

GOSHEN COMMON COUNCIL

Minutes of the June 26, 2023 Regular Meeting

Convened in the Council Chambers, Police & Court Building, 111 East Jefferson Street, Goshen, Indiana

Mayor Gina M. Leichty called the meeting to order at 6:01 p.m. and led the Pledge of Allegiance.

Mayor Leichty asked the Clerk-Treasurer to conduct the roll call.

Present: Megan Eichorn (District 4) Julia King (At-Large) Doug Nisley (District 2)
 Gilberto Pérez Jr. (District 5) Donald Riegsecker (District 1)
 Matt Schrock (District 3) Council President Brett Weddell (At-Large)

Absent: Youth Adviser Jessica Velazquez Valdes (Non-voting)

Approval of Minutes:

Mayor Leichty asked the Council's wishes regarding the minutes of the June 5, 2023 Regular Meeting. Councilor Nisley made a motion to accept the June 5, 2023 minutes as presented. Councilor Riegsecker seconded the motion. The motion passed 7-0 on a voice vote.

Approval of Meeting Agenda:

Mayor Leichty presented the agenda as submitted by the Clerk-Treasurer. Councilor King moved to approve the agenda as suggested. Councilor Pérez seconded the motion. The motion passed 7-0 on a voice vote.

Privilege of the Floor:

At 6:04 p.m., Mayor Leichty invited public comments on matters not on the agenda. There were no comments, so Mayor Leichty closed Privilege of the Floor.

1) Ordinance 5160, Additional Appropriations (Public hearing & First, Second Readings)

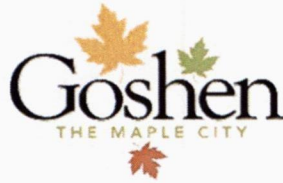
Mayor Leichty called for the introduction of Ordinance 5160, *Additional Appropriations* on First Reading. Council President Weddell asked the Clerk-Treasurer to read Ordinance 5160 by title only, which was done. **Weddell/Schrock moved to approve Ordinance 5160 on First Reading.**

BACKGROUND:

Ordinance 5160, which was before the Common Council for approval, would authorize the Council and Mayor to spend additional and available money from various accounts. The Mayor and Clerk-Treasurer requested this ordinance because the Common Council is the City's fiscal body, which authorizes the City's budget and any budget adjustments.

If approved by the Common Council, Ordinance 5160 would authorize the following additional appropriations in excess of the current year's budget:

PARKS AND RECREATION FUND – 204-550-00-442.0001 PARKS / Capital Projects	\$250,000
PUBLIC SAFETY LOIT – 249-520-00-445.0200 PS LOIT / Motor Vehicles	\$100,000
CUMULATIVE CAPITAL IMPROVEMENT FIRE (Other equipment) – 433-510-00-445.0501	\$350,000



In a memorandum to the Council, **Deputy Clerk-Treasurer Jeffery Weaver** wrote that an appropriation is “permission to spend available money” and is tied to a specific fund. Within a fund there are four spending categories and multiple accounts. It is possible to get permission to move budgeted spending between accounts and categories, but sometimes the total of appropriations within a fund is insufficient for the fund’s total spending, due to emergencies, unforeseen circumstances, or budget errors.

Weaver wrote that in this case, the **Mayor and Clerk-Treasurer** propose an additional appropriation if the expenditures are necessary and paying the expenditure might otherwise overspend the budgeted appropriation. After Council approval, the Clerk-Treasurer submits the additional appropriation to the **Department of Local Government Finance (DLGF)** for final approval. The DLGF will only approve an additional appropriation if the Clerk-Treasurer proves that the City has cash available for the additional appropriation.

Weaver wrote that the **City Parks and Recreation Department** is starting capital planning and engineering for the new pool. The requested **\$250,000 appropriation** will be offset by an encumbrance that is no longer needed. In her request to the Council, **City Superintendent of Parks & Recreation Tanya Heyde** wrote that to remain on schedule with the Shanklin Pool upgrades, the Department wants to move forward with the **consultant for the preliminary design phase**. She indicated the design phase will include: a Survey; Geotechnical Services; Preliminary Floodway Coordination; Schematic Design; Market Analysis and Operations and Programming Analysis.

Weaver wrote that the **Public Safety Local Option Income Tax (LOIT) Fund** is primarily used for Police and Fire pensions and for public safety capital expenditures. The requested **\$100,000 additional appropriation is for two police vehicles (and respective up-fitting of the vehicles) that became available at short notice**. The vehicles were ordered with the understanding that the fund had cash available for the purchase.

In the case of the **Cumulative Capital Improvement Fire Fund**, **Weaver** wrote the **City is purchasing an ambulance and encountered additional expenditures while remodeling Station 2**. The ambulance was ordered in early 2021 and is now becoming available, so an **additional appropriation of \$350,000 was requested**.

Weaver wrote that each affected fund has sufficient cash balances to spend these appropriations. **If the ordinance is approved by the Council, he indicated that the Clerk-Treasurer’s office will submit the necessary information to the DLGF for final approval.**

JUNE 26, 2023 COUNCIL DISCUSSION AND APPROVAL OF ORDINANCE 5160:

Mayor Leichty called on **Deputy Clerk-Treasurer Jeffery Weaver** to provide the background and context of Ordinance 5160.

Deputy Clerk Clerk-Treasurer Weaver provided an overview of the proposed appropriations as summarized in his memorandum to the Council. He said the three affected funds have sufficient balances to cover the requested appropriations. He further described the purposes of the requested appropriations and the funds.

(There was a brief recess in the meeting to resolve a technical issue that was causing an echo to be heard when microphones were used by speakers.)

Councilor Riegsecker asked **Deputy Clerk-Treasurer Weaver** to summarize the funds that would be used for the requested appropriations. **Weaver** explained the sources of the funds. He also summarized the review and approval by the state Department of Local Government Finance (DLGF) after the Council approved Ordinance 5160. **Weaver** also said that there were adequate cash balances to pay for the appropriations.

There were no other questions or comments from Councilors, so at 6:13 p.m., Mayor Leichty opened the public hearing on Ordinance 5160. There were no public comments.



There were no further Council comments or questions. Councilors also indicated that they were ready to vote.

On a voice vote, Councilors unanimously approved Ordinance 5160, *Additional Appropriations on First Reading*, by a 7-0 margin, with all Councilors present voting “yes” at 6:14 p.m.

Councilors gave unanimous consent to the Mayor to proceed with the Second Reading of Ordinance 5160.

Mayor Leichty called for the introduction, on Second Reading, of Ordinance 5160, *Additional Appropriations*, Council President Weddell asked the Clerk-Treasurer to read Ordinance 5160 by title only, which was done. *Weddell/Nisley moved for passage of Ordinance 5160 on Second and Final Reading.*

Mayor Leichty invited further questions or comments from Councilors or the public. There were none. Councilors also indicated they were ready to vote.

On a voice vote, Councilors approved Ordinance 5160, *Additional Appropriations*, on Second and Final Reading, by a 7-0 margin, with all Councilors present voting “yes” at 6:15 p.m.

2) Resolution 2023-10, Fiscal Plan for the College Avenue (County Road 36) Annexation

Mayor Leichty called for the introduction of Resolution 2023-10, *Fiscal Plan for the College Avenue (County Road 36) Annexation*. Council President Weddell asked the Clerk-Treasurer to read Resolution 2023-10 by title only, which was done.

Weddell/Nisley moved to approve Resolution 2023-10.

BACKGROUND:

Resolution 2023-10, *Fiscal Plan for the College Avenue (County Road 36) Annexation*, was prepared in support of the proposed annexation to the City of Goshen of the real estate generally located along both the north and south sides of College Avenue (County Road 36), west of County Road 31 and east of the railroad tracks. This area is identified as the “College Avenue (County Road 36) Annexation Area.”

Pursuant to I.C. § 36-4-3-3.1 and I.C. § 36-4-3-13, the City developed a written fiscal plan establishing a definite policy to provide City services to the College Avenue (County Road 36) Annexation Area.

The Fiscal Plan for the College Avenue (County Road 36) Annexation is a seven-page document which was included in the Council’s meeting agenda packet and posted on the City’s website to facilitate public access.

In accordance with I.C. § 36-4-3-13(d), the fiscal plan documents the cost estimates of the municipal services to be furnished to the Annexation Area, the method(s) of financing the services, the plan for the organization and extension of services, including the date the services will begin, the estimated effect of the proposed annexation will have on taxpayers and municipal finances, and a list of all parcels in the Annexation Area.

The Annexation Area is covered by an Amended Development Agreement with Last Dance, LLC (“Developer”) dated July 7, 2022, and recorded July 13, 2022, as instrument number 2022-14964 (“Agreement”).



This Agreement includes a waiver of the right to remonstrate against the annexation of the real estate into the City of Goshen by the property owners and their successors in interest. This waiver applies to all parcels of real estate within the Annexation Area. In accordance with the Agreement, the property owners of the real estate within the Annexation Area have submitted a Petition for Annexation into the City of Goshen requesting the adoption of an ordinance to annex the real estate.

The effective date of the annexation of the real estate will be at least thirty (30) days after the adoption of the annexation ordinance, the publication of all required notices, and upon the filing and recording of the ordinance pursuant to I.C. § 36-4-3-22(a), but **not before Aug. 1, 2023**.

JUNE 26, 2023 COUNCIL DISCUSSION AND APPROVAL OF RESOLUTION 2023-10:

At 6:15 p.m., Mayor Leichty invited comments on the Fiscal Plan for the College Avenue (County Road 36) Annexation from Councilors or members of the public. There were none.

Council President Weddell indicated that Councilors were ready to vote.

On a voice vote, Councilors approved Resolution 2023-10, Fiscal Plan for the College Avenue (County Road 36) Annexation, by a 7-0 margin, with all Councilors present voting "yes" at 6:16 p.m.

3) Ordinance 5157, College Avenue (County Road 36) Annexation (Second reading)

Mayor Leichty called for the introduction of Ordinance 5157, College Avenue (County Road 36) Annexation on Second Reading. Council President Weddell asked the Clerk-Treasurer to read Ordinance 5157 by title only, which was done.

Weddell/Nisley moved to approve Ordinance 5157 on Second Reading.

BACKGROUND:

Ordinance 5157, which was before the Common Council for Second/Final Reading, would approve the annexation of 34.2 acres located along both the north and south sides of College Avenue (County Road 36), west of County Road 31 and east of the railroad tracks.

According to Ordinance 5157:

- **100% of the landowners have filed a Petition for Annexation into the City of Goshen and requested the Goshen Common Council adopt an ordinance to annex the real estate identified in the ordinance;**
- **At least one-fourth (1/4) of the aggregate external boundaries of the Annexation Area are contiguous with the corporate limits of the City of Goshen;**
- **The Annexation Area is or will be zoned for industrial uses;**
- **A written fiscal plan and policy has been developed for the Annexation Area and adopted by resolution of the Goshen Common Council;**
- **The City can physically and financially provide the same municipal services to the Annexation Area as the City is now providing for the rest of the residents of the City of Goshen;**
- **The Annexation Area is a logical extension of the City's corporate boundaries, and the area is needed and can be used for the continued development and managed growth of the City of Goshen;**



- Pursuant to notice given, the **Goshen Common Council conducted a public hearing on June 5, 2023**, at which all interested parties were given the opportunity to testify on the proposed annexation.

Ordinance 5157 specifies that:

- The real estate to be annexed is **generally located along both the north and south sides of College Avenue (County Road 36), west of County Road 31 and east of the railroad tracks.**
- The Annexation Area also **includes any public highway and rights-of-way of the public highway** that are contiguous to the Annexation Area and **includes 209 feet of County Road 36.**
- The **total acreage of the Annexation Area is approximately 34.2 acres.**
- The Annexation Area **will be zoned as M-1 Industrial District (Light Industrial)** upon the effective date of annexation into the City of Goshen.
- **Area 1 of the Annexation Area, as identified in Exhibit A and Exhibit B, is assigned to Goshen City Council District Four (4).** In addition, to correct an inadvertent omission in Ordinance 5131, Elkhart Township Precinct 04, Census Block 1000 (area located north of Area 1 of the Annexation Area) is **assigned to Goshen City Council District Four (4).**
- **Area 2 of the Annexation Area, as identified in Exhibit A and Exhibit B, is assigned to Goshen City Council District Five (5).**
- **The effective date of the annexation of the real estate shall be at least thirty (30) days after the adoption of the annexation ordinance** and publication of notice, and upon the filing and recording of the ordinance pursuant to Indiana Code § 36-4-3-22(a), **but in no event before Aug. 1, 2023.**

At the May 15, 2023, Common Council meeting, Councilors discussed and then passed Ordinance 5157 on First Reading.

