must value the property "as is" and the impact on value must be considered for such items as demolition, environmental remediation, relocation of utilities, lease buy-outs, and other work necessary to make the site developable. The property must be valued assuming that the highest and best use is the proposed use.

Environmental Reports

Submit copies of all completed Phase I and Phase II environmental reports/studies that have been completed for the subject property.

Other Studies and Reports

Include, as appropriate, other reports in support of information that is presented in the application.

Developer Information

Ownership Structure

Submit an organizational chart and narrative description of the ownership structure of the development and ownership entities, which includes information on individuals involved in each. The financial relationship of each entity must be clearly and accurately described, including their percentage of ownership. Where applicable, also identify the relationship between the developer/owner and the operating entity. Indicate the entities that will serve as construction manager and general contractor for the project.

Financial Statements

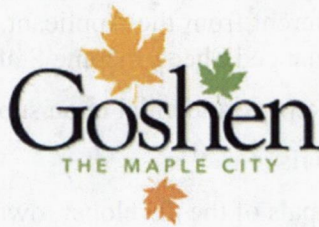
Provide year-end historical (prior 3 year) and interim financial statements of the Applicant and owning and/or operating entity if different from the Applicant. Financial statements should include accountant an audited or compiled Balanced Sheet, Income Statement and Statement of Cash Flows.

Applicant's financial records will be kept confidential upon submission to the City.

Resumes and Experience of Principals

Submit resumes for each of the principals of the developer, owner and operator. Also include a brief history that identifies the development entity's experience and previous involvement in developing similar projects and the ownership or operating entity's experience or ability in managing similar projects.

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TAX INCREMENT FINANCING (TIF) Funding Assistance Application Checklist

Please include this checklist when apply for TIF assistance with all documentation included with the application marked accordingly.

General Project Information

- Summary Letter
- Project Narrative
- Site Map(s)

Detailed Project Information

- List of parcel numbers
- Table of Residential Use Mix
- Renderings of Project
- Project Timeline
- Public Benefits
- Demonstration of Need
- Evidence of Site Control

Project Financial Information

- Sources and Uses of Funds
- Employer Personnel Needs
- Request for TIF Assistance
- Budget of TIF Eligible Expenses
- Pro Forma Income & Expense Schedule
- Analysis of Financial Need
- Financial Commitment
- Most Recent Property Tax Bills
- Appeal of Property Taxes
- Other

Professional Studies

- Market Studies
- Environmental Studies & Reports
- Other Studies & Reports
- Appraisal

Developer Information

- Ownership Structure
- Financial Statement
- Resumes & Experience of Principals
- Principal Profile Information

Please return all applications to:

Becky Hutsell
City of Goshen Redevelopment Director
204 E Jefferson Street, Suite 6
Goshen, IN 46528
(574) 533-3579
beckyhutsell@goshencity.com

SOURCES AND USES OF FUNDS, DETAILED PRO-FORMA, AND REVENUE PROJECTIONS

Project Name: _____

Date: _____

Developer: _____

SOURCES AND USES OF FUNDS

I. Sources of Funds

					<u>% of total project costs</u>
Equity					
Developer Equity	\$ _____				_____ %
Other Equity (_____)	\$ _____				_____ %
Total Equity	\$ _____				_____ %
Loans		Rate	Term		
Construction Financing	\$ _____	_____ %	_____ %		_____ %
Permanent Financing	\$ _____	_____ %	_____ %		_____ %
Government Assistance (_____)	\$ _____				_____ %
Other (_____)	\$ _____				_____ %
TOTAL SOURCES OF FUNDS	\$ _____				_____ %

II. Uses of Funds

					<u>\$ Per SF of Building Area</u>
Land Acquisition	\$ _____				\$ _____
Demolition	\$ _____				\$ _____
Site Clearance and Preparation	\$ _____				\$ _____
Soft Costs/Fees	\$ _____				\$ _____
Soft Cost Contingency	\$ _____				\$ _____
Hard Construction Costs	\$ _____				\$ _____

III. Detailed Pro Forma (must correspond to line times for Uses of Funds on previous page)

Land Acquisition	\$ _____
Demolition	\$ _____
Site Clearance and Preparation	\$ _____
Infrastructure	\$ _____
Utilities/removal	\$ _____
Utilities/relocation	\$ _____
Utilities/installation	\$ _____
Hazardous Materials Removal	\$ _____
Other (_____)	\$ _____
Total Site Clearance and Preparation	\$ _____

Soft Costs/Fees

Project Management (_____ %)	\$ _____
General Contractor (_____ %)	\$ _____
Architect/Engineer (_____ %)	\$ _____
Developer Fee (_____ %)	\$ _____
Appraisal	\$ _____
Soil Testing	\$ _____
Environmental Testing	\$ _____
Market Study	\$ _____
Legal/Accounting	\$ _____
Insurance	\$ _____
Title/Recording/Transfer	\$ _____
Building Permit	\$ _____
Mortgage Fees	\$ _____
Construction Interest	\$ _____
Commissions	\$ _____
Marketing	\$ _____
Real Estate Taxes	\$ _____
Other Taxes	\$ _____
Other (_____)	\$ _____
Other (_____)	\$ _____
Sub-Total Soft Costs/Fees	\$ _____
Soft Cost Contingency	\$ _____

