



MEMORANDUM

DATE: November 13, 2024
TO: Common Council
FROM: Corporation Counsel John Espar
RE: Proposed Resolution No. 24-R-54

A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF ELKHART, INDIANA, ADOPTING A WRITTEN FISCAL PLAN TO DEFINE A POLICY FOR THE PROVISION OF SERVICES TO THE AREA GENERALLY DESCRIBED AS 37.13 VACANT ACRES ON COUNTY ROAD 14 EAST OF COUNTY ROAD 17 IN ELKHART COUNTY, INDIANA, A PROPOSED ANNEXATION AREA

This Proposed Resolution relates to the request for annexation of the property referenced above which is presently before this Council under Proposed Ordinance No. 24-O-52.

This Proposed Resolution 24-R-54 would adopt the attached, *Annexation Fiscal Plan for the City of Elkhart, 3 Creek LLC* as the fiscal plan and defined policy for the provision of services to the annexed areas which is a requirement under state law as part of annexation.

RESOLUTION NO. R-

A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF ELKHART, INDIANA, ADOPTING A WRITTEN FISCAL PLAN TO DEFINE A POLICY FOR THE PROVISION OF SERVICES TO THE AREA GENERALLY DESCRIBED AS 37.13 VACANT ACRES ON COUNTY ROAD 14 EAST OF COUNTY ROAD 17 IN ELKHART COUNTY, INDIANA, A PROPOSED ANNEXATION AREA

WHEREAS, the City of Elkhart, Indiana, desires to annex certain real estate generally described as 37.13 Vacant Acres on County Road 14 East of County Road 17 in Elkhart County, Indiana, and more specifically described in Proposed Ordinance No. 24-O-52; and

WHEREAS, responsible planning and state law require adoption of a fiscal plan and definite policy for the provision of services to annexed areas; and

WHEREAS, such a plan and policy has been developed and presented to the Common Council, entitled “ANNEXATION FISCAL PLAN FOR THE CITY OF ELKHART, 3 CREEK LLC” (the “Plan”).

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF ELKHART, INDIANA, THAT:

1. The Common Council of the City of Elkhart, Indiana, hereby approves and adopts the Plan, which plan is attached hereto and made a part hereof, and hereby approves and adopts the specific policies for implementation of the Plan as set out therein.

2. Any monies necessary for the provision of services as described and itemized in the attached Plan shall be budgeted and appropriated from the applicable fund, pursuant to state law and the City’s budget procedure.

3. The services of a non-capital nature described in the Plan are equivalent in standard and scope to such non-capital services provided to areas within the corporate boundaries of the City of Elkhart that have similar topographies, patterns of land use, and population density.

4. Services of a capital improvement nature that are described in the Plan will be provided to the annexed area within three (3) years after the effective date of this annexation in the same manner as those services are provided to areas within the corporate boundaries of the City of Elkhart that have similar topography, patterns of land use, and population density, and in a manner consistent with federal, state and local laws, procedures and planning criteria.

5. It is anticipated that this annexation will not result in the elimination of jobs for employees of other governmental entities. In the event that it does, however, then the Human Resources Department of the City of Elkhart, Indiana, is hereby directed to assist such employees in obtaining new employment; but nothing herein shall require the City to hire any such employees.

6. This Resolution shall become effective as of the date of passage of Proposed Ordinance No. 24-O-52 entitled, “AN ORDINANCE ANNEXING CERTAIN REAL ESTATE GENERALLY DESCRIBED AS 37.13 VACANT ACRES ON COUNTY ROAD 14 EAST OF COUNTY ROAD 17 IN ELKHART COUNTY, INDIANA, AND DECLARING THE SAME TO BE A PART OF THE CITY OF ELKHART, INDIANA.”

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RESOLVED this _____ day of _____, _____.

Arvis Dawson
President of the Common Council

ATTEST:

Debra D. Barrett, Elkhart City Clerk

PRESENTED to the Mayor by me this _____ day of _____, _____, at _____
_____ a.m./p.m.

Debra D. Barrett, Elkhart City Clerk

APPROVED by me this _____ day of _____, _____.

Rod Roberson, Elkhart City Mayor

ATTEST:

Debra D. Barrett, Elkhart City Clerk

**ANNEXATION FISCAL PLAN
FOR THE
CITY OF ELKHART**

3 Creek LLC Annexation

October 20, 2024

Prepared by:



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INTRODUCTION

The following fiscal plan (the "Fiscal Plan") is for the proposed annexation of a parcel to the south of the existing corporate limits on the east side of Elkhart (the "Annexation Area"). The Annexation Area is adjacent to the City of Elkhart (the "City"). The requirements of the Indiana Code mandate the development and adoption of a written fiscal plan and the establishment of a definite policy by resolution of the City Council. The Indiana Code 36-4-3-13(d) states that this fiscal plan must include and provide:

- 1) The cost estimates of planned services to be furnished to the territory to be annexed. The plan must present itemized estimated costs for each municipal department or agency;
- 2) The method or methods of financing the planned services. The plan must explain how specific and detailed expenses will be funded and must indicate the taxes, grants and other funding to be used;
- 3) The plan for the organization and extension of services. The plan must detail the specific services that will be provided and the dates the services will begin;
- 4) That planned services of a non-capital nature, including police protection, fire protection, street and road maintenance and other non-capital services normally provided within the corporate boundaries will be provided within one (1) year after the effective date of annexation and that they will be provided in a manner equivalent in standard and scope to those non-capital services provided in areas within the corporate boundaries regardless of similar topography, patterns of land use and population density;
- 5) That services of a capital improvement nature, including street construction, street lighting, sewer facilities, water facilities and storm water drainage facilities, will be provided to the annexed territory within three (3) years after the effective date of the annexation in the same manner as those services are provided to areas within the corporate boundaries, regardless of similar topography, patterns of land use and population density and in a manner consistent with federal, state and local laws, procedures and planning criteria;
- 6) The estimated effect of the proposed annexation on taxpayers in each of the political subdivisions to which the proposed annexation applies, including the expected tax rates, tax levies, expenditure levels, service levels and annual debt service payments in those political subdivisions for four (4) years after the effective date of the annexation;
- 7) The estimated effect the proposed annexation will have on municipal finances, specifically how municipal tax revenues will be affected by the annexation for four (4) years after the effective date of the annexation;
- 8) Any estimated effects on political subdivisions in the county that are not part of the annexation and on taxpayers located in those political subdivisions for four (4) years after the effective date of the annexation; and

INTRODUCTION

- 9) A list of all parcels of property in the annexation territory and the following information regarding each parcel:
- (A) The name of the owner of the parcel.
 - (B) The parcel identification number.
 - (C) The most recent assessed value of the parcel.
 - (D) The existence of a known waiver of the right to remonstrate on the parcel.

This Fiscal Plan may include additional materials in connection with the foregoing. It was developed through the cooperative efforts of the City's various administrative offices and the City's financial advisors, Baker Tilly. This Fiscal Plan is the result of an analysis of the proposed Annexation Area.

The Annexation Area is contiguous to the City for the purposes of Indiana Code 36-4-3-1.5, and there is a written Fiscal Plan, herein provided, that has been approved by the City Council.

SECTION I

AREA DESCRIPTION

A. Location, Area Size and Contiguity

The proposed Annexation Area is located on the south side of the existing corporate boundaries on the east side of the City. A map and legal description of the area to be annexed has been included in attached Appendix II.

The Annexation Area is approximately 37.13 acres. The perimeter boundary of the Annexation Area is more than 12.5% contiguous to the existing corporate boundaries of the City.

B. Current Land Use

The Annexation Area consists of vacant agricultural land.

C. Zoning

Existing Zoning: Agricultural (A-1)

Proposed Zoning: Manufacturing (M-2)

D. Current Population

The current population of the Annexation Area is estimated at 0, as there are no occupied homes within the Annexation Area.

E. Real Property Assessed Valuation

The estimated net assessed valuation for land and improvements in the Annexation Area is \$85,300. This represents the net assessed value as of January 1, 2024 for taxes payable 2025.

SECTION II

NON-CAPITAL SERVICES

A. Cost of Services

The current standard and scope of non-capital services being delivered within the City and the Annexation Area were evaluated by each municipal department to determine the personnel and equipment necessary to provide such non-capital services in a manner equivalent in standard and scope to services that are currently provided within the existing City's municipal boundary.