On that date, at **Council President Weddell's** request, **City Attorney Bodie Stegelmann** provided the background and context of Ordinance 5157, *College Avenue (County Road 36) Annexation*. He said the matter was before the Common Council for the introduction and First Reading of an annexation request for two areas on the eastside of town adjacent to the Brinkley RV plant, off of College Avenue.

City Attorney Stegelmann said an amended development agreement approved by the Common Council required annexation of this property, which is owned by Last Dance, LLC and Ryan Thwaites. The owner submitted a petition for annexation, which is why the matter was before the Council. Stegelmann said a Council public hearing on the annexation request was scheduled for June 5. **He said a fiscal plan for the annexation and the second/final reading of Ordinance 5157 were scheduled to be considered by the Council on June 26.**

Council President Weddell asked if the fiscal plan just involved the potential cost to maintain the property if it is annexed. **City Attorney Stegelmann** said that was the case. He said none of the land would have residents to add to the City's population.

City Attorney Stegelmann said the development of the land to the south of County Road 36 was still years away and the land to the north of County Road 36 (College Avenue), was part of a development that is already occurring, so there's nothing to be added from that portion that will add to the expense of the City.

Councilor Schrock asked if adjacent property owners would be advised of the June 5 public hearing. **City Attorney Stegelmann** said the notice of the public hearing would be published and also sent to property owners. **Council President Weddell** said adjacent property owners are usually mailed a notice of the public hearing.

There were no other questions or comments from Councilors, so at 6:14 p.m., **Council President Weddell invited public comments on Ordinance 5157. There were none.**



There were no further Council comments or questions. Councilors also indicated that they were ready to vote. On a voice vote, Councilors unanimously approved Ordinance 5157, College Avenue (County Road 36) Annexation on First Reading, by a 7-0 margin, with all Councilors present voting "yes" at 6:15 p.m. on May 15, 2023.

Further consideration of Ordinance 5157, College Avenue (County Road 36) Annexation, was deferred to the June 5, 2023 public hearing and the June 26, 2023 second/final reading of the ordinance.

JUNE 5, 2023 PUBLIC HEARING ON ORDINANCE 5157:

At the June 5, 2023 Common Council meeting, Mayor Stutsman opened a public hearing on Ordinance 5157, *College Avenue (County Road 36) Annexation*. No members of the public spoke, so Mayor Stutsman closed the public hearing.

Further Common Council consideration of Ordinance 5157 was scheduled for June 26, 2023.

JUNE 26, 2023 FINAL COMMON COUNCIL PASSAGE OF ORDINANCE 5157:

Mayor Leichty asked if there were any questions or comments about Ordinance 5157.

Council President Weddell asked for a description of the annexation area. City Attorney Stegelmann said Ordinance 5157 concerned an annexation of the College Avenue industrial project, east of the railroad tracks. He said a large portion of the land nearby was already annexed to the City.

City Attorney Stegelmann said the current annexation involved a few acres north of College Avenue, or County Road 36, and 31 acres on the south side of College Avenue, east of the current City boundary. There are no improvements on the land and the City was adding 209 feet of College Avenue that will be maintained by the City. He said before the Council was the second reading of the ordinance.

There were no other questions or comments from Councilors, so at 6:17 p.m., Mayor Leichty invited public comments on Ordinance 5157. There were none.

There were no further Council comments. Councilors indicated that they were ready to vote.

On a voice vote, Councilors approved Ordinance 5160, *Additional Appropriations*, on Second and Final Reading, by a 7-0 margin, with all Councilors present voting "yes" at 6:18 p.m.

4) Resolution 2023-12, Economic Development Agreement with Cherry Creek, LLC

Mayor Leichty called for the introduction of Resolution 2023-12, *Economic Development Agreement with Cherry Creek, LLC*. Council President Weddell asked the Clerk-Treasurer to read Resolution 2023-12 by title only, which was done.

Weddell/Eichorn moved to approve Resolution 2023-12.

BACKGROUND:

Before the Common Council on June 26, 2023 was Resolution 2023-12, (an) Economic Development Agreement with Cherry Creek, LLC for the acquisition, financing and development of approximately 170 acres of real estate, located west of Dierdorff Road along Waterford Mills Parkway and Regent Street.



The agreement pertained to the Southeast Housing TIF (Tax Increment Financing) district that was established by the Common Council earlier in 2023 for the development of a multi-family project in the City of Goshen that would include approximately 1,400 housing units, consisting of a mix of single family homes, single family attached homes, condos and apartments, with approximately 80,000 square feet of commercial space on approximately 170 acres of real property.

A copy of the Economic Development Agreement in substantially final form was attached to this resolution and included in the Council's meeting packet.

If passed by the Goshen Common Council, Resolution 2023-12 would establish that the terms and conditions of the Economic Development Agreement with Cherry Creek, LLC, attached to and made a part of the resolution, were approved. The resolution also would authorize Mayor Gina M. Leichty to execute the Economic Development Agreement on behalf of the Goshen Common Council and City of Goshen.

PROJECT HISTORY – OCT. 24, 2022: COUNCIL APPROVAL OF A REZONING OF THE PROPERTY:

On Oct. 24, 2022, the Common Council approved Ordinance 5136: *Amend Ordinance 3011 by Rezoning Real Estate Hereinafter Described from Industrial M-1PUD, Residential R-1PUD and Agricultural A-1 to Residential R-3 District, and Amend Ordinance 4768, Known as the Waterford Commons Business Park PUD (Planned Unit Development).*

The Waterford Commons Business Park PUD was established in January 2014 and included three separate tracts of land, Tracts 1, 2 and 3, each zoned Industrial M-1PUD and each having slightly separate requirements. The most northern tract, Tract 2 (Ardmore Court), was nearly fully developed. Tracts 1 and 3 each have an approved preliminary subdivision, but no development has occurred in either tract.

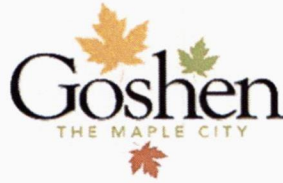
The overall Waterford Commons PUD was established in 1989 and was a mixed-use development, including R-1, R-2, R-3 and R-4 zoning (permitting all types of residential use), two areas zoned B-4 (Planned Shopping Center), and the three industrial tracts.

The current request was to remove Tracts 1 and 3 from the Waterford Commons Business Park PUD and rezone Tracts 1 and 3 from M-1PUD to R-3, and to rezone adjacent City parcels from M-1PUD, A-1 and R-1PUD to R-3. Per the Goshen Zoning Ordinance PUD District Regulations, Section 4250.9, a change of use is a major change, requiring approval by the Plan Commission and Council. The R-3 District would allow a range of residential land use, including single unit detached, single unit attached, two unit, and multi-unit. The proposed R-3 zoning for Tract 1 was primarily adjacent to existing R-3PUD zoning, and the proposed rezoning to R-3 was consistent with the existing mixed use land development with Waterford Commons PUD.

Ordinance 5136 concerned the property generally located on the northwest corner of Waterford Mills Parkway and Dierdorff Road (Tract 1 of Waterford Commons Business Park PUD) and on the west side of Regent Street, south of Waterford Mills Parkway (Tract 3 of Waterford Commons Business Park PUD), including adjacent City parcels intended for public right of way, containing ± 210 acres.

The Goshen Plan Commission met on Sept. 20, 2022, in regular session and considered the rezoning. The request was forwarded to the Goshen Common Council with a favorable recommendation by a vote of 8-0.

City Staff, in partnership with the Hoogenboom-Nofziger Corp., submitted requests to the Plan Commission and Common Council to rezone approximately 210 acres from M-1 PUD, R-1 PUD and A-1 to Residential R-3 and a major change to the Waterford Commons Business Park PUD to remove Tracts 1 & 3 from the Planned Unit District (PUD) Overlay. Hoogenboom-Nofziger Corp. had a purchase agreement in place with a local group interested in developing a residential development that would provide a variety of housing types.



On Oct. 24, Mayor Stutsman said this was a project that had been previously discussed with Councilors and a housing study was conducted for this property. The Mayor said he met with the property owners about a year ago.

City Redevelopment Director Becky Hutsell said the proposed rezoning was a joint request from the City Redevelopment Department as well as the developers, **Hoogenboom-Nofziger**. She said that for at least two years, it has been made clear that the City of Goshen has a housing shortage. Recently, she said the state Legislative Assembly changed state law to allow for residential Tax Increment Finance districts for single-family housing. **Hutsell** said that earlier in 2022, the City contracted with **American Structurepoint, Inc.** to conduct a study (included in the Council's meeting packet) to assess the extent of the City's housing shortage, determine the types of housing needed, and to propose housing types for the Hoogenboom-Nofziger site.

Hutsell said American Structurepoint developed a conceptual plan for the site that included apartments, town houses, single-family homes and retail businesses. The consultant also developed various development options and Tax Increment Finance options. **Hutsell** said the study concluded that various types of housing were suitable for the site. She added that **City staff was recommending that the site be returned to residential zoning.**

Mayor Stutsman said that last December he and **Deputy Mayor Mark Brinson** met with **Greg Hoogenboom** and **Myrl Nofziger**, the property owners, and asked if they would entertain a rezoning, and that is how the process got started. The Mayor said he was grateful to the **Hoogenboom-Nofziger** group for considering the rezoning and for working with the City, as well as to **Tonya Detweiler** and her partners.

Tonya Detweiler of Goshen, representing Blue Diamond Communities and Cherry Creek, said she was excited to be appearing before the Common Council. She thanked the City for the Structurepoint report, which demonstrated the need for more housing in Goshen.

Detweiler said she believed she and her partners could help meet the City's need for more housing with this property and were excited to get started. She said she is proud of the City and was excited to develop a project in the south side of the City that would meet the needs of many people who want to live in Goshen.

Detweiler said the developers were proposing a "lifestyle community" where people can live, play and work. She said she knows that when people can do all of those things in one area, it makes them want to stay and call home in Goshen for the duration. She thanked City staff for assistance and guidance. She also said the developers wanted to hear from residents about what amenities they would like on the site to make the area "come alive." **Detweiler** said she and her team would be ready to lead those community conversations if the rezoning was approved.

Mayor Stutsman responded that if approved, the Hoogenboom-Nofziger property could be the first residential Tax Increment Finance (TIF) district in the area. He said this type of financing would help the developer pay infrastructure costs, which often are so high it makes it difficult for property owners to develop housing. The Mayor said the **property is a good site for housing because it's already within the Goshen City limits**, even though the development would require additional City services.

Mayor Stutsman said that if the rezoning was approved, there would be additional meetings and approvals required by the Board of Works & Safety and the Common Council. For example, he said Council approval would be required to create a Tax Increment Finance district and approve a bond for it. He said there would be many public meetings. He also applauded the developer for being willing to convene additional public meetings.

Council President Weddell asked **Redevelopment Director Hutsell** if City staff might eventually be proposing a Tax Increment Finance (TIF) district bond that would require 75% repayment over 20 years. **Hutsell** said that is what was discussed with the developer. She said this would be different than any TIF done by the City and the details were still being explored.



In response to another question from **Council President Weddell**, **Hutsell** said that the tax revenue projections shared with the **Redevelopment Commission** were not included in the Council packet because they are being revised. She said when they are finalized, they would be shared with the Council.

Council President Weddell said the projections appeared to show that the revenue raised would be able to cover the infrastructure expenses and provide additional revenue to the City for increased police, fire and other City services. He said City staff would not be bringing forth this proposal if the TIF projections didn't show it was feasible.

Hutsell said Councilors were just being asked to approve a rezoning at this point. She said that if the project eventually included commercial uses, a Planned United Development (PUD) would be required. She added that many other approvals, including for a PUD, would be necessary over nine months.

Mayor Stutsman said over the past few weeks he has had several phone calls from people concerned about the impact on traffic if housing is built on the site. He said there would be studies to determine the impact of the project.

After extensive questions and comments from Councilors and public testimony about the project, Councilors unanimously passed Ordinance 5136 on first reading. Councilors then unanimously approved Ordinance 5136 on second and final reading.

The Council's vote on Ordinance 5136 allowed the project to move forward.

