

State of the City 2008

March 20, 2008

Financial Condition

With a below average property tax levy, funds that rely on property taxes are often difficult to keep balanced. Remember...larger-than-normal residential property tax increases did not create a windfall for local government. They happened because of changes in state legislation that shifted tax burden between classes of property.

Despite a lower than average levy, the property tax supported funds did improve from year-end '06 to year-end '07. In the General Fund, the increase was about \$774K, bringing the operating balance to a bit over \$3 million. It's not a lot when the general fund budget is about \$15 million. Cash balances from all funds that include property taxes, including the general fund increased a little over \$1.3 million to a total of just over \$6 million. Again, not a lot when those budgets total about \$21 million. Funds that do not include property taxes increased just over \$100K to \$1.4 million. County officials will recognize these cash balances as razor thin compared to theirs. And they are especially slim when anticipating property tax caps coming that will reduce our \$13 million property tax levy by \$1.2 million... and a yet unknown amount more when the school bond issue hits the tax rolls. And the condition of the local economy affects both property tax and income tax collections. So don't anyone think we can go on a spending spree.

Downtown

Good things continue in our downtown, thanks to a combination of efforts of Downtown Goshen, Inc, the Economic Improvement District board, the Chamber of Commerce and the Goshen Redevelopment Commission.

The façade program is a public-private partnership giving some financial assistance to building owners to improve storefronts according to approved guidelines. It is having positive results. Several new businesses have opened. One is a framing and gift store that just moved into the old auto garage part of the former Goshen Auto Electric building.

The Wine Gallery and Eye Dart art store have expanded. Ten Thousand Villages is coming to downtown. And word is the Nut Shop may be moving around the corner to occupy a larger space in a Main Street storefront.

The renovation of the Shoots building on Lincoln Avenue was completed by LaCasa to go along with its renovation of the former Lincoln Hotel (some remember it as Hattle). Both projects converted single room weekly rentals with shared bathroom facilities to self-contained, energy efficient apartments. ADEC offices now occupy the ground floor of the Shoots building. These were the two buildings identified in the Hyett Palma downtown study most in need of drastic change. The City of Goshen and Redevelopment Commission assisted these projects. Thanks to LaCasa and hundreds of volunteers who contributed thousands of hours to these projects.

First Friday events have brought hundreds and hundreds of people downtown on the first Friday evening of each month. People have enjoyed shopping, dining out, seeing plays and movies, hearing concerts, watching ice sculptors at work and just getting together with friends. Many thanks to Gina Liechty and others on the committee for the many hours they have spent making First Fridays successful. The Goshen Parks and Recreation department will be bringing its summer concert series from Pringle Park to downtown to join with other First Fridays' events.

The Chamber of Commerce added Nick Kiefer to its staff largely to work with small businesses, downtown business retention and attraction, and providing staff support for organizations that work to improve the central business district. The City has supported this position with some of its Economic Development Income tax funds.

Neighborhoods

The City and LaCasa completed a third year of work in the East Lincoln Crossroads neighborhood, a several square block area south of East Lincoln Avenue and west of South 8th Street.

The next neighborhood slated for attention is the Crescent Street area near Chamberlain School. This will be another 3-year project, with Crescent Street getting new sewer, water, street and sidewalks.

LaCasa will be doing rehab work on houses in that area with its Help-a-House program. The City provides Community Development Block Grant funds for materials.

Housing Development

Partly due to economic downturn and our share of the nationwide sub-prime mortgage problem, we're seeing more homes on the market than normal. However, despite these setbacks, we're still seeing modest growth in new starts, down from 109 in 2006 to 78 in 2007. Houses have been built in various areas of town...North Meadow Estates across Main Street from Mennonite Mutual Aid, Westoria, the new subdivision west of Greene Road, Keystone Point near Greencroft, Waterford Commons south of the Goshen Industrial Park and on the former Hay farm south of West Plymouth Avenue near Greene Road. The City Council just approved a new 32-unit in-fill development along Middlebury Street.

Commercial Development

2007 saw continuing commercial development. Medical offices were built on Plymouth Avenue, and more new medical offices are slated for Dierdorff Road. New restaurants and a new hotel were built on US33 South with another hotel soon to break ground next to the Travel Lodge, which you may remember as the original Holiday Inn and later Ramada Inn. New retail stores, a new bank, and a new dentist office were built on the former county triangle near Target and Kohl's stores.

A number of years ago, Wal-Mart was the first retailer to bookend Goshen with stores at both ends. They are currently proceeding to convert their second store into a supercenter. Walgreens is the latest retailer to build at both ends of town.