The City will provide all non-capital services to the Annexation Area within one (1) year after the effective date of the annexation in a manner equivalent in standard and scope to those non-capital services provided to areas within the City regardless of topography, patterns of land use, and population density.

B. Police Protection

The Elkhart County Sheriff's Department currently provides police protection and law enforcement services to the Annexation Area. However, all non-capital services of the Elkhart Police Department will be made available in the Annexation Area within 1 year of the effective date of this annexation and will be extended in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the City.

The City of Elkhart Police Department's primary purpose is the prevention of crime. The department is manned 24 hours per day, and it consists of over 100 officers. The Police Department consists of several divisions with many specialty units. For example, the patrol division includes a special response team, an explosive ordinance disposal unit, a dive team and a canine unit. The Police Department patrols within the boundaries of the City on a daily basis and responds to all alarm calls. In addition, the Police Department provides other services such as detection and apprehension of offenders, traffic control and preservation of civil order. The Police Department does not distinguish between different areas of the City. The same services are provided throughout the City. Due to the location and character of the Annexation Area, the City does not anticipate any additional costs as a result of the annexation.

C. Fire Protection and Emergency Medical Services

The Annexation Area is currently served by the Jefferson Township Volunteer Fire Department. However, all non-capital services of the Elkhart Fire Department ("E.F.D.") will be made available in the Annexation Area within 1 year of the effective date of this annexation and will be extended in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the City.

SECTION II

(Cont'd)

NON-CAPITAL SERVICES

C. Fire Protection and Emergency Medical Services (Cont'd)

The E.F.D. serves within the corporate boundaries of the City and provides mutual aid to surrounding communities and townships, including the Annexation Area. The department consists of 1 chief, 1 assistant chief, 2 division chiefs, 2 chief inspectors, 3 battalion chiefs, 3 assistant battalion chiefs and over 100 additional firefighters, which includes 47 who are state certified paramedics. The firefighters staff 7 fire stations 24 hours per day, 365 days per year. Located within these stations, the department's active fleet of apparatus is comprised of 6 engines companies, 2 truck companies and 3 paramedic ambulances. The E.F.D. also has 3 reserve engines and 2 reserve ambulances for use in times of extreme emergency or when mechanical issues occur. The E.F.D. provides fire and emergency medical response services to citizens within the City limits. Due to the location and character of the Annexation Area, the E.F.D. does not anticipate needing to hire additional employees as a result of the annexation. Any increase in costs as a result of the annexation will be funded by the E.F.D.'s budget.

D. Communications Center

Any dispatch calls within the Annexation Area are currently handled by Elkhart County 9-1-1 Communications Center. Within the City, Elkhart Communications Center dispatches all Police, Fire and EMS calls within the City limits. The Center has at least three dispatchers on duty at all times. Dispatchers answer all incoming 9-1-1 calls within the City, all non-emergency and business lines, as well as several direct dial private lines. The Elkhart Communications Center does not anticipate any additional costs as a result of the annexation.

E. Street Maintenance

The only street within the Annexation Area will not be maintained by the City. The Annexation Area does not contain any new streets that the City will be responsible for maintaining, therefore; there will be no additional street maintenance costs as a result of the annexation.

F. Trash Collection and Recycling

Elkhart County does not provide solid waste disposal to the Annexation Area. This service is provided to residents outside of the City by private firms. A comprehensive survey was not undertaken, but based on available information it appears as if private firms charge approximately \$60 or more per quarter for residential trash pick-up.

SECTION II

(Cont'd)

NON-CAPITAL SERVICES

F. Trash Collection and Recycling (cont'd)

Within 1 year of the effective date of this annexation, all non-capital services of the Elkhart Street and Public Works Departments, including trash collection, recycling, yard refuse and limb pick up, will be made available in the Annexation Area and will be extended in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the City. Any additional costs to the City will be offset by additional related revenues.

G. Storm Drainage

Storm water and drainage facilities throughout the Annexation Area will be consistent with the City's current storm water and drainage system throughout the City. The City and County have maintained their drainage areas very similarly, as the City is a part of the Greater Elkhart County Storm Water Partnership for which the Elkhart County Soil and Water Conservation District acts as supervisor. The City currently charges \$50 annually per ERU, which is collected through property taxes. Any future development in the area will have to have its storm water plan approved by the City engineer or the City's Department of Storm Water Management, and any associated storm water and drainage costs will be borne by the developers. All non-capital services of the Department of Storm Water Management will be made available in the Annexation Area within 1 year of the effective date of this annexation and will be extended in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the City.

H. Parks

There are currently nineteen community parks, ten neighborhood parks, one water park and one swimming pool within City limits. High Dive Park and McNaughton Park are both located along the river front and have amenities for tennis, hiking and fishing, as well as pavilions with full kitchens. Studebaker Park features a soccer field, tennis courts, a basketball court, a baseball diamond, a large multi-purpose field, playgrounds and trails for hiking. Ideal Beach is also part of the City's park system. It is a large, water park that contains a wading pool, water slide, swimming beach, sand volleyball court, miniature golf, a public boat ramp and concessions. The NIBCO Ice & Water Park is another featured destination of the Parks Department, with skate rentals, an outdoor ice path, picnic areas and concessions. It is anticipated that no additional parks will be added as a result of annexation, therefore there will be no additional costs to the City.

Nevertheless, all non-capital services of the Parks Department will be made available in the Annexation Area on the date the annexation becomes effective and will be extended in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the City.

SECTION II

(Cont'd)

NON-CAPITAL SERVICES

I. Street Lighting

Elkhart County does not provide street lights in the Annexation Area. After annexation, the City may approve street lighting on a case-by-case basis. If approved, the City pays all costs for installation and maintenance of streetlights. At this time, the City does not anticipate adding any additional street lights.

J. Building and Code Enforcement

The Building and Code Enforcement Department of the City of Elkhart is responsible for conducting building, electrical, plumbing, HVAC and structural inspections. It is anticipated that any additional costs associated with inspections in the Annexation Area will be offset by revenues from the associated building permits.

K. Governmental Administrative Services

The City does not anticipate that the addition of the Annexation Area will result in a demand for Governmental Administrative Services that cannot be met by the existing staffing of the City's offices, agencies and departments. All non-capital services of the administration of the City will be made available in the Annexation Area on the date the annexation becomes effective and will be extended in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the City.

The Governmental Administrative Services of the City include, but are not limited to, the services provided by the following:

- Mayor's Office
- City Council
- Redevelopment Commission
- Elkhart Environmental Center
- Economic Development Commission
- Finance Department
- Human Resources
- Planning and Zoning Department
- Emergency Management Department
- Information Technology Department

SECTION III

CAPITAL IMPROVEMENTS

A. Cost of Services

The Annexation Area was evaluated to determine the services and facilities required to provide the same type of services in the same manner as services that are currently provided within the existing City's corporate limits.

The City will provide the following capital services to the Annexation Area no later than three (3) years after the effective date of the annexation in the same manner as those capital services provided to areas within the City regardless of topography, patterns of land use and population density and in a manner consistent with federal, state and local laws, procedures and planning criteria. It is currently assumed that the annexation will be effective as soon as practically possible, but no later than December 31, 2024.

B. Water Service

The Annexation Area is not currently served. The Elkhart Municipal Water Utility provides water service in the immediately surrounding area and has the capacity and capability to provide service to the Annexation Area if and when connection is desired. It is anticipated that new customers will pay the applicable tap fee and water assessment charges. It is important to note that the Water Utility is a separate proprietary fund of the City that maintains separate books and records, and extensions in service are typically borne by the respective property owner or developer. Regardless, all capital services of the Water Department will be extended to the Annexation Area within 3 years of the effective date of this annexation in the same manner as those services are provided to areas inside the corporate limits and in a manner consistent with federal, state and local laws, procedures and planning criteria.

C. Wastewater Service

The Annexation Area is not currently served. The Elkhart Municipal Sewage Works provides wastewater service in the immediately surrounding area and has the capacity and capability to provide service to the Annexation Area if and when connection is desired. It is anticipated that new customers will pay the applicable tap fee and sewer assessment charges. It is important to note that the Sewage Works is a separate proprietary fund of the City that maintains separate books and records, and extensions in service are typically borne by the respective property owner or developer. Regardless, all capital services of the Wastewater Department will be extended to the Annexation Area within 3 years of the effective date of this annexation in the same manner as those services are provided to areas inside the corporate limits and in a manner consistent with federal, state and local laws, procedures and planning criteria.