JAN. 23, 2023: COUNCIL APPROVAL OF THE CREATION OF NEW HOUSING ALLOCATION AREA WITHIN THE SOUTHEAST ECONOMIC DEVELOPMENT AREA:

On Jan. 23, 2023, the Common Council approved Resolution 2023-01, *Resolution of the Common Council of the City of Goshen approving the order of the Goshen Plan Commission (related to the Creation of a New Housing Allocation Area within the Southeast Economic Development Area)*.

In a memorandum included the Council's meeting packet, **City Redevelopment Director Becky Hutsell** reported that on **Dec. 13, 2022**, the **Goshen Redevelopment Commission passed Resolution 60-2022, which was the first step in establishing the City of Goshen's first Residential TIF (Tax Increment Financing) area**. The location included approximately 170 acres south of Regent Street, west of Dierdorff Road and north of Waterford Mills Parkway. The property is farmland and has been slated for development for nearly 10 years. A recent rezoning from Industrial M-1 PUD to Residential R-3 was completed to allow for the residential project to move forward.

Hutsell said Resolution 60-2022 confirmed that the Redevelopment Commission desired to remove these particular parcels from the existing Southeast Allocation Area and to then establish those parcels as a new Southeast Housing TIF Allocation Area. Because of outstanding debt within the Southeast TIF, the resolution also would confirm that the alteration to the existing boundaries would not adversely affect the existing outstanding obligations. **The resolution further stated that the Commission found that the public health and welfare would be benefited by the accomplishment of the Housing Program by:**

- 1. Providing additional housing options to attract new residents to the community and retain existing residents** that are looking for new housing options in their community;
- 2. Increasing the property tax base;** and
- 3. Through the development of an approximately 170-acre area, to support residential development** including single-family residential housing, along with townhomes, duplexes, condominiums and apartments, allowing more residents the opportunity to live and work within the City.



Hutsell reported that on Dec. 20, 2022, the Goshen Plan Commission issued an order confirming that the Amending Declaratory Resolution and Housing Program conform to the City's Comprehensive Plan and approved both the resolution and the Housing Program. She noted that the Goshen Community Schools Board passed a resolution approving the project on Jan. 9, 2023.

Hutsell said if Resolution 2023-01 was passed Jan. 23, 2023, the Redevelopment Commission would be asked to adopt a Confirmatory Resolution finalizing the establishment of the new housing allocation area. After commission approval, Hutsell said that the matter would return to the Council on March 6 for final approval to establish the Residential TIF.

Mayor Stutsman said basically the City wanted the developer to finance the project infrastructure needs up front with a bond. He said the TIF revenue would repay the bond over time. He said if the TIF revenue was not enough to make the bond payments, the City would have zero liability for the repayment. So, he said the developer was acting as the funding source to complete the public infrastructure. He said only 75 percent of the funds would go for the repayment; 25 percent would stay with the City to pay for other needs that might arise in the area. Councilor Riegsecker said he didn't see those provisions in Resolution 2023-01, so he was a little confused.

Hutsell said they were not included because Resolution 23-01 is not the development agreement or bond ordinance. She said; those provisions would come to the Council later.

Mayor Stutsman said approval of Resolution 2023-01 would allow the project to move forward, adding, "I think it's very safe to say that without this TIF, there is no 1,400-plus housing units that will be built because there's no other way to finance that infrastructure."

Mayor Stutsman and Council President Weddell said Superintendent Steve Hope and the Goshen Community Schools Board supported the project.

After additional Councilor comments, but no public comments, Councilors unanimously approved Resolution 2023-01, *Resolution of the Common Council of the City of Goshen approving the order of the Goshen Plan Commission*, by a 7-0 margin.

MARCH 6, 2023: COUNCIL APPROVAL OF SOUTHEAST HOUSING TIF ALLOCATION AREA AND AMENDMENT TO THE SOUTHEAST ECONOMIC DEVELOPMENT AREA:

On March 6, 2023, the Common Council approved Resolution 2023-07, *A Resolution regarding the Establishment of the Southeast Housing TIF Allocation Area and the Amendment to the Southeast Economic Development Area*.

In a March 6, 2023 memorandum to the Common Council, City Redevelopment Director Becky Hutsell reported that Resolution 2023-07 was being presented for approval as the final step in the process of amending the Consolidated Southeast Tax Increment Financing (TIF) area to establish the new Southeast Housing TIF Allocation Area as its own, independent allocation area.

Hutsell wrote that this TIF boundary amendment had been approved by the Goshen Redevelopment Commission, and the Goshen Plan Commission, and the plan for this was previously presented to the Council and approved. She requested the Council's approval of Resolution 2023-07.

Hutsell noted that this would be the City's first residential TIF and that passage of Resolution 2023-07 would be the final step in that process.

There were no questions or comments from Councilors or the public. Councilors unanimously approved Resolution 2023-07, *Resolution regarding the Establishment of the Southeast Housing TIF Allocation Area and the Amendment to the Southeast Economic Development Area*, by a 7-0 margin.



BACKGROUND TO JUNE 26, 2023 COMMON COUNCIL MEETING:

In a memorandum to the Common Council, dated June 26, 2023, **City Redevelopment Director Becky Hutsell** wrote that attached to her memo was the **development agreement with Cherry Creek, LLC that pertained to the Southeast Housing TIF that was established at the beginning of this year.** She indicated the developer would attend the June 26 City Council meeting and City staff would discuss the agreement and answer questions.

Hutsell provided this summary of the terms of the agreement:

1. Only the public infrastructure will be funded by the bond. While the Developer had originally included all construction "at grade and below" similar to Ariel Cycleworks and Indiana Avenue Apartments, that number exceeded \$50 million and was nearly double the available capacity for the bond. To allow for this to be a "tax exempt" bond, the City will limit the covered work to only the infrastructure that is deemed public and will be dedicated back to the City.

2. Legislation changed in May and residential TIF's now expire 20 years from the date of the first debt obligation. When originally approved, this TIF had a 25-year lifespan but because the City has not issued any debt, the new legislation overruled and this TIF will now expire after 20 years. This legislative change has created a significant reduction in the available bond capacity as the last five years of the project would be when the project was likely fully built out and generating the most revenue for repayment.

3. Most recent public infrastructure estimates for Phase I only are roughly \$31 million. Baker Tilly's analysis shows that with a 20-year term at 5% interest, the pledge options are as follows:

- 75% reimbursement – \$18,125,000 project capacity / \$27,448,520 total repayment
- 90% reimbursement – \$21,785,000 project capacity / \$32,955,220 total repayment
- 100% reimbursement – \$24,230,000 project capacity / \$36,626,360 total repayment

** The interest will not be "revenue" to the developer but will carry (most) of their carrying cost with their lender.

4. With these scenarios, the Developer will be looking to cover between \$7-13 million of the public infrastructure costs alone. Because of this, they are requesting 100% TIF reimbursement. They're also asking that, in the event it develops quicker than planned and the bond can be repaid early, that the TIF pledge continue until either: 1) all public infrastructure costs are repaid or 2) the TIF expires. Ultimately, they're taking the risk because if the project doesn't build out as projected, the bond will not be able to be fully repaid.

5. For Phase II, with the recent legislation changes, the state is now establishing a Revolving Loan Fund (RLF) program through the Indiana Finance Authority to assist governmental entities with borrowing funds at a low interest rate to assist with residential developments. The goal is to pursue this funding for Phase II of the project's public infrastructure. We will likely need to carve Phase II out of the existing residential TIF and establish it again as its own but we're holding off as we're hopeful the residential TIF lifespan may go back to 25 years. The Commission can then pledge that future TIF revenue as a repayment source for the loan. Developer's goal is to purchase the Phase II land by 2025 and we would begin that process once she's the owner of the land.

6. To assist in covering the "gap" between what the bond can fund and the total public infrastructure cost for Phase I, RDC will commit to funding an additional \$1.5 million towards infrastructure costs within the residential TIF area. Identified projects are as follows:

- a. Cherry Creek Trailway Construction – estimated at approximately \$600,000 but will know more once plans are finalized.
- b. Entranceway into the subdivision from Waterford Mills Parkway
- c. Entranceway into the subdivision from Regent Street



* All 3 of these projects will have a benefit to the other two TIF's (through railway connections and traffic improvements) so the work is eligible with RR and Southeast TIF funds.

7. RDC will contract for construction inspection to oversee the public infrastructure being installed within the development as we do not have adequate staffing for a project of this scale (similar to East College).

8. Cherry Creek will maintain all retention/detention ponds (including those on City-owned property) and a stormwater/maintenance agreement will be completed prior to construction.

9. RDC will commit to connecting the Cherry Creek railway to the trail adjacent to Bethany Christian School.

10. City commits to proceeding with planned projects for CR 40 and Dierdorff Road.

11. Cherry Creek desires 7.18 acres of land that's currently part of the existing railway. We'll be requesting that Parks Board transfer that land to RDC and we'll go through the statutory RFP process. **If Cherry Creek is selected to acquire the land, they will be responsible for relocating the existing railway** (with plans to be approved by Parks Board) and will also take on snow removal for the railway that currently is in place.

The City of Goshen's Economic Development Agreement with Cherry Creek Development was an 18-page document with 10 lengthy exhibits and an appendix. The agreement detailed the rationale for the agreement, including the developer's plans to build 1,400 housing units and make an investment of \$125 million, which would benefit the City. The agreement also included a detailed listing of the developer's duties, the City of Goshen's duties, and a wide range of other provisions and conditions.

JUNE 26, 2023 COUNCIL DISCUSSION & PASSAGE OF RESOLUTION 2023-12:

Mayor Leichty said **Tonya Detweiler**, the Chief Executive Officer of **Blue Diamond Communities and Cherry Creek LLC.**, would give a presentation on the proposal that was the subject of the economic development agreement before the Common Council. The Mayor described it as "an exciting housing expansion project" and a major investment in Goshen's future.

Tonya Detweiler gave an overview of the **Cherry Creek** development proposal using a 17-page PowerPoint presentation (EXHIBIT #1). **Detweiler** made the following key points during her presentation:

- **Her first email about the project was July 22, 2022**, when Deputy Mayor Mark Brinson asked if Detweiler would have any interest in looking at the Waterford Commons property for a mixed-use housing development. He described the site as being 170 acres, entirely in the City with utilities, good soil conditions and "shovel ready."
- **One of the most helpful things the City did was contract for a study of the site by American Structurepoint. Inc.**, a company that creates projects and combines expertise in architecture, engineering, infrastructure, planning and economic development.
- **Developers were most interested in the concept of owner-occupied housing**, including single-family homes, duplexes, townhomes, and condominiums.
- **American Structurepoint's study of Goshen's housing needs determined that the City has a demand for 1,163 single-family units, 187 duplexes, 249 townhomes, and 477 other (condominiums and mixed-use units).** Depending on construction times and the ability for units to get built, the report assumed a 10% annual absorption rate. If 10% of the 4,542 total unit demand was constructed per year, it would take until 2032 to absorb all units.



- **Detweiler said that most importantly, the study showed that demand for units in Goshen breaks down to 208 owner-occupied units and 247 rental units constructed per year.**
- Cherry Creek took those numbers and information provided by the Mayor and Deputy Mayor and began developing a proposal for the site. **Based on Structurepoint's market analysis, developers considered the income levels that would be required for the type of housing that could be built on the site.**
- **Developers also explored what it would be like to create "the Cherry Creek Lifestyle" on the site to make the south part of Goshen come alive.** To determine what residents wanted, **developers held meetings** to learn what people wanted in a new housing development.
- There was **affirmation for Cherry Creek to focus on home ownership and a "walkable and bikeable" neighborhood** to help people walk to more places in their lives. The housing would also connect to the walking-biking trail to Bethany Community Schools and to downtown Goshen.
- People also asked for **access to water**, so a trail would be placed along water, lots would be available that overlook water and there would be some stocked fishing ponds for children.
- There also was a **desire for green space**, so the number of proposed housing units was reduced from 1,600 to 1,453. There were **requests for park spaces, an outdoor gathering pavilion, roof top seating, a splash pad, pickleball courts, and a leash-free dog park.**
- **People also embraced the idea of kids being able to walk to Prairie View Elementary School without being on a road.**
- Developers also support the City's goal to **increase the tree canopy, quality landscaping and doing what was possible to reduce noise** from the neighborhood.
- **A proposed plat for the development showed:** a 10-foot walking-biking trailing spanning the length of the housing development to Prairie View Elementary School and a variety of housing types as well as commercial space. The plan also would feature shared gathering spaces, rooftop seating above condominiums and the pavilion, parks between condominiums as well as a splash pad.
- Because of its location between a senior housing complex and an elementary school, there also are **plans for a child care center and an inter-generational partnership.**
- **When the project was conceived last year, Detweiler said it was believed that a 25-year TIF (Tax-Increment Financing) district with a 75% and 25% split between the developer and the City would be workable**, and up to \$24 million in public infrastructure (water and sewer systems, gas and electricity, roads and lights) installed by the City.
- However, this year, the **Indiana Legislative Assembly reduced the length of a residential TIF from 25 to 20 years.** Because of that change, Detweiler said a **100% TIF for the developer is necessary to raise \$24 million toward the \$31 million that will be needed to build the public infrastructure.**
- Detweiler said that the **development agreement under consideration by the Common Council tonight was just a step in the process of making the project a reality.** She expressed appreciation to City staff and to the Council for their support.
- While there is work ahead, Detweiler said the developers were committed to taking the many steps necessary quickly to keep the project moving, with **groundbreaking in fall 2023.**
- Assuming approval of the development agreement tonight, Detweiler said she hoped to begin the planned unit development rezoning process followed by other steps for grading to begin before the end of the year.