But my son still wants a Texas Road House, my wife still wants a Barnes and Noble bookstore, and everyone wants a Red Lobster and an Olive Garden. And I still want a Mad Anthony's downtown. To myself and everyone else I have to say "be patient."

Total building permit values in 2007 were a little under \$48 million compared to a little over \$58 million in 2006.

Bike and Pedestrian Paths

The path that Dave Daugherty has been haranguing me about since he came to town is mostly finished along Plymouth Avenue, across from Black Squirrel Golf Course.

People along West Wilden Avenue have mostly been patient waiting for the path that meets the one completed by the county to the west Goshen City limits. The City had to jump through some new hoops for INDOT, but hopefully we can construct this year.

We're close to completing the purchase from NIPSCO of the property near the millrace tailgates that is needed to complete the path along the Elkhart River to the Rogers Park footbridge. And design work continues for the pedestrian tunnel under Plymouth Avenue along the millrace.

These three projects, and renovation of the former powerhouse tailgates building, are being constructed primarily with federal transportation and air quality enhancement grants. We also have a Safe Routes to School grant to build sidewalk along 11th Street and New York Street where kids walk to Parkside School.

Roads and Transportation

The City was recently informed that survey work is ready to restart for the US33 project. This project was suspended for a while by INDOT and was promised to rekindle if the toll road was leased. The City continues work to improve roads in the industrial area on the southeast side of Goshen. These are being funded with tax increment finance dollars coming as a result of new industrial buildings.

It's been a tough year already for the Street Department. They've burned through salt and overtime budgets and have already been filling a lot of potholes. To give an idea, from 2000 to 2006, City spent average of about \$45,000/year on salt. In 2007, we spent \$115,000. Already this year, we've spent close to that.

Industrial Development

We saw quite a bit of industrial growth in 2007 on the southeast side of town. This created a healthy bump up in Tax Increment Finance funds, which are needed to improve roads and other infrastructure. There is currently a need for more industrial

ground, and we have been meeting with Greater Goshen Association to discuss how and where to proceed to develop more.

Other

There are a number of other good things I could expand on. I didn't mention progress in the redevelopment of the millrace area. Or what is happening in the police and fire departments. There is more to talk about with parks and recreation. And planning. And building. And engineering. And water and sewer utilities.

Progress wouldn't happen without good partnerships such as the one we enjoy with the Chamber of Commerce on a number of fronts. And with the Economic Development Corporation of Elkhart County to grow jobs. And with LaCasa to improve blighted properties. And with Goshen schools to create a fiber optics loop and provide school resource officers. But progress also would not happen without dedicated employees committed to improving Goshen. None of them are getting rich doing as they do it. If they are rich, it's due to inheritance, a spouse's income, or a combination of luck and skill at the casinos in Michigan and Lake County. I thank both them and members of the City Council for support in helping positive things happen.

In the 2006 "State of the City" address, I mentioned various elements that make Goshen a "livable community," things that have allowed it to grow, while at the same time, many cities across the country are declining in population. Some of those elements were mentioned here again in 2008. I mentioned dedicated City employees working hard to improve our community. I talked about things like a vibrant downtown, a well respected and thriving hospital, healthy neighborhoods with huge help from a great community development organization in LaCasa, a great school system, strong industrial base, quality retirement communities at Greencroft and Waterford Crossings, nationally recognized Goshen College, good park and recreation facilities and programs, a growing bike and pedestrian path system, and a phenomenal Boys and Girls Club. And, I mentioned a growing creative class of young entrepreneurs sought by many communities, and who are attracted to Goshen by all the other elements in play.

I'm pleased to say these are still strong elements of our community. But I overlooked some things, also. I failed to mention Oaklawn, a great provider of mental health services. And I didn't talk about the role the Chamber of Commerce has played, and continues to play, to improve Goshen through its support of commerce and industry, downtown organizations and events, and sponsorship of the annual spring "Clean Up Goshen" campaign. We have been extremely fortunate to have a good working relationship between City government and the Chamber of Commerce for many years. It is not a given that this happens in many communities. I also didn't recognize the quality service clubs and sororities in our community, taking on projects that City government has neither the time nor money to do. The multi denominational faith community with its many churches is an important part of our livability. But I did not acknowledge that element. And I didn't pay respect to the hundreds and hundreds of volunteers who serve our community in so many ways... through the organizations already mentioned, on the City's many boards and commissions, and as individuals apart from any structured process.

And I'm still overlooking elements that contribute to Goshen's viability. All make up the thread and fabric of the tightly bound community quilt that is Goshen.