SECTION III

(Cont'd)

CAPITAL IMPROVEMENTS

D. Storm Water and Drainage

Storm water and drainage facilities throughout the Annexation Area will be consistent with the City's current storm water and drainage system throughout the City. The City and County have maintained their drainage areas very similarly, as the City is a part of the Greater Elkhart County Storm Water Partnership for which the Elkhart County Soil and Water Conservation District acts as supervisor. The City currently charges \$50 annually per ERU, which is collected through property taxes. Any future development in the area will have to have its storm water plan approved by the City Engineer or the City's Department of Storm Water Management, and any associated storm water and drainage costs will be borne by the developers. Regardless, all capital services of the Department of Storm Water Management will be extended to the Annexation Area within 3 years of the effective date of this annexation in the same manner as those services are provided to areas inside the corporate limits and in a manner consistent with federal, state and local laws, procedures and planning criteria.

E. Street Construction

Construction of any new streets within the developments in the Annexation Area will be the responsibility of the appropriate developer in accordance with the applicable City Code. The existing streets within the Annexation Area are in very similar condition to existing City streets; it is not anticipated that any additional costs will be required to improve them to City standards. Regardless, all capital services of the Elkhart Street Department, including evaluation and construction services, will be extended to the Annexation Area within 3 years of the effective date of this annexation in the same manner as those services are provided to areas inside the corporate limits and in a manner consistent with federal, state and local laws, procedures and planning criteria.

SECTION IV

FISCAL IMPACT

As a result of this annexation, the assessed value for the City will not change. The property will be considered municipal tax-exempt upon annexation due to its 100% agricultural assessment.

It is assumed that the effective date of this annexation will be as soon as practically possible, but no later than December 31, 2024. Based on the assumed effective date, Annexation Area property owners will not pay property taxes to the City until 2025 payable 2026, or until the parcel is no longer considered municipal tax-exempt. However, the City will begin providing non-capital municipal services to the property owners within one (1) year after the effective date of the annexation, and it will begin providing capital municipal services to the property owners within three (3) years after the effective date of the annexation.

It is anticipated that there will be no additional costs to the City as a result of the annexation and that the City will not realize an increase in its levy as a result of the annexation. There will also be no impact on overlapping taxing units.

SECTION V

ASSUMED INDEBTEDNESS

As required by Indiana Code 36-4-3-10, the City will assume and pay any unpaid bonds or other obligations of Jefferson Township existing at the effective date of the annexation of the Annexation Area in the same ratio as the assessed valuation of the property in the Annexation Area bears to the assessed valuation of all property in Jefferson Township, as shown by the most recent assessment for taxation before the annexation, unless the assessed property within the City is already liable for the indebtedness.

Jefferson Township has no debt currently outstanding.

Appendix I

CITY OF ELKHART, INDIANA

3 Creek LLC Annexation

ESTIMATED ASSESSED VALUE AND TAX RATE IMPACT

(Assumes first year of tax collections from Annexation Area is 2025 pay 2026)

Assessment Year	Estimated Net Assessed Value of Annex. Area (1)	Estimated Net Assessed Value of City (2)	Total Est. Net Assessed Value of City (3)	Est. Property Tax Levy of City (4),(5),(6)	Total Est. Property Tax Rate (7)
2023 Pay 2024	N/A	\$3,276,097,001	\$3,276,097,001	\$60,601,243	\$1.8498
2024 Pay 2025	N/A	3,370,692,784	3,370,692,784	62,981,225	1.8685
2025 Pay 2026	MTE	3,539,227,423	3,539,227,423	65,975,270	1.8641
2026 Pay 2027	MTE	3,716,188,794	3,716,188,794	68,795,021	1.8512
2027 Pay 2028	MTE	3,901,998,234	3,901,998,234	71,272,021	1.8266
2028 Pay 2029	MTE	4,097,098,146	4,097,098,146	74,114,456	1.8089

- (1) There will be no added assessed value to the City as the property being annexed is considered Municipal Tax-Exempt due to its 100% agricultural assessment. There is potential industrial development in the amount of approximately \$15,600,000, but the timing is currently unknown.
- (2) Assumes the assessed value for the City of Elkhart, excluding the Annexation Area, grows at a rate of 5%.
- (3) Represents the net assessed value for the City, including the Annexation Area, used to calculate the tax rate.
- (4) Assumes controlled property tax levies increase by an annual growth factor as follows:

Year	Controlled Levy Growth
2024	4.0%
2025	4.0%
2026	4.8%
2027	4.3%
2028	3.6%
2029	4.0%

- (5) Assumes that the Park Bond levy remains constant. Also, assumes the CCD rate remains constant, which results in additional levy due to NAV growth.
- (6) Assumes the City receives an automatic increase in its levy equal to its percentage increase in net assessed value as a result of the annexation.
- (7) Based on the Est. Property Tax Levy of City divided by the Total Est. Net Assessed Value of City.

CITY OF ELKHART, INDIANA

3 Creek LLC Annexation

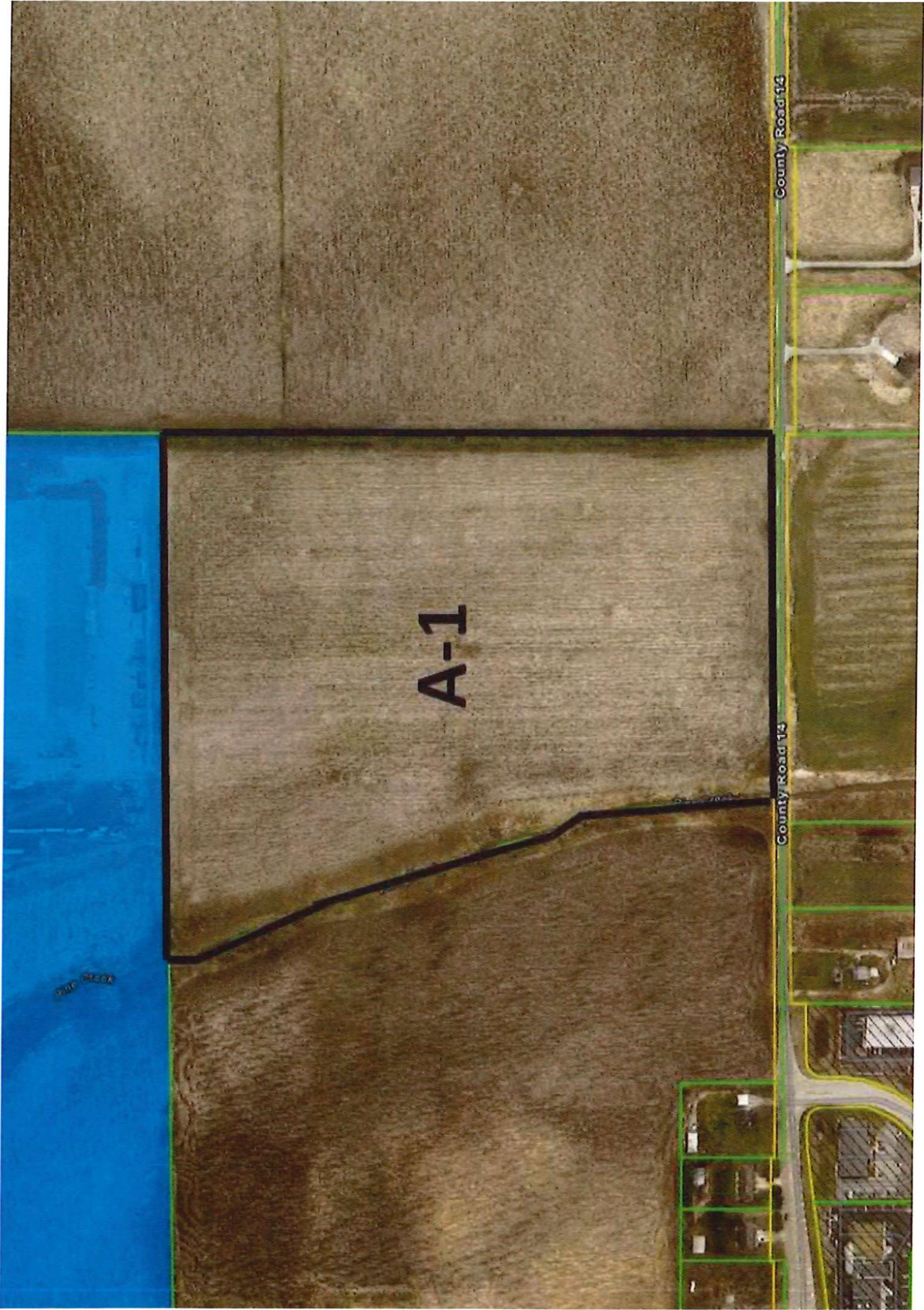
PARCEL LIST

<u>Parcel ID</u>	<u>Owner</u>	<u>'24 Pay '25 Net Assessed Value</u>	<u>Remonstrance Waiver</u>
20-07-06-300-008.000-019	3 Creek LLC	<u>\$ 85,300</u>	No