City Redevelopment Director Becky Hutsell provided a detailed overview of the project using a 19-page PowerPoint presentation, titled “Cherry Creek Development Project” (EXHIBIT #2). Hutsell made the following key points during her presentation:

- This area has been prime for development for several years, initially for manufacturing and industrial uses and now for housing, after the Common Council approved a rezoning in Fall 2022.
- A study by American Structurepoint, completed in April 2022, showed that there is a **total market demand for new housing in Goshen, through 2030, of 4,437 new units – 2,466 rental units and 2,076 owner-occupied units**. There is a demand for 208 owner-occupied units and 247 rental units that can be absorbed annually through 2032. In addition, **23,704 workers commute into Goshen for work on a daily basis**. The study also showed **Goshen needs all types of housing**.
- Based on a Structurepoint's conceptual plan and Cherry Creek's initial plan, **it was agreed that there should be a higher density on the site and a variety of housing types**. The final plan is similar to Structurepoint's initial concept.
- **Two phases are planned. Phase one would consist of 84.37 acres beginning in 2023/2024, 909 owner-occupied units and with a goal is to fully built out within 10 years. Phase two would consist of 89.89 acres to begin by 2028 and 544-owner-occupied residential units.**
- **The Phase One public infrastructure costs would total \$31,290,030**, which includes a 10%, or \$2,844,548, contingency. **Infrastructure costs:** Storm Sewer expenses, \$2,061,050; Stormwater Ponds/Basins, \$2,598,695; Earthwork, \$7,011,725; Roads, Parking and Pathways, \$10,162,212; Utilities, \$6,078,800; and Street/Berm Landscaping, \$533,000.
- An analysis by Baker Tilly financial advisers showed the **amount of money that would be generated by a 20-year bond and a 5% interest rate. A bond with 75% allocation for the developer would produce \$18,125,000, a 90% allocation would produce \$21,785,000 and a 100% allocation would produce \$24,230,000.**
- In May, the **Indiana Legislative Assembly amended the law regarding Residential TIFs** as follows: communities no longer have to prove less than 1% housing growth for the three previous years to qualify; the term of a Residential TIF was reduced from 25 to 20 years and this term applies to any previously established TIF, which has not yet incurred its first debt obligation; and school corporation support no longer is required to establish a Residential TIF.
- **Under the terms of the City's proposed development agreement with Cherry Creek**, only public infrastructure will be funded by the City-issued bond; the City Redevelopment Commission would pledge 100% of the TIF generated from the Southeast Housing TIF to the developer to repay the bond; if the bond is able to be repaid early due to accelerated project schedule, the City would agree to continue repaying the public infrastructure costs incurred by the developer beyond what the bond is able to fund until either 1) public infrastructure costs are fully repaid or 2) the TIF expires. And it is anticipated that the Developer will be responsible for more public infrastructure costs than the bond has the capacity to fund.
- **Also under the agreement**, the City will explore Indiana's new RLF program to fund the public infrastructure for Phase II of the project (the program was established as part of the recent legislative session and no information is available yet on program parameters); the Redevelopment Commission will commit to funding an additional \$1.5 million toward infrastructure costs within the residential TIF area as they will benefit the existing River Race/US 33 and Consolidated Southeast TIF Districts.



Identified projects are as follows: Cherry Creek Trailway Construction, Entranceway Improvements into the subdivision from Waterford Mills Parkway; and Entranceway Improvements into the subdivision from Regent Street; and the Redevelopment Commission will contract for construction inspection to oversee the public infrastructure project.

- **Also under the agreement**, Cherry Creek will maintain all retention/detention ponds (including those on City-owned property) and a stormwater/maintenance agreement will be completed prior to construction; Cherry Creek will handle all snow and debris removal for the trailway within and adjacent to the development; the Redevelopment Commission will commit to connecting the Cherry Creek trailway to Winona Trail adjacent to Bethany Christian School; and the Redevelopment Commission commits to proceeding with planned projects for County Road 40 and Dierdorff Road.
- **Finally, under the agreement**, Cherry Creek desires 7.18 acres of land that's currently part of the existing trailway north of the project area. The Redevelopment Commission will request that the Parks Board transfer the land to Commission and we will go through the statutory RFP process. If Cherry Creek is selected to acquire the land, they will be responsible for relocating the existing trailway (with Parks Board approval).
- **Hutsell acknowledged that a request for a 100% TIF "is not normal" and if it had been a 25-year TIF, a 75%-25% split might be possible. When the law changed, the City requested additional financial analyses from Baker Tilly.**
- An analysis of Cherry Creek's **income tax impact** showed about 24,000 people work in Goshen daily but work elsewhere and other communities benefit from the money they earn in Goshen. **Based on the new residents who would live in Cherry Creek, the City would receive an additional \$134,412 a year in additional income tax revenue.**
- An analysis of Cherry Creek's **financial impact on Goshen Community Schools** showed that the district would be expected to gain an additional 1,012 students. As the district now receives \$6,435 per student from the state, Goshen Community Schools **would gain an additional \$6,511,965**, not counting additional revenue from any referenda.
- An analysis of Cherry Creek's **utility cash flows** showed that the **City would receive – within 10 years – an additional \$150,000 for water and sewer services.**
- An analysis of Cherry Creek's Circuit Breaker impact showed that after the 20-year TIF for Cherry Creek expires, the **City will see a \$1,022,234 decline in the City's annual \$3.5 million circuit breaker loss** and the overall tax rate for the taxing district will decrease by \$0.1575, which will benefit the community.
- **Hutsell also responded to concerns that have been raised about the 100% TIF on the provision of City service, including the impact on City Fire and Police services.** She noted that Redevelopment is paying for the new Fire Station on the south side of town and has helped pay for the Police and Fire training facilities. She also noted that Redevelopment helped pay for the new Parks maintenance building and has also helped with other City facility needs as well as roads.
- **Hutsell concluded by listing the project benefits to Goshen Community Schools, including additional students and street improvements.**

Mayor Leichty thanked Tonya Detweiler and Becky Hutsell for their presentations. She invited questions and comments from Council members.



Council President Weddell thanked **Tonya Detweiler** and **Becky Hutsell**. He said **Redevelopment Commission President Brian Garber** also was present.

Councilor Pérez asked **Council President Brett Weddell** to provide the **Redevelopment Commission's rationale for approving a 100% TIF for the Cherry Creek project** and the additional Redevelopment funds pledged to help pay infrastructure costs under the proposed development agreement.

Council President Weddell said a number of the proposed improvements, including the expanded trailway, were already part of the Redevelopment Commission's capital plans, so a higher level of support for Cherry Creek was a "natural fit" to support. He said the agreement was similar to other projects the commission has supported. The original goal, he said, was a 75%-25% developer-city TIF allocation, but when the cost estimates were developed, that was "unreasonable." He said all Commissioners analyzed the numbers and realized that a 100% TIF was the only way the project could happen.

Council President Weddell said **Becky Hutsell** and **Deputy Mayor Brinson** have had key roles in developing the Redevelopment Commission's capital plan and that it will help ensure the commission has the capacity to complete needed projects. He said he felt confident in saying that the project would not have come before the Redevelopment Commission, much less the Common Council, had the commission not felt it had the capacity to move forward with the project. He added that the City will be receiving \$31 million of public infrastructure for \$24 million.

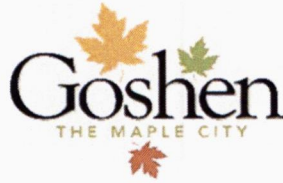
Councilor Eichorn said she would be interested in hearing from the public. **Councilor King** said there would be other Council questions and comments afterward.

Council President Weddell distributed to Councilors two letters in support of the project and asked that they may be made part of the meeting record:

- **A letter, addressed to Mayor Leichty and the City Council and received today, from state Rep Doug Miller, House District 48, state Rep. Joanna King, House District 49, state Sen. Blake Doriot, Senate District 12, and state Sen. Linda Rogers, Senate District 11.** In their one-page letter, the legislators detailed their support for the Cherry Creek housing project, writing that it was "comprehensive and viable, and we believe it will grow the tax base, provide additional revenue to local business and work to fulfill a housing demand that is currently not being filled." (EXHIBIT #3)
- **An email, addressed to the City Council and dated June 23, 2023, from Andy Nesbitt, president of Nuway Construction.** In the one-page email, Nesbitt offered his support for the Cherry Creek project as a business owner, developer, Goshen Chamber of Commerce board member, land owner "and someone who loves Goshen." He warned of the negative consequences of rejecting the project and wrote that new housing was needed for workers to live and to grow the City's industrial base. (EXHIBIT #4)

There were no other questions or comments from Councilors, so at 7:06 p.m., Mayor Leichty invited public comments on Resolution 2023-12, *Economic Development Agreement with Cherry Creek, LLC.*

Sharon Risser, the manager of the condominium association at Waterford Crossing, and also representing Trilogy Heath Service, offered her support for the project. She said Waterford residents prefer housing to factories. She said residents of Waterford Crossing are looking forward to building connections to the seniors who will eventually live at Cherry Creek as well as such amenities as the coffee shop, a restaurant, pickleball courts, walking paths and concerts. She said Waterford residents hope the project can be developed quickly and that they can "become part of the dream."



Meryl D. Nofziger of Hoogenboom-Nofziger Corporation said development of the site, and including a walking path, has been a dream for 35 years. He complimented **Tonya Detweiler** for her thoroughness in developing the Cherry Creek project.

Greg Hoogenboom of Hoogenboom-Nofziger Corporation also offered his support for the project. He said his company has been in the building and development business for more than 50 years and has created numerous subdivisions and hundreds of homes in the Goshen area. In recent years, he said there has been a shortage of building space and high housing development costs. He said the use of Residential TIFs has provided the opportunity to create additional housing. He said a 100% TIF is the only viable way to provide more housing. He described "Cherry Creek is a solid project and he encouraged the Council to approve the development agreement.

State Rep. Joanna King, who represents the Goshen area, described efforts by the Legislative Assembly, including changes to the Residential TIF program, to help communities create more housing. She said Indiana has a great tax climate for businesses, but lacks housing. She urged the Council to support the project.

Alan Metcalfe, Associate Superintendent for Goshen Community Schools, said that five months ago, during a joint school board-Council meeting, a demographic study was presented that showed that Goshen has a declining birth rate. The study also showed that there is the lack of adequate housing, which has affected enrollment. Metcalfe said that the school district is down about 400 students from where it was three years ago and further declines are expected until 2026. He said the Cherry Creek project will help mitigate the enrollment losses and would benefit the City and Goshen Community Schools.

Council President Weddell said that the Redevelopment Commission meeting last week, **Superintendent Steve Hope of Goshen Community Schools** spoke in support of the Cherry Creek project as presented.

Nick Keiffer, president and chief executive officer of the Goshen Chamber of Commerce, offered the Chamber's support for the Cherry Creek project. He said that for years, community members have talked, strategized and studied ways to increase housing. He said the local workforce and the businesses that have chosen to operate in Goshen need more options for housing. Keiffer said more than 20,000 people commute to Goshen every day for jobs and the City should help some of them find homes here. Keiffer thanked and applauded Cherry Creek Development members for their willingness to take a risk and believe in Goshen. He also said commercial space in Goshen is at a premium, with up to 94% occupancy levels. So the addition of more commercial space in South Goshen is welcome. Keiffer added that because of the 2008-2009 recession, Goshen is a decade behind in meeting its housing needs and he urged Councilors to approve this project.