REVENUE PROJECTIONS – RENTAL PROJECT

	SF	AVG	YEAR 1	YEAR 2	>>>YEAR 11
INCOME					
Commercial Rent	_____	\$ _____	\$ _____	\$ _____	
Commercial Expense Recoveries	_____	\$ _____	\$ _____	\$ _____	
Residential Rent – market rate units	_____	\$ _____	\$ _____	\$ _____	
Residential Rent – affordable units	_____	\$ _____	\$ _____	\$ _____	
Parking Revenue (per space)	_____	\$ _____	\$ _____	\$ _____	
Other Revenue (_____)	_____	\$ _____	\$ _____	\$ _____	
Gross Potential Income			\$ _____	\$ _____	
Commercial Vacancy	_____ %		\$ _____	\$ _____	
Residential Vacancy	_____ %		\$ _____	\$ _____	
EFFECTIVE GROSS INCOME (EGI)			\$ _____	\$ _____	
EXPENSES					
Maintenance & Repairs			\$ _____	\$ _____	
Real Estate Taxes			\$ _____	\$ _____	
Insurance			\$ _____	\$ _____	
Management Fee			\$ _____	\$ _____	
Professional Fees			\$ _____	\$ _____	
Other Expenses (_____)			\$ _____	\$ _____	
Other Expenses (_____)			\$ _____	\$ _____	
TOTAL EXPENSES			\$ _____	\$ _____	
NET OPERATING INCOME (NOI)			\$ _____	\$ _____	
Capital Expenses (reserves, tenant improvements, commissions)			\$ _____	\$ _____	
Debt Service			\$ _____	\$ _____	
NET CASH FLOW (before depreciation)			\$ _____	\$ _____	
REVERSION IN YEAR 10:					
Year 11 NOI before Debt & Capital Expenses		\$ _____			
Capitalization Rate:		_____ %			
Gross Reversion:		\$ _____			

REVENUE PROJECTIONS – FOR-SALE PROJECT

GROSS SALES VALUE

HOUSING UNITS:

<u>Unit Type</u>	<u>Number</u>	<u>Price</u>		
_____	_____	\$ _____	\$	_____
_____	_____	\$ _____	\$	_____
_____	_____	\$ _____	\$	_____
_____	_____	\$ _____	\$	_____
_____	_____	\$ _____	\$	_____
_____	_____	\$ _____	\$	_____
_____	_____	\$ _____	\$	_____
_____	_____	\$ _____	\$	_____
_____	_____	\$ _____	\$	_____

Total Housing Sales

***Indicate Affordable Units**

\$ _____

Housing Unit Upgrades

\$ _____

PARKING SPACES:

<u>Type</u>	<u>Number</u>	<u>Price</u>		
_____	_____	\$ _____	\$	_____
_____	_____	\$ _____	\$	_____

Total Parking Sales:

\$ _____

COMMERCIAL SPACE:

<u>Unit Type</u>	<u>Size-SF</u>	<u>Price Per SF</u>		
_____	_____	\$ _____	\$	_____
_____	_____	\$ _____	\$	_____

Total Commercial Sales:

\$ _____

TOTAL GROSS SALES REVENUE

\$ _____

COSTS of SALES

Commission	_____ %	\$ _____		
Marketing	_____ %	\$ _____		
Closing	_____ %	\$ _____		
Other Costs (_____)		\$ _____		

TOTAL COSTS of SALES

_____ %

\$ _____

NET SALES REVENUE

\$ _____

2021 AMI Rents				
Unit Size	60-90% AMI	91-120% AMI	121% +	Plus Monthly Utility Cost
Studio (1 person)	528 - 883	884 - 1,238	1,239 +	181
1 Bedroom (1.5 persons)	525 - 905	906 - 1,285	1286 +	234
2 Bedroom (2 persons)	523 - 928	929 - 1,333	1,334 +	287
3 Bedroom (3 persons)	576 - 1,032	1,033 - 1,488	1,489 +	336

Monthly Utility Costs per Unit Type				
Utility Service	Studio	1 Bedroom	2 Bedroom	3 Bedroom
Heating	\$ 55.00	\$ 77.00	\$ 100.00	\$ 121.00
Cooking	\$ 6.00	\$ 10.00	\$ 11.00	\$ 14.00
Other Electric	\$ 35.00	\$ 44.00	\$ 52.00	\$ 60.00
Air Conditioning	\$ 10.00	\$ 14.00	\$ 19.00	\$ 22.00
Water Heating	\$ 21.00	\$ 29.00	\$ 38.00	\$ 45.00
Water	\$ 11.00	\$ 16.00	\$ 19.00	\$ 23.00
Sewer	\$ 20.00	\$ 21.00	\$ 25.00	\$ 28.00
Trash Collection	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Range/Microwave	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00
Refridgerator	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00
Monthly Utility Total	\$ 181.00	\$ 234.00	\$ 287.00	\$ 336.00

Annual Income Information per Unit Type			
Annual Income	60-90% AMI	91-120% AMI	121% +
Studio (1 person)	28,380 - 42,570	42,571 - 56,760	56,761 +
1 Bedroom (1.5 persons)	30,390 - 45,585	45,586 - 60,780	60,781 +
2 Bedroom (2 persons)	32,400 - 48,600	48,601 - 64,800	64,801 +
3 Bedroom (3 persons)	36,480 - 54,720	54,721 - 72,960	72,961 +

Weekly Income Information per Unit Type			
Weekly Income	60-90% AMI	91-120% AMI	121% +
Studio (1 person)	546 - 819	820 - 1,092	1093 +
1 Bedroom (1.5 persons)	584 - 877	878 - 1,169	1,170 +
2 Bedroom (2 persons)	623 - 935	936 - 1,246	1,247 +
3 Bedroom (3 persons)	702 - 1,052	1,053 - 1,403	1,404 +

Data is based upon the 2021 Federal Program Income Limits by the U.S. Department of Housing & Development (HUD) and effective June 1, 2021. City's policy to be updated annually based upon more recent information provided by HUD.