EXHIBIT A

A part of the Southwest Quarter of Section 6, Township 37 North, Range 6 East, Jefferson Township, Elkhart County, Indiana, being that 37.13 acre tract of land shown on the plat of a Certificate of survey certified by Jeffrey S. Barnes PS #LS20200084 on June 13, 2023 as the Jones Petrie Rafinski (JPR) project number 2023-0103 (all references to monuments and courses herein are as shown on said plat of survey) and being more particularly described as follows:

Beginning at a Harrison monument marking the South Quarter corner of said Section; thence South 89 degrees 13 minutes 6 seconds West, said bearing being the basis of bearing of the description with all other bearings herein relative thereto, along the South line of said Section 855.28 feet to the centerline of Pine Creek; thence along the centerline of said Creek the following 7 courses (1) North 0 degrees 46 minutes 54 seconds West 317.92 feet; (2) North 12 degrees 49 minutes 20 seconds West 132.76 feet; (3) North 15 degrees 11 minutes 10 seconds West 446.73 feet; (4) North 18 degrees 30 minutes 3 seconds West 176.96 feet; (5) North 13 degrees 38 minutes 39 seconds West 197.01 feet; (6) North 20 degrees 26 minutes 10 seconds West 308.64 feet; (7) North 15 degrees 50 minutes 51 seconds West 79.11 feet to the South line of Deed Record 2019-04038, Elkhart County Recorder; thence North 89 degrees 5 minutes 40 seconds East 1,244.53 feet along the South line to the Southeast corner thereof, passing through a capped rebar (Schnaars) that is 0.20 feet West of said corner to the North-South centerline of said Section; thence South 0 degrees 13 minutes 34 seconds West 1,611.05 feet along said centerline to the point of beginning. Containing 37.13 Acres, more or less.



A-1

County Road 14

County Road 14



MEMORANDUM

DATE: November 13, 2024
TO: Common Council
FROM: Corporation Counsel John Espar
RE: Proposed Resolution No. 24-R-55

A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF ELKHART, INDIANA,
ADOPTING A WRITTEN FISCAL PLAN TO DEFINE A POLICY FOR THE PROVISION OF
SERVICES TO THE AREA COMMONLY KNOWN AS 2400 SOUTH, SIXTH STREET,
ELKHART, IN 46517, A PROPOSED ANNEXATION AREA

This Proposed Resolution relates to the request for annexation of the property referenced above which is presently before this Council under Proposed Ordinance No. 24-O-53.

This Proposed Resolution 24-R-55 would adopt the attached, *Annexation Fiscal Plan for the City of Elkhart, Lopez Annexation* as the fiscal plan and defined policy for the provision of services to the annexed areas which is a requirement under state law as part of annexation.

RESOLUTION NO. R-

A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF ELKHART, INDIANA, ADOPTING A WRITTEN FISCAL PLAN TO DEFINE A POLICY FOR THE PROVISION OF SERVICES TO THE AREA COMMONLY KNOWN AS 2400 SOUTH SIXTH STREET, ELKHART, IN 46517, A PROPOSED ANNEXATION AREA

WHEREAS, the City of Elkhart, Indiana, desires to annex certain real estate commonly known as 2400 South Sixth Street, Elkhart, IN 46517, and more specifically described in Proposed Ordinance No. 24-O-53; and

WHEREAS, responsible planning and state law require adoption of a fiscal plan and definite policy for the provision of services to annexed areas; and

WHEREAS, such a plan and policy has been developed and presented to the Common Council, entitled “ANNEXATION FISCAL PLAN FOR THE CITY OF ELKHART, LOPEZ ANNEXATION” (the “Plan”).

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF ELKHART, INDIANA, THAT:

1. The Common Council of the City of Elkhart, Indiana, hereby approves and adopts the Plan, which plan is attached hereto and made a part hereof, and hereby approves and adopts the specific policies for implementation of the Plan as set out therein.

2. Any monies necessary for the provision of services as described and itemized in the attached Plan shall be budgeted and appropriated from the applicable fund, pursuant to state law and the City’s budget procedure.

3. The services of a non-capital nature described in the Plan are equivalent in standard and scope to such non-capital services provided to areas within the corporate boundaries of the City of Elkhart that have similar topographies, patterns of land use, and population density.

4. Services of a capital improvement nature that are described in the Plan will be provided to the annexed area within three (3) years after the effective date of this annexation in the same manner as those services are provided to areas within the corporate boundaries of the City of Elkhart that have similar topography, patterns of land use, and population density, and in a manner consistent with federal, state and local laws, procedures and planning criteria.

5. It is anticipated that this annexation will not result in the elimination of jobs for employees of other governmental entities. In the event that it does, however, then the Human Resources Department of the City of Elkhart, Indiana, is hereby directed to assist such employees in obtaining new employment; but nothing herein shall require the City to hire any such employees.

6. This Resolution shall become effective as of the date of passage of Proposed Ordinance No. 24-O-53 entitled, "AN ORDINANCE ANNEXING CERTAIN REAL ESTATE COMMONLY KNOWN AS 2400 SOUTH SIXTH STREET, ELKHART, IN 46517, AND DECLARING THE SAME TO BE A PART OF THE CITY OF ELKHART, INDIANA."

[Balance of page is intentionally blank.]

RESOLVED this _____ day of _____, _____.

Arvis Dawson
President of the Common Council

ATTEST:

Debra D. Barrett, Elkhart City Clerk

PRESENTED to the Mayor by me this _____ day of _____, _____, at _____
_____ a.m./p.m.

Debra D. Barrett, Elkhart City Clerk

APPROVED by me this _____ day of _____, _____.

Rod Roberson, Elkhart City Mayor

ATTEST:

Debra D. Barrett, Elkhart City Clerk

**ANNEXATION FISCAL PLAN
FOR THE
CITY OF ELKHART**

Lopez Annexation

October 17, 2024

Prepared by:



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INTRODUCTION

The following fiscal plan (the "Fiscal Plan") is for the proposed annexation of a parcel to the south and east of the existing corporate limits on the south side of Elkhart (the "Annexation Area"). The Annexation Area is adjacent to the City of Elkhart (the "City"). The requirements of the Indiana Code mandate the development and adoption of a written fiscal plan and the establishment of a definite policy by resolution of the City Council. The Indiana Code 36-4-3-13(d) states that this fiscal plan must include and provide:

- 1) The cost estimates of planned services to be furnished to the territory to be annexed. The plan must present itemized estimated costs for each municipal department or agency;
- 2) The method or methods of financing the planned services. The plan must explain how specific and detailed expenses will be funded and must indicate the taxes, grants and other funding to be used;
- 3) The plan for the organization and extension of services. The plan must detail the specific services that will be provided and the dates the services will begin;
- 4) That planned services of a non-capital nature, including police protection, fire protection, street and road maintenance and other non-capital services normally provided within the corporate boundaries will be provided within one (1) year after the effective date of annexation and that they will be provided in a manner equivalent in standard and scope to those non-capital services provided in areas within the corporate boundaries regardless of similar topography, patterns of land use and population density;
- 5) That services of a capital improvement nature, including street construction, street lighting, sewer facilities, water facilities and storm water drainage facilities, will be provided to the annexed territory within three (3) years after the effective date of the annexation in the same manner as those services are provided to areas within the corporate boundaries, regardless of similar topography, patterns of land use and population density and in a manner consistent with federal, state and local laws, procedures and planning criteria;
- 6) The estimated effect of the proposed annexation on taxpayers in each of the political subdivisions to which the proposed annexation applies, including the expected tax rates, tax levies, expenditure levels, service levels and annual debt service payments in those political subdivisions for four (4) years after the effective date of the annexation;
- 7) The estimated effect the proposed annexation will have on municipal finances, specifically how municipal tax revenues will be affected by the annexation for four (4) years after the effective date of the annexation;
- 8) Any estimated effects on political subdivisions in the county that are not part of the annexation and on taxpayers located in those political subdivisions for four (4) years after the effective date of the annexation; and

INTRODUCTION

- 9) A list of all parcels of property in the annexation territory and the following information regarding each parcel:
- (A) The name of the owner of the parcel.
 - (B) The parcel identification number.
 - (C) The most recent assessed value of the parcel.
 - (D) The existence of a known waiver of the right to remonstrate on the parcel.