Evan Bontrager of Goshen said demand for housing was real and the proposed development is beautiful, so he supports the project. As an employer, Bontrager said he brings employees to Goshen and would love for them to be able to live in the City. However, he said a 100% TIF is not a small matter. Bontrager said it would be a 20-year commitment that would entail additional costs for the City and the public. He said that was the problem with TIFs. He said a 100% TIF would not provide the funds to cover the City's other costs. Bontrager said he wasn't encouraging a vote against the development agreement, but said Councilors should not "gloss over the 100% TIF," which he described as a significant commitment over 20 years. He said he wished the City could provide something between a 75% and 100% TIF. He also said the project needs to progress, but said the City should be more concerned about this decision and seek additional funding to help pay for City services.



Janet Whalen Couch, executive director of the Campus Center for Young Children (CCYC) at Goshen College, said the center has been serving children in the community for 26 years. She said it has become “brutally clear” is that there is not enough childcare in Goshen. She said there are 400 licensed childcare slots in Goshen between three providers, She said her center has a waiting list into the 2025-2026 school year; some applicants are children who have yet to be born. Whalen Couch said **Tonya Detweiler** approached her about CCYC establishing a childcare center on the ground floor of one of the condominiums and CCYC has embraced the possibility. She said this could be an opportunity to provide inter-generational care, which would be cutting-edge idea with huge benefits for children and elders. She said she hopes CCYC will be able to open a center at Chery Creek with 100 childcare slots, which could provide needed placements for children and help working parents.

Council President Weddell said that when he was a student at Waterford Elementary School, he recalled there were regular visits to Greencroft Communities for interactions with “adoptive grandparents.” He said it was a wonderful experience and he endorsed Cheery Creek’s plans in this regard.

Rep. Doug Miller, who represents parts of Elkhart County and is a long-time homebuilder and developer, said he has used his knowledge to sponsor legislation to increase housing in Indiana. He said a decade ago, Indiana issued as many as 30,000 housing permits a year, but that number has fallen dramatically; in 2022 there were 17,500 housing starts, which was an improvement. From 2007 to 2017, Miller said Indiana lost 200,000 homes that should have been built. He described the Cherry Creek project “as like the parting of the Red Sea” because of the availability of a good site, promised amenities and the eventual increase in the tax base. Miller said the City has a AAA rating and is able to borrow money at a low rate. He described housing as an economic development driver and he urged the Council to approve the project.

Elkhart County Commissioner Suzie Weirick congratulated and welcomed new Mayor Leichty. She then spoke in favor of the Cherry Creek development agreement. Weirick said that without the use of Residential TIFs, communities will fall behind in meeting housing needs. She said some communities are actually offering 110% Residential TIFs to encourage more housing. She said Elkhart County would like to have more population growth, which she described as translating into economic growth. She also praised the “place making” aspects of the project, which she said would be something new for Elkhart County and Goshen. Weirick encouraged Councilors to support the project and the 100% Residential TIF.

James Loewen of Goshen said he was big supporter of the project and congratulated the developers and collaborators. Loewen said he wanted to raise another consideration – how the housing units would be heated and cooled. He said it appeared there would be conventional gas and electric services. However, he recommended opting for all-electric services and the use of heat pumps. While the operational expenses would be higher, he said a different kind of heat pumps could be used relying on the water features to reduce costs. Loewen urged engineers to investigate this idea.

Brian Garber, the president of the City Redevelopment Commission, said he initially favored a 75% developer, 25% City TIF allocation because of the high-quality of the land, but that option no longer made economic sense when the Indiana Legislative Assembly shortened the bond period to 20 years. He said the pros outweigh the cons and the project would be a great benefit for Goshen. He said the Redevelopment Commission approved the development agreement by a 4-0 vote. He added that if the project is not built, “we will not be responsible for it.”



Council President Weddell clarified that if the project is not built, only the developer will be responsible and not the Redevelopment Commission. **Mayor Leichty** thanked the **Council President** for that clarification.

Goshen Community Schools Board member Bradd Weddell, the schools liaison to Redevelopment Commission, said the Goshen Community Schools board supports this project. He said the state reduced the Residential TIF period from 25 to 20 years. He said when it was a 25-year TIF, the school board had a say in approving the development – and the Board did so. Weddell said the law changed, but the board still favors the project with a 100% TIF. He said it was important the project move forward and that Goshen Community Schools welcomes more families moving to Goshen. He said the Cherry Creek project will benefit the school system and the community and he asked Councilors to strongly consider the 100% Residential TIF.

There were no further public comments, so at 7:34 p.m., Mayor Leichty closed the public comment period. She invited questions and comments from Council members.

Councilor King said she appreciated the public comments. Like **Evan Bontrager**, she said she had the word “risk” in mind in the City advancing a proposal with uncertain costs. She said she “was a little troubled” by **former Mayor Jeremy Stutsman**’s email that this project could create a funding gap for the City if a 100% Residential TIF is approved. She said there was “internal tension” in the City of City staff advancing proposal despite concerns by Stutsman. Still, Councilor King said that everyone believes this is an exciting project, and she said she would love to see it move forward. She also said that the level of school funding was not certain and she said she hoped that sustainable construction concepts would be incorporated in the project. Finally, she said she hopes there is some assurance that future City needs, including for public safety and streets, can be met if the project moves forward.

Council President Weddell said he met last Friday with **Police Chief José Miller** to discuss some of those concerns. He said it was important to remember that Redevelopment funds have never been used to pay for public safety, including salaries to hire more police officers. State legislation now allows that to be the case, but Council President Weddell said it was risky to do this because TIF is not an ongoing revenue stream. That’s why he said he has in the past supported Redevelopment paying for “brick and mortar,” including the police and fire training facilities and the new fire station on the south side of the City. He said that frees up funds in other parts of the budget. He said Chief Miller said he needs six new police cars per year, and perhaps Redevelopment can help pay for them as well as street maintenance costs. He said there will be future increased costs “and if we’re not willing to work through those difficult conversations of how to cover those costs, then we’re not being serious about wanting to grow.”

Councilor Eichorn said it’s important for people to know that these conversations have been going on for quite a while with regards to this project and the fact that Goshen has to grow. She said the City has to make investments in the community “that don’t always come from a developer’s pocket.” She said the City has to take on some of that investment or risk. Councilor Eichorn said the City has always been financially responsible and she doesn’t expect that to change.

Councilor Pérez said he wanted to hear from Becky Hutsell about what would happen if there was a 90% Residential TIF for the project.

Becky Hutsell said a 90% TIF would mean that the developer would need to take on \$2 million in additional costs for public infrastructure. So, the developer would also need to decide whether to move forward with a 90% TIF.

Councilor Pérez asked if Hutsell favored a 100% TIF. **Hutsell** responded that a 25-year TIF would raise about \$21 million, but a 20-year TIF dropped that to \$18 million, which prompted the 100% TIF recommendation.



Council President Weddell said many developers have come from outside Goshen and proposed projects. He said the Cherry Creek project would be by a local developer who will hire local companies.

Tonya Detweiler agreed and said she is ready to sign an engineering contract tomorrow with Abonmarche, a local firm. She said a local construction company has helped with conceptual designs. All of the sub-contractors for her past local developments have been local contractors. And she said she will continue to use local companies and will reach out to local businesses about their interest in leasing commercial space in Cherry Creek. She also pledged to say "no" if Dollar General asks for a site in Cherry Creek.

Councilor Riegsecker said he has always wanted TIFs to have a 75% developer, 25% City allocation, but that didn't happen for the Aerial Cycleworks housing project. He said things have changed because of inflation and other factors. He said the City has helped apartment developers and should help a housing developer. He said that even with a 100% TIF, the developer will still be giving the City a gift of \$7 million in infrastructure. In the future, he said the City should consider a 75%-25% allocation, but the City should move forward with a 100% TIF for this project. He expressed confidence in the City Council, staff and others to find the resources to fund future City needs.

Councilor Nisley thanked **Tonya Detweiler** and City staff and said he was behind the project "100 percent." He said he was taking the City's costs very seriously and that the Council should consider a 75%-25% allocation for future projects, but said Cherry Creek should move forward.

Council President Weddell said **Clerk-Treasurer Aguirre** had asked about statements the Council President made at the Oct. 24 Council meeting that Cherry Creek would be a 75%-25% Residential TIF. He said he wished that could be the case just as he wished other recent projects could have had 75%-25% allocations. However, he said that didn't work anymore.

Councilor King said this was a shared risk situation by the developer and the City. She said sometimes risks must be taken and in this case, the City needs more housing and this is an exciting project.

Councilor Pérez apologized to **Tonya Detweiler** for not being able to meet with her, because of his travel and schedule conflicts. He said he was glad to learn more about the project tonight. He said that it's clear that population growth will be uneven in the coming years, with some communities growing and others not. He said about 23,000 people commute to Goshen daily to work, and he was excited about the City providing housing for some of them. Still, he asked if there has been any outreach to those workers to learn if they would move to Goshen if housing was available. He said it was an exciting project, but there was risk involved in how the City will pay for future needs.

Council President Weddell said Park 33 apartment complex was envisioned as a two-phase project, but because of the housing demand, work on phase two began immediately. He said a large percentage of residents who moved in were from outside Goshen. He said it will be good if the Cherry Creek project can meet some of the housing demand.

Mayor Leichty said that data was assessed by state lawmakers in crafting legislation to help Indiana communities meet the growing demands for more housing.

Councilor Schrock said will support the project, but wanted to repeat his hope that the City will be able to find the funding for the Police and Fire departments to be able to protect Cherry Creek. He said it's important that those two departments aren't burdened by the project.

Clerk-Treasurer Aguirre said that since former **Mayor Stutsman's** email was referenced by Council members, as well as **Andy Nesbitt**, the president of Nuway Construction, he recommended that the email be made part of the record as an added exhibit. **Council President Weddell** said he would make that motion if it was necessary.

Councilor King said she would second the motion. The email was made a part of the record (**EXHIBIT #5**).



Clerk-Treasurer Aguirre said there had been discussions with City staff, including **Becky Hutsell**, about having Baker Tilly conduct additional financial analysis to address the questions raised by former **Mayor Stutsman**. He said Baker Tilly confirmed that if given time, they could address those questions. He said Baker Tilly could research the eventual costs of the project on City services and the impact on the City budget if Cherry Creek was approved as a 100% Residential TIF. Some information was provided, but Aguirre said additional analysis was possible, which is why he said **Mayor Leichty** – in an email to Councilors – raised the possibility of delaying a decision on this project. **Council President Weddell** said that analysis wasn't done for the two previous Residential TIFs the City approved, even though he said neither project was the scope of Cherry Creek.

Councilor King said she recalled that one of those projects was tabled. But not for further financial analysis, **Council President Weddell** said.

Mayor Leichty said the question was raised because of the size and scope of the Cherry Creek project and whether Councilors believed they had enough information to decide the matter.

Becky Hutsell said the only time that kind of detailed analysis is completed is when the City is considering an annexation, noting that earlier in the evening, the Council considered a fiscal plan for the East College Avenue project. Because the Cherry Creek project is already in the City, Hutsell said that is not something that would be done. She said that the Legal Department has a formula for calculating the costs of developments for police, fire and streets. She added that a detailed analysis as suggested would take six to eight weeks, and that the Redevelopment Commission always tries to offset the costs of development.

Council President Weddell asked **Tonya Detweiler** to state what a two-month delay would mean to the project.

Detweiler said a two-month delay would raise many issues for the project timeline. She said that if the development agreement was approved tonight, she would move forward immediately with developing a Planned Unit Development and full subdivision layout. Detweiler said she hoped to get the additional City approvals by the end of the summer and begin construction by the end of the year.

Clerk-Treasurer Aguirre responded that in the case, the Council would only be approving of a delay of a few weeks – and not a lengthy delay – to allow a response to **Mayor Stutsman**'s very strong recommendation that a 100% TIF will not be sustainable to the City's budget. Aguirre said it seemed reasonable to check on that.

Councilor King asked if both things could be done simultaneously – approve the development agreement tonight, but also pursue the additional information.

Councilor Eichorn said it would be important to gather that information, but that shouldn't delay this process.

Council President Weddell said everyone can agree that there will be additional costs to the City for growing Goshen. He said work needs to be done behind the scenes to cover those costs, but if the City is not serious about growing, he said the Council should kill the Cherry Creek project now.

Councilor King asked if it wouldn't be beneficial to gather the City costs information.

Council President Weddell said that wasn't a bad idea.