This Fiscal Plan may include additional materials in connection with the foregoing. It was developed through the cooperative efforts of the City's various administrative offices and the City's financial advisors, Baker Tilly. This Fiscal Plan is the result of an analysis of the proposed Annexation Area.

The Annexation Area is contiguous to the City for the purposes of Indiana Code 36-4-3-1.5, and there is a written Fiscal Plan, herein provided, that has been approved by the City Council.

SECTION I

AREA DESCRIPTION

A. Location, Area Size and Contiguity

The proposed Annexation Area is located on the south and east sides of the existing corporate boundaries on the south side of the City. A map and legal description of the area to be annexed has been included in attached Appendix II.

The Annexation Area is approximately 0.19 acres. The perimeter boundary of the Annexation Area is more than 12.5% contiguous to the existing corporate boundaries of the City.

B. Current Land Use

The Annexation Area consists of residential property and other related structures.

C. Zoning

Existing Zoning: Residential (R-1)

Proposed Zoning: Residential (R-1 District)

D. Current Population

The current population of the Annexation Area is estimated at 3. This information is based on the average persons per household in the 2020 Census for Elkhart County.

Households	1
Population per household	<u>2.84</u>
Estimated Population	<u><u>3</u></u>

E. Real Property Assessed Valuation

The estimated net assessed valuation for land and improvements in the Annexation Area is \$19,184. This represents the net assessed value as of January 1, 2023 for taxes payable 2024.

SECTION II

NON-CAPITAL SERVICES

A. Cost of Services

The current standard and scope of non-capital services being delivered within the City and the Annexation Area were evaluated by each municipal department to determine the personnel and equipment necessary to provide such non-capital services in a manner equivalent in standard and scope to services that are currently provided within the existing City's municipal boundary.

The City will provide all non-capital services to the Annexation Area within one (1) year after the effective date of the annexation in a manner equivalent in standard and scope to those non-capital services provided to areas within the City regardless of topography, patterns of land use, and population density.

B. Police Protection

The Elkhart County Sheriff's Department currently provides police protection and law enforcement services to the Annexation Area. However, all non-capital services of the Elkhart Police Department will be made available in the Annexation Area within 1 year of the effective date of this annexation and will be extended in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the City.

The City of Elkhart Police Department's primary purpose is the prevention of crime. The department is manned 24 hours per day, and it consists of over 100 officers. The Police Department consists of several divisions with many specialty units. For example, the patrol division includes a special response team, an explosive ordinance disposal unit, a dive team and a canine unit. The Police Department patrols within the boundaries of the City on a daily basis and responds to all alarm calls. In addition, the Police Department provides other services such as detection and apprehension of offenders, traffic control and preservation of civil order. The Police Department does not distinguish between different areas of the City. The same services are provided throughout the City. Due to the location and character of the Annexation Area, the City does not anticipate any additional costs as a result of the annexation.

C. Fire Protection and Emergency Medical Services

The Annexation Area is currently served by the Concord Township Fire Department. However, all non-capital services of the Elkhart Fire Department ("E.F.D.") will be made available in the Annexation Area within 1 year of the effective date of this annexation and will be extended in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the City.

SECTION II

(Cont'd)

NON-CAPITAL SERVICES

C. Fire Protection and Emergency Medical Services (Cont'd)

The E.F.D. serves within the corporate boundaries of the City and provides mutual aid to surrounding communities and townships, including the Annexation Area. The department consists of 1 chief, 1 assistant chief, 2 division chiefs, 2 chief inspectors, 3 battalion chiefs, 3 assistant battalion chiefs and over 100 additional firefighters, which includes 47 who are state certified paramedics. The firefighters staff 7 fire stations 24 hours per day, 365 days per year. Located within these stations, the department's active fleet of apparatus is comprised of 6 engines companies, 2 truck companies and 3 paramedic ambulances. The E.F.D. also has 3 reserve engines and 2 reserve ambulances for use in times of extreme emergency or when mechanical issues occur. The E.F.D. provides fire and emergency medical response services to citizens within the City limits. Due to the location and character of the Annexation Area, the E.F.D. does not anticipate needing to hire additional employees as a result of the annexation. Any increase in costs as a result of the annexation will be funded by the E.F.D.'s budget.

D. Communications Center

Any dispatch calls within the Annexation Area are currently handled by Elkhart County 9-1-1 Communications Center. Within the City, Elkhart Communications Center dispatches all Police, Fire and EMS calls within the City limits. The Center has at least three dispatchers on duty at all times. Dispatchers answer all incoming 9-1-1 calls within the City, all non-emergency and business lines, as well as several direct dial private lines. The Elkhart Communications Center does not anticipate any additional costs as a result of the annexation.

E. Street Maintenance

The only street within the Annexation Area is already maintained by the City. The Annexation Area does not contain any new streets that the City will be responsible for maintaining, therefore; there will be no additional street maintenance costs as a result of the annexation.

F. Trash Collection and Recycling

Elkhart County does not provide solid waste disposal to the Annexation Area. This service is provided to residents outside of the City by private firms. A comprehensive survey was not undertaken, but based on available information it appears as if private firms charge approximately \$60 or more per quarter for residential trash pick-up.

SECTION II

(Cont'd)

NON-CAPITAL SERVICES

F. Trash Collection and Recycling (cont'd)

Within 1 year of the effective date of this annexation, all non-capital services of the Elkhart Street and Public Works Departments, including trash collection, recycling, yard refuse and limb pick up, will be made available in the Annexation Area and will be extended in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the City. Any additional costs to the City will be offset by additional related revenues.

G. Storm Drainage

Storm water and drainage facilities throughout the Annexation Area will be consistent with the City's current storm water and drainage system throughout the City. The City and County have maintained their drainage areas very similarly, as the City is a part of the Greater Elkhart County Storm Water Partnership for which the Elkhart County Soil and Water Conservation District acts as supervisor. The City currently charges \$50 annually per ERU, which is collected through property taxes. Any future development in the area will have to have its storm water plan approved by the City engineer or the City's Department of Storm Water Management, and any associated storm water and drainage costs will be borne by the developers. All non-capital services of the Department of Storm Water Management will be made available in the Annexation Area within 1 year of the effective date of this annexation and will be extended in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the City.

H. Parks

There are currently nineteen community parks, ten neighborhood parks, one water park and one swimming pool within City limits. High Dive Park and McNaughton Park are both located along the river front and have amenities for tennis, hiking and fishing, as well as pavilions with full kitchens. Studebaker Park features a soccer field, tennis courts, a basketball court, a baseball diamond, a large multi-purpose field, playgrounds and trails for hiking. Ideal Beach is also part of the City's park system. It is a large, water park that contains a wading pool, water slide, swimming beach, sand volleyball court, miniature golf, a public boat ramp and concessions. The NIBCO Ice & Water Park is another featured destination of the Parks Department, with skate rentals, an outdoor ice path, picnic areas and concessions. It is anticipated that no additional parks will be added as a result of annexation, therefore there will be no additional costs to the City.

Nevertheless, all non-capital services of the Parks Department will be made available in the Annexation Area on the date the annexation becomes effective and will be extended in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the City.

SECTION II

(Cont'd)

NON-CAPITAL SERVICES

I. Street Lighting

Elkhart County does not provide street lights in the Annexation Area. After annexation, the City may approve street lighting on a case-by-case basis. If approved, the City pays all costs for installation and maintenance of streetlights. At this time, the City does not anticipate adding any additional streetlights as a result of the annexation.

J. Building and Code Enforcement

The Building and Code Enforcement Department of the City of Elkhart is responsible for conducting building, electrical, plumbing, HVAC and structural inspections. It is anticipated that any additional costs associated with inspections in the Annexation Area will be offset by revenues from the associated building permits.