Councilor Nisley asked **Hutsell** if the financial analysis could be done as well by City staff as by Baker Tilly. **Hutsell** said additional analysis by Baker Tilly would cost the City a lot more money and take more time. She also questioned the need for additional analysis.

Councilor Nisley said he wouldn't want the City to spend the extra money. **Councilors Eichorn** agreed. **Councilor King** also agreed, assuming the City's cost formula was accurate. **Councilor Eichorn** said she wouldn't want to delay approval of Cherry Creek for further study.

Mayor Leichty asked **Hutsell** if Baker Tilly would be able to provide additional financial analysis if Council approval was delayed until July 17. **Hutsell** said the analysis would not be completed in July, but that additional City analysis could be completed in about a week. The **Mayor** thanked Hutsell for that clarification.

Councilor King noted that no one had made a motion to table the development agreement.



Councilor Riegsecker said it would be interesting to have additional information, but any delay will incur some cost to the City. He questioned the reason for a delay, noting that **Councilors** already know the project will cost the City. He said Councilors can figure out the costs later and use that information to influence future decisions. He added that he would not support delaying the project.

Councilor King again noted that no one was asking to delay the matter. **Councilor Eichorn** said tabling the matter would delay the project. **Council President Weddell** said **Clerk-Treasurer Aguirre** mentioned tabling the matter.

Councilor Pérez said everyone knows the City will have higher costs because of the development and it would be good to know what those costs will be, regardless of whether the matter is tabled tonight.

Council President Weddell asked why this additional financial study was not suggested in September when City staff advanced the proposal to the Council. He asked why this was being raised now when a delay would mean the developer would lose a construction season.

Mayor Leichty responded that the reason is because there has been a change in the original construct of the deal.

Council President Weddell said there has been a shift away from the 75%-25% TIF allocation, but the developer will still be making a "gift" of infrastructure to the City. He said the developer has shown "incredible patience" through this process and if the Cherry Creek project loses a construction season, "I think that we risk the development as is and I think that we're going to be saying we weren't really serious when we were asking for growth." He added that former **Mayor Stutsman** said at numerous public meetings that the City had big cash reserves and needed to spend money, "but now we're saying we don't have money to grow. It seems a little contradictory."

Councilor Eichorn said there are many steps in the TIF process. For developers, she said working with the City is an arduous process. She added that there are many steps ahead and it's important to get those numbers, but the process should not be delayed.

Councilor Riegsecker said it would be good to get those numbers eventually for later analysis and a balancing of the needs of the City and the developer.

Council President Weddell said all seven **Councilors** are "willing participants with **Mayor Leichty** and **Clerk-Treasurer Aguirre** and our **City Department heads** to jointly work together to make sure they have what they need. I can easily say that with confidence that we're all here to work together to make that happen."

"No Dollar General and we'll all work together," **Mayor Leichty** responded. "And we've got all the technical glitches fixed," joked **Council President Weddell**.

Mayor Leichty said former **Mayor Stutsman** was referenced numerous times during this discussion. She said she appreciated receiving his June 26 correspondence on the Cherry Creek project. "And I think he posed some very important questions that our staff have had to grapple with and Council members have had to grapple with and it's been an interesting week to jump in and see this team in action. And I have certainly appreciated the thoroughness of the debate and the very careful considerations that you've all brought in making this decision. And I am confident we will continue to be very conscientious about the contributions we make to public service and to our infrastructure. I'm also excited about the opportunity to see this project come to fruition. So, that's the new Mayor's thoughts on this."

There were no further comments and Councilors indicated they were ready to vote. The Mayor asked the Clerk-Treasurer for a roll call vote.

On a roll call vote, Councilors approved Resolution 2023-12, *Economic Development Agreement with Cherry Creek, LLC.*, by a 6-0-1 margin, with Councilors Eichorn, King, Nisley, Riegsecker, Schrock, and Weddell voting "yes" and Councilor Pérez voting "pass" at 8:11 p.m. Pérez declined to change his vote.



Elected Official Reports:

Councilor Pérez explained his vote on the Cherry Creek development agreement. He said he is excited about the project, but hasn't had a chance to discuss it with the developer. Because of the change of the TIF law and not knowing the full costs to the City, he said he wasn't prepared to vote, but said he will do that work now.

Council President Weddell said the City Traffic Commission met and recommended to the Board of Works & Safety that the City install a four-way stop at 8th and Purl streets for the safety of the increased students who will be walking to Chandler Elementary School, which will become a high school career center.

Council President Weddell thanked Mayor Leichty. He noted she has had a "rough week" and is dealing with a learning curve moving into her new role. She said all Councilors were available to help and answer questions.

Councilor King asked **City Director of Public Works & Utilities Dustin Sailor** about the continuous flashing red traffic signals at Main Street and College Avenue. **Sailor** said the City reported the issue to the Indiana Department of Transportation, which maintains the signal and today was replacing a controller.

Councilor King also congratulated and welcomed **Mayor Leichty**. She said it was a "big deal" that Goshen has its first woman as mayor and Councilor King said she felt privileged to be present and witness this.

Councilor Riegsecker said he had many conversations about the Cherry Creek project. He said the discussion over the project was "awesome" and reflected careful consideration.

Council President Weddell said a person wrote him a letter about the project, but he has yet to respond.

Councilor Pérez thanked the City Street Department for its paving projects this summer.

Councilor Nisley said the monthly meeting of the City Board of Aviation Commissioners was canceled.

Council President Weddell said there has been rain in Goshen, so there will be a fireworks show at the Black Squirrel Golf Course in the coming days. He also said there would be fireworks at an upcoming helicopter show at the Goshen Airport.

There were no further comments by elected officials.

Adjournment:

Councilor Nisley made a motion to adjourn the meeting. **Councilor Pérez** seconded the motion. Councilors unanimously approved the motion to adjourn the meeting.

Mayor Leichty adjourned the meeting at 8:17 p.m.



EXHIBIT #1: A 17-page PowerPoint presentation, titled "Cherry Creek," that was presented by Tonya Detweiler, the Chief Executive Officer of Blue Diamond Communities and Cherry Creek, LLC., in support of Resolution 2023-12, an Economic Development Agreement with Cherry Creek, LLC. (Agenda item #4)

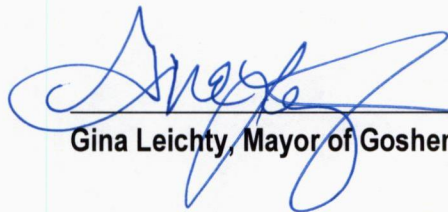
EXHIBIT #2: A 19-page PowerPoint presentation, titled "Cherry Creek Development Project," that was presented by City Redevelopment Director Becky Hutsell in support of Resolution 2023-12, an Economic Development Agreement with Cherry Creek, LLC. (Agenda item #4)

EXHIBIT #3: A one-page letter received June 26, 2023 that was addressed to the Mayor and Council from state Rep Doug Miller, House District 48, state Rep. Joanna King, House District 49, state Sen. Blake Doriot, Senate District 12, and state Sen. Linda Rogers, Senate District 11. In their one-page letter, the legislators detailed their support for the Cherry Creek housing project.

EXHIBIT #4: An email, dated June 23, 2023 and addressed to the Goshen City Council, by Andy Nesbitt, president of Nuway Construction. In his one-page email, Nesbitt offered his support for the Cherry Creek project as a business owner, developer, Goshen Chamber of Commerce board member, land owner "and someone who loves Goshen."

EXHIBIT #5: Email, dated June 16, 2023 and addressed to City staff and copied to Goshen Community School officials and Common Council members, by then-Mayor Jerry Stutsman. In the email, Mayor Stutsman said he remained supportive of the Cherry Creek project, but advised against the Council approving a 100% Residential TIF for the project because of the City's future funding needs.

APPROVED:


Gina Leichty, Mayor of Goshen

ATTEST:

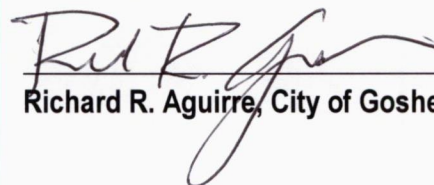

Richard R. Aguirre, City of Goshen Clerk-Treasurer

EXHIBIT
#1



SHERRY GREEK

A Blue Diamond Community



“Will you consider Goshen?”

July 22, 2022

Hi Tonya,

Would you have any interest in looking at the Waterford Commons property for a mixed-use development? It is about 170 acres, entirely in the city with utilities to the site and good soil conditions; it is a shovel ready site.

I would love to kick this idea around when you are back from Deutschland and have some time!

-Mark Brinson

Deputy Mayor, City of Goshen



CHERRY CREEK
A Waterford Commons Property

MARKET ANALYSIS & CHERRY CREEK – STRUCTURE POINT

- Owner-Occupied Unit Types
- A wide array of for-sale unit types will be needed to meet the demand for owner-occupied units through a mixture of housing types (single family, duplex, townhome, condo, etc.) would help create new units that appeal to more potential buyers.
- Based on the current percentages of Goshen housing units, this equates to a demand for 1,163 single-family units, 187 duplexes, 249 townhomes, and 477 Other (Condominiums and Mixed-Use Units).
- Depending on construction times and the ability for units to get built, this report assumed a ten percent annual absorption rate. If ten percent of the 4,542 total unit demand were constructed per year, it would take until 2032 to absorb all units. **Demand for units breaks down to 208 owner-occupied units and 247 rental units constructed per year. (Structure Point Market Analysis- Page 2)**



CHERRY CREEK
A Fine Diamond Community



CHERRY CREEK
A Blue Diamond Community

STRUCTURE POINT- HOME OWNERSHIP ONLY:

TOTAL NEEDED IN CITY OF GOSHEN = 2,312

TOTAL HOMES IN CHERRY CREEK = 1,453

Income Level	Maximum Mortgage Payment	Goshen Households in this Range	Goshen Households that could purchase in this range	Affordable Home Price based on 36% DTI	Net Unit Demand
\$15,000 -	\$750	57	1602	\$97,500	1545
\$24,000 -	\$1,050	99	1,290	\$140,500	1191
\$25,000 -	\$1,500	186	2,092	\$205,000	1896
\$34,9999	\$2,400	1,032	2,802	\$334,100	1770
\$35000 -	\$3,000	700	1,242	\$431,500	542
\$49,999	\$4,500	2,557	1,406	\$634,300	-1,151
\$50,000 -	\$6,000	1,338	299	\$848,500	-1039
\$79,999	\$9,000	890	234	\$1,278,000	-656
\$80,000 -					
\$99,999					
100000 -					
\$149,999					
\$150,000 -					
\$199,999					
\$200,000 or greater					

Structure Point Market Analysis pg. 20

CREATING THE CHERRY CREEK LIFESTYLE





Community Q&A for proposed housing development draws crowd” – Goshen News – December 15, 2022

Meetings with City staff and Departments and various civic groups

- Affirmation for the Cherry Creek focus on Home Ownership
- High Interest in a Walkable and Bikeable Neighborhood – “Walk to 80% of your life”
- Connecting the trail to Bethany and then all the way to Downtown
- New restaurants coming to the south side of Goshen!
- Water/Water/Water: Placing the trail along water, lots available that overlook water, stocked fishing ponds
- Green space and the impact on quality of life on residents. Amenities such as multiple park spaces, outdoor gathering pavilion, roof top seating, splash pad, pickleball courts, leash free dog park, to name a few
- Love that kids can walk to Prairie View Elementary School without being on a road
- How will Cherry Creek integrate with the city's green canopy goals? How many trees will go in?
- Concern about the noise from Cherry Creek: Cherry Creek will not be as noisy as manufacturing



CHERRY CREEK
A Vision of a Sustainable Community

PROPOSED BIKE TRAIL TO CONNECT TO MAPLE CITY GREENWAY

SITE TABULATIONS

ACREAGE:	179 ACRES
PHASE 1 HOUSING:	
SINGLE FAMILY DETACHED:	77
TOWN HOMES:	70
CONDOS:	68
TOTAL:	215
PHASE 2 HOUSING:	
SINGLE FAMILY DETACHED:	118
TOWN HOMES:	152
CONDOS:	230
TOTAL:	500
TOTAL HOUSING:	
SINGLE FAMILY DETACHED:	195
TOWN HOMES:	222
CONDOS:	298
TOTAL:	715
RETAIL SPACE:	
PHASE 1:	94,000 SF
PHASE 2:	20,000 SF
TOTAL:	114,000 SF