K. Governmental Administrative Services

The City does not anticipate that the addition of the Annexation Area will result in a demand for Governmental Administrative Services that cannot be met by the existing staffing of the City's offices, agencies and departments. All non-capital services of the administration of the City will be made available in the Annexation Area on the date the annexation becomes effective and will be extended in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the City.

The Governmental Administrative Services of the City include, but are not limited to, the services provided by the following:

- Mayor's Office
- City Council
- Redevelopment Commission
- Elkhart Environmental Center
- Economic Development Commission
- Finance Department
- Human Resources
- Planning and Zoning Department
- Emergency Management Department
- Information Technology Department

SECTION III

CAPITAL IMPROVEMENTS

A. Cost of Services

The Annexation Area was evaluated to determine the services and facilities required to provide the same type of services in the same manner as services that are currently provided within the existing City's corporate limits.

The City will provide the following capital services to the Annexation Area no later than three (3) years after the effective date of the annexation in the same manner as those capital services provided to areas within the City regardless of topography, patterns of land use and population density and in a manner consistent with federal, state and local laws, procedures and planning criteria. It is currently assumed that the annexation will be effective as soon as practically possible, but no later than December 31, 2024.

B. Water Service

The Annexation Area is not currently served. The Elkhart Municipal Water Utility provides water service in the immediately surrounding area and has the capacity and capability to provide service to the Annexation Area if and when connection is desired. It is anticipated that new customers will pay the applicable tap fee and water assessment charges. It is important to note that the Water Utility is a separate proprietary fund of the City that maintains separate books and records, and extensions in service are typically borne by the respective property owner or developer. Regardless, all capital services of the Water Department will be extended to the Annexation Area within 3 years of the effective date of this annexation in the same manner as those services are provided to areas inside the corporate limits and in a manner consistent with federal, state and local laws, procedures and planning criteria.

C. Wastewater Service

The Annexation Area is not currently served. The Elkhart Municipal Sewage Works provides wastewater service in the immediately surrounding area and has the capacity and capability to provide service to the Annexation Area if and when connection is desired. It is anticipated that new customers will pay the applicable tap fee and sewer assessment charges. It is important to note that the Sewage Works is a separate proprietary fund of the City that maintains separate books and records, and extensions in service are typically borne by the respective property owner or developer. Regardless, all capital services of the Wastewater Department will be extended to the Annexation Area within 3 years of the effective date of this annexation in the same manner as those services are provided to areas inside the corporate limits and in a manner consistent with federal, state and local laws, procedures and planning criteria.

SECTION III

(Cont'd)

CAPITAL IMPROVEMENTS

D. Storm Water and Drainage

Storm water and drainage facilities throughout the Annexation Area will be consistent with the City's current storm water and drainage system throughout the City. The City and County have maintained their drainage areas very similarly, as the City is a part of the Greater Elkhart County Storm Water Partnership for which the Elkhart County Soil and Water Conservation District acts as supervisor. The City currently charges \$50 annually per ERU, which is collected through property taxes. Any future development in the area will have to have its storm water plan approved by the City Engineer or the City's Department of Storm Water Management, and any associated storm water and drainage costs will be borne by the developers. Regardless, all capital services of the Department of Storm Water Management will be extended to the Annexation Area within 3 years of the effective date of this annexation in the same manner as those services are provided to areas inside the corporate limits and in a manner consistent with federal, state and local laws, procedures and planning criteria.

E. Street Construction

Construction of any new streets within the developments in the Annexation Area will be the responsibility of the appropriate developer in accordance with the applicable City Code. The existing streets within the Annexation Area are in very similar condition to existing City streets; it is not anticipated that any additional costs will be required to improve them to City standards. Regardless, all capital services of the Elkhart Street Department, including evaluation and construction services, will be extended to the Annexation Area within 3 years of the effective date of this annexation in the same manner as those services are provided to areas inside the corporate limits and in a manner consistent with federal, state and local laws, procedures and planning criteria.

SECTION IV

FISCAL IMPACT

As a result of this annexation, based on estimated assessed values as of January 1, 2024, the net assessed value for the City is anticipated to increase by \$19,184, or approximately 0.0005%. The net impact of increasing the City's net assessed value will result in additional property tax revenues to the City, which may be used to offset the cost of providing services to the Annexation Area.

It is assumed that the effective date of this annexation will be as soon as practically possible, but no later than December 31, 2024. Based on the assumed effective date, Annexation Area property owners will not pay property taxes to the City until 2025 payable 2026. However, the City will begin providing non-capital municipal services to the property owners within one (1) year after the effective date of the annexation, and it will begin providing capital municipal services to the property owners within three (3) years after the effective date of the annexation.

It is anticipated that there will be no additional costs to the City as a result of the annexation.

It is anticipated that the City will realize an increase in its levy of approximately \$345 as a result of the annexation. However, the percentage increase in the levy will not exceed the percentage increase in the City's assessed value; therefore, there is not anticipated to be a tax rate increase as a direct result of this annexation. If there is a shortfall in revenue from the annexation, the services described in this plan can be provided using funds on hand.

Based on the assumed annual growth factors noted on page 12, the additional levy will be approximately \$360 in 2027, \$373 in 2028, and \$388 in 2029. The estimated additional property tax cap losses for the overlapping taxing units based on current assessed values will be minimal (less than \$1).

SECTION V

ASSUMED INDEBTEDNESS

As required by Indiana Code 36-4-3-10, the City will assume and pay any unpaid bonds or other obligations of Concord Township existing at the effective date of the annexation of the Annexation Area in the same ratio as the assessed valuation of the property in the Annexation Area bears to the assessed valuation of all property in Concord Township, as shown by the most recent assessment for taxation before the annexation, unless the assessed property within the City is already liable for the indebtedness.

Concord Township has no debt currently outstanding.

Appendix I

CITY OF ELKHART, INDIANA

Lopez Annexation

ESTIMATED ASSESSED VALUE AND TAX RATE IMPACT

(Assumes first year of tax collections from Annexation Area is 2025 pay 2026)

Assessment Year	Estimated Net Assessed Value of Annex. Area (1)	Estimated Net Assessed Value of City (2)	Total Est. Net Assessed Value of City (3)	Est. Property Tax Levy of City (4),(5),(6)	Total Est. Property Tax Rate (7)
2023 Pay 2024	N/A	\$3,276,097,001	\$3,276,097,001	\$60,601,243	\$1.8498
2024 Pay 2025	N/A	3,370,692,784	3,370,692,784	62,981,225	1.8685
2025 Pay 2026	\$19,184	3,539,227,423	3,539,246,607	65,975,624	1.8641
2026 Pay 2027	19,184	3,716,188,794	3,716,207,978	68,795,390	1.8512
2027 Pay 2028	19,184	3,901,998,234	3,902,017,418	71,272,403	1.8266
2028 Pay 2029	19,184	4,097,098,146	4,097,117,330	74,114,853	1.8090

- (1) Based on the current net assessed value of the real property in the Annexation Area as gathered from the Elkhart County Assessor's office.
- (2) Assumes the assessed value for the City of Elkhart, excluding the Annexation Area, grows at a rate of 5%.
- (3) Represents the net assessed value for the City, including the Annexation Area, used to calculate the tax rate.
- (4) Assumes controlled property tax levies increase by an annual growth factor as follows:

Year	Controlled Levy Growth
2024	4.0%
2025	4.0%
2026	4.8%
2027	4.3%
2028	3.6%
2029	4.0%

- (5) Assumes that the Park Bond levy remains constant. Also, assumes the CCD rate remains constant, which results in additional levy due to NAV growth.
- (6) Assumes the City receives an automatic increase in its levy equal to its percentage increase in net assessed value as a result of the annexation.
- (7) Based on the Est. Property Tax Levy of City divided by the Total Est. Net Assessed Value of City.