- KEY**
- LANDFORMS:**
 B - BERM
 D - DRY RETENTION
 W - WET RETENTION
- AMENITIES:**
 S - PUBLIC AMENITY
 B - BIKE PATH
 PR - PRIVATE AMENITY
- POTENTIAL PUBLIC AMENITIES:**
 - PARK + OPEN LAWN
 - COMMUNITY GARDEN, FENCED DOG PARK, PLAYGROUND, PAVILION, FITNESS CENTER, PICKLEBALL, SPLASHPAD, POOL - CLUBHOUSE, BASKETBALL COURT, PRIVATE CONDO TERRACE
- UTILITIES:**
 L - LIFT STATION
 P - PROP. DEVELOPMENT BUILDINGS



MASTER PLAN EXHIBIT
 CHERRY CREEK DEVELOPMENT



CHERRY CREEK
A Silver Diamond Community



SHERRY CREEK
A Silver Diamond Community



SHERRY CREEK
A Blue Diamond Community



SHERRY CREEK
A Gift of Diamond Community



SHERRY CREEK
A Blue Diamond Community



GERRY BREEK
A Blue Diamond Community

TIF & INVESTMENT

IN GOSHEEN

Where we Started:

25 year TIF – 75%/25% Split

\$22M- \$24M for Public Infrastructure

Publicly installed Infrastructure

Cost Estimates Needed

Legislative Change - May 2023

25 years now 20 years for TIF

Where we Are Now:

20 year TIF – 100% TIF

\$24M for Public Infrastructure

Private/Public Partnership for Infrastructure

Cost Estimates Received - \$31M – Public Infrastructure Only

Gap: \$7M estimated



SHERRY CREEK
A Blue Diamond Community



City of Goshen

- *Growth Strategies
- *Expanding Services
- *Financial Analysis and choices for how resources are allocated
- *Connection Trail from Cherry Creek to Bethany

Cherry Creek

- *Growth Strategies
- *PUD and Marketing Plans
- *Funding Streams for Infrastructure Gap and Condo Buildings
- Bond Negotiations
- Bid Process and Construction Started

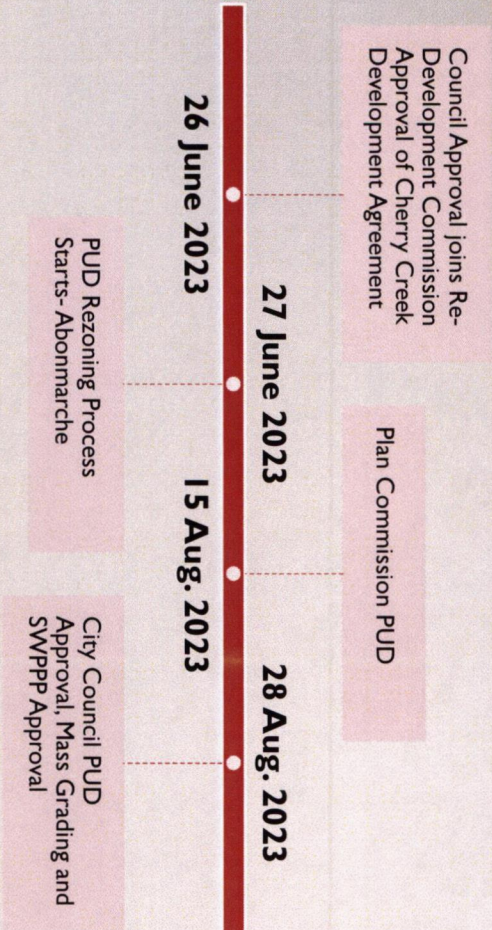


CHERRY CREEK

A Great, Vibrant Community



CONSTRUCTION TIMELINE



- September 27, 2023- Tech Review & Plan Commission Review of Primary Plat, Preliminary Drainage, Preliminary Sanitary & Water Plan, and Sanitary Lift Station Evaluation, SWPPP & Post Construction Permits
- Fall 2023- Bid Phase, Award Contracts
- Grading Begins





SHERRY CREEK

A Blue Diamond Community

Cherry Creek Development Project

June 2023

Proposed Development Area



Structurepoint Housing Study – April 2022

Key Findings:

1. Total market demand for new housing in Goshen through 2030 – **4,437 NEW units**
 - Rental units – 2,466
 - Owner-occupied units – 2,076
2. Demand shows that **208 owner-occupied units** and **247 rental units** can be absorbed annually through 2032.
3. 23,704 workers commute into Goshen for work on a daily basis.
4. A variety of housing types is needed to accommodate the demand.

Structurepoint Conceptual Plan– August 2022



Proposed Cherry Creek Development



Project Phasing

- Phase One:**
- 84.37 acres
 - To begin in 2023/2024
 - 909 owner-occupied units
 - Goal is to fully build out within 10 years

- Phase Two:**
- 89.89 acres
 - To begin by 2028
 - 544-owner-occupied residential units



Phase One Public Infrastructure Estimates

• Storm Sewer Expenses	\$2,061,050
• Stormwater Ponds/Basins	\$2,598,695
• Earthwork	\$7,011,725
• Roads, Parking and Pathways	\$10,162,212
• Utilities	\$6,078,800
• Street/Berm Landscaping	\$533,000
Total Cost Estimate	\$28,445,485
10% Contingency	\$2,844,548
TOTAL	\$31,290,030

Design fees and land acquisition fees are not included in these costs.

Phase One Project Bonding Capacity

With a 20-year term on the bond and a 5% interest rate:

1. 75% TIF Reimbursement Pledge – \$18,125,000
 2. 90% TIF Reimbursement Pledge – \$21,785,000
 3. 100% TIF Reimbursement Pledge - \$24,230,000
- Scenarios are based upon the assumption that Phase One will be fully built-out within 10 years.
 - 1%, 2% and 3% tax caps apply as TIF increment is calculated. For Residential TIF's, a significant portion of the increment comes in at the 1% cap meaning revenue generates more slowly.

Recent Legislative Changes

In May, the law regarding Residential TIF's was amended as follows:

1. Communities no longer have to prove less than 1% housing growth for the 3 previous years to qualify.
2. Residential TIF's lifespan reduced from 25 to 20 years.
 - Applies to any previously established TIF which has not yet incurred it's first debt obligation.
3. School corporation support no longer required to establish a Residential TIF.

Development Agreement Terms

1. Only public infrastructure will be funded by the City-issued bond.
2. RDC to pledge 100% of the TIF generated from the Southeast Housing TIF to the Developer to repay the bond.
3. If bond is able to be repaid early due to accelerated project schedule, City agrees to continue repaying the public infrastructure costs incurred by the Developer beyond what the bond is able to fund until either 1) public infrastructure costs are fully repaid or 2) the TIF expires.
 - It is anticipated that the Developer will be responsible for more public infrastructure costs than the bond has the capacity to fund.

Development Agreement Terms

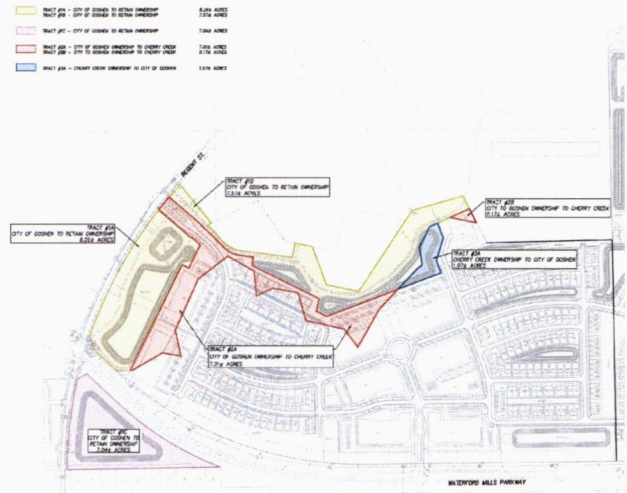
4. City will explore Indiana's new RLF program to fund the public infrastructure for Phase II of the project. The program was established as part of the recent legislative session and no information is available yet on program parameters.
5. RDC will commit to funding an additional \$1.5 million towards infrastructure costs within the residential TIF area as they will benefit the existing River Race/US 33 and Consolidated Southeast TIF Districts. Identified projects are as follows:
 - Cherry Creek Trailway Construction
 - Entranceway Improvements into the subdivision from Waterford Mills Parkway
 - Entranceway Improvements into the subdivision from Regent Street
6. RDC will contract for construction inspection to oversee the public infrastructure project.

Development Agreement Terms

7. Cherry Creek will maintain all retention/detention ponds (including those on City-owned property) and a stormwater/maintenance agreement will be completion prior to construction.
8. Cherry Creek will handle all snow and debris removal for the trailway within and adjacent to the development.
9. RDC will commit to connecting the Cherry Creek trailway to Winona Trail adjacent to Bethany Christian School.
10. RDC commits to proceeding with planned projects for CR 40 and Dierdorff Road.

Development Agreement Terms

7. Cherry Creek desires 7.18 acres of land that's currently part of the existing trailway north of the project area. We will request that Parks Board transfer the land to RDC and we will go through the statutory RFP process.
 - If Cherry Creek is selected to acquire the land, they will be responsible for relocating the existing trailway (with Parks Board approval).



Analysis of Development's Income Tax Impact

Assumed total number of Residential Units (1)	1,445
Assumed per household income (2)	\$52,215
Assumed total new income	\$75,450,675

Annual Local Income Taxes			
Type of Income Tax	Effective Tax Rate (3)	Total Income Tax	City of Goshen Allocation (4)
Certified Shares	0.94%	\$709,236	\$82,473
Public Safety	0.24%	181,082	25,853
Economic Development	0.24%	181,082	26,086
Property Tax Relief	0.24%	181,082	0
Special Purpose	0.24%	181,082	0
Totals	1.90%	\$1,433,564	\$134,412

- (1) Represents the assumed total number of residential units upon full buildout, per Developer representatives.
- (2) Represents the median household income (in 2021 dollars) for the City of Goshen, per the U.S. Census Bureau 2017-2021 American Community Survey 5-year estimates.
- (3) Based on Certified 2023 Local Income Tax Information of the Indiana State Budget Agency and the Indiana Department of Local Government Finance. Adjusted to 94% to account for deductions and exemptions claimed by taxpayers, per the Indiana Department of Revenue.
- (4) Based on Certified 2023 Local Income Tax Information of the Indiana State Budget Agency and the Indiana Department of Local Government Finance.

Analysis of Development's Impact to GCS

Assumed total number of Residential Units (1)	1,445
Assumed average persons per household (2)	2.70
Less: Assumed parents per household	2
Average number of students per household	0.70
Assumed total students	1,012
Funding per Student (3)	\$6,435
Illustrative annual funds from new development students	\$6,511,965

- (1) Represents the assumed total number of residential units upon full buildout, per Developer representatives.
- (2) Represents the average household occupancy for the City of Goshen, per the U.S. Census Bureau 2017-2021 American Community Survey 5-year estimates.
- (3) Per the Department of Education FY 2022 K-12 Basic Grant per Average Daily Membership report. Represents the amount of funding the Goshen Community School Corporation will receive from the State of Indiana for each student in fiscal year 2022.

Analysis of Development's Utility Cash Flows

Utility Cash Flows	2026	2027	2028	2029	2030	2031	2032	2033	2034
Water Operating Revenue (1)	\$30,135	\$62,802	\$102,117	\$147,447	\$222,596	\$309,775	\$378,847	\$440,638	\$470,711
Less Water O&M Expense (2)	(12,442)	(25,920)	(42,120)	(60,782)	(91,757)	(127,656)	(156,038)	(181,440)	(183,752)
Add Water Connection Fees (3)	69,750	75,750	91,500	105,750	174,750	203,250	162,000	144,750	71,250
Water Net Cash Flows	87,443	112,632	151,497	192,415	305,589	385,369	384,809	403,948	348,209
Sewer Additional Revenue (4)	\$49,357	\$102,845	\$167,176	\$241,318	\$364,299	\$506,902	\$619,771	\$720,764	\$769,818
Less Sewer O&M (5)	(17,971)	(37,440)	(60,840)	(87,797)	(132,538)	(184,392)	(225,389)	(262,080)	(279,864)
Sewer Net Cash Flows	31,386	65,405	106,336	153,521	231,761	322,510	394,382	458,684	489,954
Total Utility Net Cash Flows	\$118,829	\$178,037	\$257,833	\$345,936	\$537,351	\$707,879	\$779,191	\$862,632	\$838,163
Development Timeline	2026	2027	2028	2029	2030	2031	2032	2033	2034
Assumed Residential Units	91	99	120	139	229	267	214	191	95
Assumed Commercial Units	2	2	2	2	4	4	2	2	-

- (1) Water operating revenue assumptions:
Residential monthly flow assumed at 4 CCF/Month, Commercial monthly flow assumed at 10 CCF/Month.
Residential connection assumed at 5/8", Commercial connection assumed at 1". Residential bills include line repair assessment.
Number of Units connected based on development timeline shown above for Residential and Commercial units.
Rates are based on 2025 rates in Rate Ordinance 5106.
- (2) Assumed additional Operation and Maintenance expense based on 2022 actual average O&M cost per CCF Sold of \$2.70.
- (3) Connection fee revenue based on total units per the assumed development timeline times the \$750 connection charge per Rate Ordinance 4290.
Assumes all units are assessed the fee, not based on physical connections. Assumes developer covers all costs of connections.
- (4) Sewer operating revenue assumptions:
Residential monthly flow assumed at 4 CCF/Month, Commercial monthly flow assumed at 10 CCF/Month.
Residential connection assumed at 5/8", Commercial connection assumed at 1".
Number of Units connected based on development timeline shown above for Residential and Commercial units.
Rates are based on 2025 rates in Rate Ordinance 5107.
- (5) Assumed additional Operation and Maintenance expense based on 2022 actual average O&M cost per CCF Sold of \$3.90.

Analysis of Development's Circuit Breaker Impact

- The Pay 2023 Circuit Breaker for Goshen is \$3,502,053.28. This is funding that we lose due to the tax caps.
- Once this TIF expires, the City will see a \$1,022,234 decline in the circuit breaker loss and the overall tax rate for the taxing district will decrease by \$0.1575.

Taxing Unit	Illustrative Annual Reduction In Circuit Breaker Tax Credits
ELKHART COUNTY	\$349,409
BAUGO TWP	229
BENTON TWP	6
CLEVELAND TWP	19,842
CLINTON TWP	413
CONCORD TWP	6,963
ELKHART TWP	9,259
HARRISON TWP	57
JACKSON TWP	0
JEFFERSON TWP	60
LOCKE TWP	234
MIDDLEBURY TWP	5,433
OLIVE TWP	33
OSOLO TWP	3,561
UNION TWP	146
WASHINGTON TWP	103
YORK TWP	0
ELKHART CIV. CITY	471,793
GOSHEN CIV. CITY	1,022,234
NAPPANEE CIV. CITY	24,469
BRISTOL CIV. TOWN	9,004
MIDDLEBURY CIV. TOWN	12,108
MILLERSBURG CIV. TOWN	2,197
WAKARUSA CIV. TOWN	9,071
SYRACUSE CIVIL TOWN	0
FAIRFIELD COM SCHL CORP	1,956
BAUGO COM SCHL CORP	8,245
CONCORD COM SCHL CORP	103,605
MIDDLEBURY COM SCHL CORP	22,183
WA-NEE COM SCHL CORP	39,287
ELKHART COM SCHL CORP	298,949
GOSHEN COM SCHL CORP	606,037
BRISTOL PUB. LBRY	446
ELKHART PUB. LBRY	43,630
GOSHEN PUB. LBRY	71,492
NAPPANEE PUB. LBRY	2,891
WAKARUSA-OLIVE-HARRISON TWP	1,486
MIDDLEBURY PUB. LBRY	932
Total	\$3,147,663

(1) Illustrated based on full buildout and following TIF expiration.

Concerns that have been raised regarding the 100% TIF Pledge:

1. Public Safety (Police/Fire)
2. Ongoing Roadway Maintenance
3. Ongoing Citizen Services (brush pickup, leaf pick-up, plowing)
4. Trailway connections will need the TIF funding.
5. Off-site upgrades or traffic alterations will have no funds available if 100% of this TIF is pledged.
6. Commitments to GCS for support.





STATE OF INDIANA
HOUSE OF REPRESENTATIVES

THIRD FLOOR STATE HOUSE
INDIANAPOLIS, INDIANA 46204

Doug Miller
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Indianapolis, IN 46204
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h48@iga.in.gov
317-232-9815

June 26th, 2023

To Mayor Liechty and Members of the Goshen City Council,

We are writing jointly to support the Cherry Creek housing project that is before you which Tonya Detweiler and her group has thoughtfully planned for your community.

It has been offered that communities that are not planning for growth are potentially positioning themselves to fade into the sunset. Indiana continues to have an undisputed need for housing.

This year, the general assembly made housing a priority with a number of pieces of legislation, the kingpin being HB 1005 supporting housing infrastructure, allowing for low interest loans thru the Indiana Finance Authority. TIF (tax incremental financing) being the key component to repay the loan.

The General Assembly recognized that TIF continues to be a very valuable tool to grow communities while allowing communities large and small to work cohesively with developers to providing a much-needed option for increasing housing supply.

Long term, we support the plan in front of you since it incorporates a mix of single, multi-family and retail. It is comprehensive and viable, and we believe it will grow the tax base, provide additional revenue to local business and work to fulfill a housing demand that is currently not being filled.

We are happy to discuss this with any of you and appreciate your support of the project especially with the support of TIF financing.

Sincerely,

Handwritten signature of Doug Miller in black ink.

Doug Miller
State Representative
House District 48

Handwritten signature of Joanna King in black ink.

Joanna King
State Representative
House District 49

Handwritten signature of Blake Doriot in black ink.

Blake Doriot
State Senator
Senate District 12

Handwritten signature of Linda Rogers in black ink.

Linda Rogers
State Senator
Senate District 11

EXHIBIT #4

TD

From: Tonya Detweiler tonya@bluediamondcommunities.com

Subject: Fwd: Cherry Creek Development

Date: June 23, 2023 at 3:38 PM

To: Hutsell, Becky beckyhutsell@goshencity.com, Tonya Detweiler tonya@bluediamondcommunities.com, Weddell, Brett brettweddell@goshencity.com

----- Forwarded message -----

From: Andy Nesbitt <anesbitt@nuwayconstruction.com>

Date: Fri, Jun 23, 2023 at 3:31 PM

Subject: Cherry Creek Development

To: tonya@bluediamondcommunities.com <tonya@bluediamondcommunities.com>

Dear Goshen City Council,

I am concerned about the rumor that the former Mayor has recommended that the Cherry Creek Housing development be voted down by your board. In my opinion as a business owner, developer, Goshen Chamber Board Member, land owner and someone who loves Goshen, if this development gets killed by the council or the board of works, I see Goshen's position in this region as a place to develop be greatly hinder. If this does not pass, I think this sends a clear message to developers that Goshen is not interested in your investment.

As in the past couple months, there have been several development deals cancelled due to the City of Goshen's inability to help developers with incentives and infrastructure development. Other communities within a 60 mile radius are making decisions and installing infrastructure to attract developments like Cherry Creek. If Goshen cannot get more housing units, the manufacturing business in Goshen (which by the way has been the reason why this city is as thriving as it is) will have to look elsewhere to build more spaces so they can grow their businesses. We need these housing units for workers to live so we can grow our industrial base as well.

I also sat on the Strategic Planning Committee for the City, and through the surveys to community members, the overwhelming sentiment was we need more housing. Please pass this so Goshen can continue to grow and thrive.

Thank you,

Andy Nesbitt

President

2119 Carmen Ct, Goshen, IN 46526

Office: (574) 533-0588

NUWAY | We build on
CONSTRUCTION | relationships



--
Tonya Detweiler, CEO
Cherry Creek, LLC & Blue Diamond Communities, LLC
574.370.7774

From: [Stutsman, Jeremy](#)
To: [Brinson, Mark](#); [Hutsell, Becky](#); [Stegelmann, Bodie](#); [Sailor, Dustin](#); [Miller, Jose](#); [Sink, Danny](#); [Leichty, Gina](#); [Tonya Detweiler](#); [mayor](#); [Aguirre, Richard](#)
Cc: [Steve Hope](#); tshelly@warrickandboyn.com; [Bradd Weddell](#); roger.nafziger@goshenschools.org; [Jeremy Stutsman](#)
Subject: Cherry Creek Housing TIF
Date: Friday, June 16, 2023 12:35:53 PM
Importance: High

Everyone,

I would like to start off by saying that I am so thankful for all of the work that has gone into getting our first Residential TIF established and the work behind the Cherry Creek Development. This has been a project I have supported from day one and it will clearly help our community in several ways.

A few days ago the Goshen Redevelopment Commission voted on the development agreement for Cherry Creek. I was unable to attend the meeting. I am glad to know the project is still moving forward. My following comments are not to be taken negatively towards or by anyone as I am voicing concerns on the City's side of this project. These are not criticism rather they are realities. If this doesn't work for both the developer and the city, it won't work.

The RDC approved 100% TIF to this project. I understand this is to help close a funding gap, however, I have yet to see a strong case that proves there is a funding gap that 75% of the TIF won't fix. I believe it will create a gap for the City in future years. When that happens there will be no reciprocity to help close the City's gap.

To be clear I do not want to see this project fail but I am struggling to figure out how the City will pay for all the future needs when 100% TIF is pledged.

1. The TIF is set for 20 years. By giving up 100% the City will receive:
 - a. \$0 in property taxes for 20 years to help pay for Public Safety (TIF can be used for these purposes)
 - b. \$0 in property taxes for 20 years for snow plowing, leaf pick up, and brush pickup.
 - c. \$0 in property taxes for 20 years to maintain and repave the roads of this development which will have to happen before 20 years passes.
 - d. \$0 in property taxes for 20 years for the other city services that occur with this expansion.

2. Just recently the state is allowing TIF to help pay for Public safety needs. The new fire station projected to be built on the South side of town near this location is to help cover our growing city and this project of possibility of over 1000 units. This station will take 9 new fire firefighters. 3 will be covered by the money we receive from the township fire agreement. The other 6 will cost the city a minimal of

\$100k per year per firefighter. We all know that GPD need a few more officers and we are also fighting to stay competitive with surrounding communities that are quickly increasing the salaries of their department. Having 25% of the TIF will help us find a path to meeting those needs.

3. A large portion of our bike paths in Goshen have been paid for through the use of TIF dollars. We have a very important connection piece to connect the path by Bethany with Cherry Creek and with Prairie View Elementary school. We will have no TIF dollars to assist this happening.
4. Any road upgrades or traffic alterations needed off site of the Cherry Creek site will have zero TIF dollars available to help make those updates/improvements.
5. **I, several city staff and the majority of council members all verbally committed to using some dollars of the TIF (original discussions had the city keeping 25% of the TIF) to help with possible future projects with Goshen Schools as well as the items above. This idea and commitment to the schools was supported by the city/council/school board/RDC/developer in the private and public meetings when we were working to develop the Residential TIF. I do not know how that can be undone now. The City will need a percentage of the TIF to also uphold this commitment. This could be viewed as deception by some at the schools and in the public in order to get the votes needed to create Residential TIF. I do not support going against this verbal commitment. And I strongly encourage the council to uphold this commitment by keeping at least some TIF dollars as stated in several public meetings.**

I can continue to go on with other items we will need money for in the next 20 years, however, I think this proves the point I am attempting to make. We will of course see money come in from income taxes of these new residents, however with all the escalating costs the city is experiencing that will not be enough to cover the needs that are growing. This is a difficult discussion because we all want this project to happen. However, I fear this is digging a hole the City will struggle to get out of as the years continue to pass. Today is my last day as mayor and I hope you all work through this and find a way to make this work for both the City and the developer.

We need to make sure both the City and Developer can afford to move forward with this project.

I have supported two 100% TIF projects in the past few years. One is a Work Force Housing project in a brownfield and has some significant additional expenses. The other is paying to create a very large water loop for future expansion of the city and to help with current water quality. I see both of these as very different projects than what is in front of us right now. From the very beginning of the Cherry Creek project

I have been very adamant that we can not afford to give 100% of the TIF dollars back to the developer.

I wish I would have seen the development agreement before it went to the RDC and I wish I had the answer for how to cover the entire (estimated) gap and keep a percentage of the TIF for the City. With that said I do not think we should give 100% of the TIF as the city does need some money for the reasons above and we absolutely have to honor the commitments made to Goshen Schools. If we don't uphold this verbal commitment to the schools, why would anyone trust what is verbally committed to in the future.

****IMPORTANT*** I have blind copied the Goshen City Council. This email is meant to be me passing on information and concerns. I am happy to take any calls if you desire.*

Sincerely,



Jeremy P. Stutsman
Mayor of Goshen
202 South Fifth Street, Suite 1
Goshen, IN 46528
(574) 533-9322 x2322 – office
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