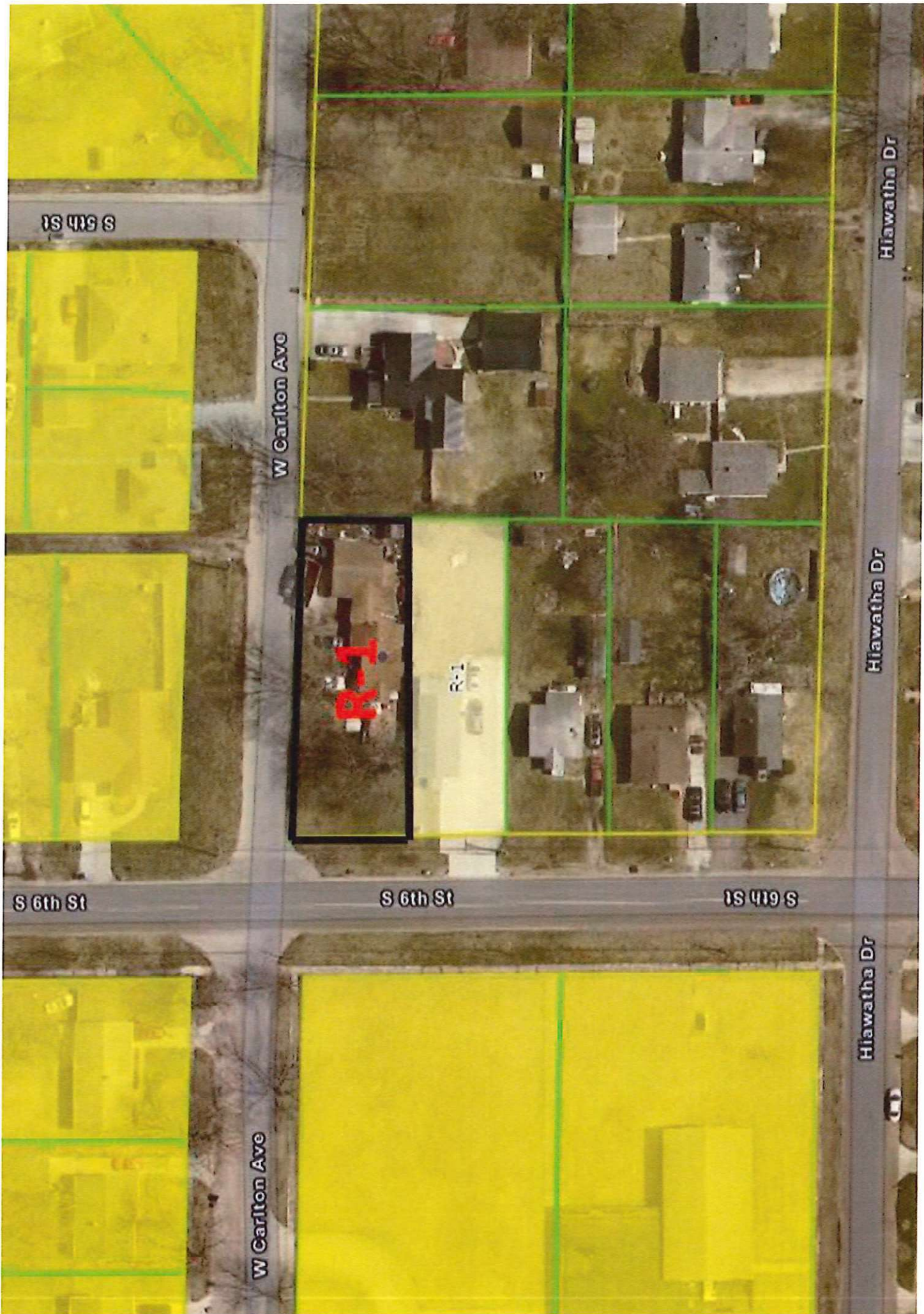
CITY OF ELKHART, INDIANA

Lopez Annexation

PARCEL LIST

<u>Parcel ID</u>	<u>Owner</u>	<u>'23 Pay '24 Net Assessed Value</u>	<u>Remonstrance Waiver</u>
20-06-17-251-001.000-009	Rosalina Lopez	<u>\$ 19,184</u>	No

Appendix II



Hiawatha Dr

Hiawatha Dr

Hiawatha Dr

W Carlton Ave

W Carlton Ave

S 6th St

S 6th St

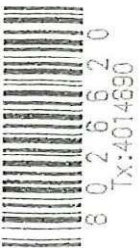
S 6th St

S 6th St

R-1

R-1

ELKHART COUNTY RECORDER
JERRY L WEAVER
FILED FOR RECORD ON
AS PRESENTED
11/19/2013 2:24 PM



Tax ID Number(s):
State ID Number Only

20-06-17-251-001.000-009

HOLD FOR MERIDIAN TITLE CORP

SPECIAL WARRANTY DEED

THIS INDENTURE WITNESSETH THAT

FANNIE MAE a/k/a FEDERAL NATIONAL MORTGAGE ASSOCIATION, a corporation organized and existing under the laws of the United States, having its principal office in the City of Washington, D.C.

CONVEY(S) AND WARRANT(S) TO

Rosalina Lopez Lopez, for Ten Dollars and other valuable consideration the receipt whereof is hereby acknowledged, the following described REAL ESTATE in Elkhart County, in the State of Indiana, to wit:

Lot Number One (1) as the said lot is known and designated on the recorded plat of West View Park, a subdivision in Concord Township, said plat being recorded in Plat Book 2, page 205 of the records in the Office of the Recorder of Elkhart County, Indiana.

Subject to Real Estate taxes now due and payable and thereafter.

It is understood and agreed by the parties hereto that the title to the real estate herein conveyed is warranted only insofar as it might be affected by any act of the grantor during the grantor's ownership thereof and not otherwise.

This instrument is being executed under the authority granted by a Power of Attorney dated 10/21/08 and recorded 8/5/09 as Instrument Number 2009-19755 in the office of the Recorder of Elkhart County, Indiana.

The undersigned persons executing this deed on behalf of Grantor represent and certify that they are duly authorized to act for the Grantor and have been fully empowered, by proper resolution of the Board of Directors of Grantor, to execute and deliver this deed; that Grantor has full corporate capacity to convey the real estate described herein; and that all necessary corporate action for the making of such conveyance has been taken and done.

MW

DISCLOSURE FEE PAID
DULY ENTERED FOR TAXATION
SUBJECT TO FINAL ACCEPTANCE FOR TRANSFER
NOV 19 2013
Daniel E. Hoff AUDITOR
5349
TRANSFER FEE 5⁰⁰
PARCEL NO. _____

MTC File No.: 13-27196

IN WITNESS WHEREOF, the Grantor has executed this deed this 13 day of November, 2013.

FANNIE MAE a/k/a FEDERAL NATIONAL MORTGAGE ASSOCIATION

[Signature] Attorney in Fact

By: Unterberg & Associates, P.C., as Attorney-in-Fact.

Printed: KENNETH W. UNTERBERG

State of Indiana, County of Lake ss:

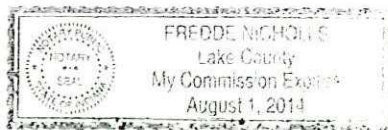
Before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named KENNETH W. UNTERBERG Attorney-in-Fact for FANNIE MAE a/k/a FEDERAL NATIONAL MORTGAGE ASSOCIATION who acknowledged the execution of the foregoing Deed and who, having been duly sworn, stated that the representations therein contained are true.

WITNESS, my hand and Seal this 13 day of November, 2013.

My Commission Expires: _____

[Signature]
Signature of Notary Public

Printed Name of Notary Public



Notary Public County and State of Residence

This instrument was prepared by:
Andrew R. Drake, Attorney-at-Law
11711 N. Pennsylvania St., Suite 110, Carmel, IN 46032

Property Address:
2400 South 6th Street
Elkhart, IN 46517

Grantee's Address and Mail Tax Statements To:

property address

I affirm, under the penalties for perjury, that I have taken reasonable care to redact each social security number in this document, unless required by law. Andrew R. Drake



MEMORANDUM

DATE: November 8, 2024
TO: Common Council
FROM: Corporation Counsel John Espar
RE: Proposed Resolution No. 24-R-56

RESOLUTION CONFIRMING THE DESIGNATION OF AN ECONOMIC REVITALIZATION AREA FOR PURPOSES OF GRANTING TAX PHASE-IN BENEFITS TO PECF ENTERPRISES INC. DBA TRIANGLE RUBBER Co, LLC \ N7 GUILD LLC

This Proposed Resolution relates to the Application for Property Tax Phase-In submitted by PECF Enterprises Inc. dba Triangle Rubber Co, LLC \ N7 Guild LLC for which this Council previously declared an Economic Revitalization Area under Resolution No. R-53-24 at the public meeting held on November 4, 2024.

This Proposed Resolution 24-R-56 confirms the declaration of an Economic Revitalization Area within which PECF Enterprises Inc. dba Triangle Rubber Co, LLC \ N7 Guild LLC proposes to make certain real property and personal property investments to increase economic development in the area and in exchange for which PECF Enterprises Inc. dba Triangle Rubber Co, LLC \ N7 Guild LLC seeks to receive tax phase-in benefits.

RESOLUTION NO. _____

**A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF ELKHART,
INDIANA, CONFIRMING RESOLUTION NO. R-53-24, WHICH DECLARED A
CERTAIN AREA IN THE CITY OF ELKHART TO BE AN ECONOMIC
REVITALIZATION AREA FOR THE PURPOSE OF GRANTING TAX PHASE-IN
BENEFITS TO PECF ENTERPRISES INC. DBA TRIANGLE RUBBER CO, LLC \ N7
GUILD LLC**

WHEREAS, on November 4, 2024, the Common Council of the City of Elkhart (the "Common Council"), approved and adopted Resolution No. R-53-24, a resolution entitled "A Resolution of the Common Council of the City of Elkhart, Indiana, Declaring a Certain Area to be an Economic Revitalization Area For the Purpose of Granting Tax Phase-in Benefits to PECF Enterprises Inc. dba Triangle Rubber Co, LLC \ N7 Guild LLC" (the "Declaratory Resolution"); and

WHEREAS, the Declaratory Resolution found and determined that a certain area in the City of Elkhart (the "Area") was an economic revitalization area within the meaning of Indiana Code 6-1.1-12.1, (the "Act") for the purpose of allowing deductions from the assessed value of the real estate improvements (the "Project") and from the assessed value of the manufacturing equipment (the "New Equipment") in the Area; and

WHEREAS, pursuant to Section 2.5(b) of the Act, the Common Council filed the Declaratory Resolution with the Elkhart County Assessor; and

WHEREAS, pursuant to Section 2.5(c)(1) of the Act, the Common Council published notice of the adoption and substance of the Declaratory Resolution in accordance with Indiana Code 5-3-1 (the "Notice"); and

WHEREAS, pursuant to Section 2.5(c)(2) of the Act, the Common Council filed a copy of the Notice and a copy of the Statement of Benefits form filed by PECF Enterprises Inc. dba Triangle Rubber Co, LLC \ N7 Guild LLC, with the officers of the taxing units who are authorized to fix budgets, tax rates and tax levies in the Area; and

WHEREAS, at a public hearing held by the Common Council on this date, November 18, 2024, at the City Hall, 229 S. Second Street, Elkhart, Indiana, the Common Council heard all persons interested in the proceedings and received any written remonstrances and objections, and considered those remonstrances and objections, if any, and such other evidence presented; and

WHEREAS, the Common Council now desires to take final action and confirm the

necessary findings in accordance with Section 2.5, Section 3 and Section 4.5 of the Act;

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Elkhart, Indiana, as follows:

1. After considering the evidence presented at the public hearing on this date, November 18, 2024, the Common Council hereby finds that the Declaratory Resolution should be, and hereby is, confirmed in its entirety and without modification.

2. This Resolution constitutes final action, pursuant to Section 2.5(c) of the Act, by the Common Council determining the public utility and benefit of the Project and the New Equipment in the Area, confirming the Declaratory Resolution, and declaring the Area an economic revitalization area pursuant to the Act.

RESOLVED this ____ day of _____, _____.

Arvis Dawson
President of the Common Council

ATTEST:

Debra D. Barrett, Elkhart City Clerk

PRESENTED to the Mayor by me this _____ day of _____, _____, at _____
_____ a.m./p.m.

Debra D. Barrett, Elkhart City Clerk

APPROVED by me this _____ day of _____, _____.

Rod Roberson, Mayor for the City of Elkhart

ATTEST:

Debra D. Barrett, Elkhart City Clerk

STATE OF INDIANA)
) §
COUNTY OF ELKHART)

I, Debra D. Barrett, Clerk of the City of Elkhart, Indiana, do hereby certify the above is a full, true and complete copy of Resolution No. R-____, adopted by the Common Council on the _____ day of _____, _____, by a vote of _____ AYES and _____ NAYS, and was approved and signed by the Mayor on the _____ day of _____, _____, and now remains on file and on record in my office.

WITNESS my hand and the official seal of the City of Elkhart, Indiana, this ____ day of _____, _____.

Debra D. Barrett, Elkhart City Clerk



MEMORANDUM

DATE: November 13, 2024
TO: Common Council
FROM: Corporation Counsel John Espar
RE: Proposed Resolution No. 24-R-57

A Resolution Approving the Memoranda of Agreements with PECF Enterprises Inc. dba Triangle Rubber Co, LLC \ N7 Guild LLC for Tax Phase-In Benefits

This resolution relates to the Application for Property Tax Phase-In submitted by PECF Enterprises Inc. dba Triangle Rubber Co, LLC \ N7 Guild LLC which was first considered by this Council at its public meeting held on November 18, 2024.

Proposed Resolution 24-R-57 approves the corresponding agreements by which PECF Enterprises Inc. dba Triangle Rubber Co, LLC \ N7 Guild LLC will enjoy tax phase-in benefits for the real property and personal property investments made in the economic revitalization area. Each Memorandum of Agreement likewise establishes the legal responsibilities and legal obligations imposed upon PECF Enterprises Inc. dba Triangle Rubber Co, LLC \ N7 Guild LLC in exchange for the tax phase-in benefits granted by the City.

RESOLUTION NO. _____

**A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF ELKHART,
INDIANA, TO APPROVE TWO MEMORANDA OF AGREEMENTS BETWEEN THE
CITY OF ELKHART AND PECF ENTERPRISES INC. DBA TRIANGLE RUBBER CO,
LLC \ N7 GUILD LLC**

WHEREAS, PECF Enterprises Inc. dba Triangle Rubber Co, LLC \ N7 Guild LLC, (hereinafter, the “Applicant”) has filed an application with the City of Elkhart (the “City”) requesting that the property commonly known as 5333 Beck Drive, Elkhart IN 46516, be designated as an economic revitalization area by the Common Council of the City of Elkhart (the “Common Council”), in accordance with Indiana Code 6.1-1.1-12.1, for the purpose of allowing deductions from the assessed value of the proposed real estate improvements (the “Project”) and the proposed installation of manufacturing equipment (the “New Equipment”) in the proposed economic revitalization area; and

WHEREAS, the City’s Tax Abatement Policy requires that the Applicant\Property Owner (jointly and severally, if not the same entity), enter into a written agreement agreeing: (i) to comply with the project description, (ii) to create and retain a certain number of jobs along with the associated wages rates and salaries (as shown in its Application), and (iii) to comply with its Statement of Benefits forms and any other documents submitted in support of its Application; and

WHEREAS, a Memorandum of Agreement (Real Property) and a Memorandum of Agreement (Personal Property) have been prepared and presented to the Common Council for the Project and the New Equipment, respectively, which Agreements govern the relationship between the City and the Applicant\Property Owner during the term of the tax abatement; and

WHEREAS, the Common Council believes that it is in the best interest of the City to enter

into these agreements.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF ELKHART, INDIANA, that the attached Memorandum of Agreement (Real Property) and the attached Memorandum of Agreement (Personal Property) to be entered into between the City and the Applicant\Property Owner are hereby approved by the Common Council.

RESOLVED this ____ day of _____, _____.

Arvis Dawson
President of the Common Council

ATTEST:

Debra D. Barrett, Elkhart City Clerk

PRESENTED to the Mayor by me this _____ day of _____, _____, at _____
_____ a.m./p.m.

Debra D. Barrett, Elkhart City Clerk

APPROVED by me this _____ day of _____, _____.

Rod Roberson, Mayor for the City of Elkhart

ATTEST:

Debra D. Barrett, Elkhart City Clerk

MEMORANDUM OF AGREEMENT

Real Estate

This Memorandum of Agreement (“Agreement”) serves as a confirmation of the good-faith commitment by PECF Enterprises Inc. dba Triangle Rubber Co, LLC \ N7 Guild LLC, (hereinafter, the “Applicant”) to use its reasonable best efforts to implement the Project as described, to create and retain the jobs and pay the wages specified in the Applicant’s Property Tax Phase-In Application for designation of certain real property as an Economic Revitalization Area, (“Application”), and the Statement of Benefits Real Property Improvement (Form SB-1 Real Property), herein after “Statement of Benefits”), and to fulfill its obligations set forth within this Agreement (“Applicant’s Commitment”).

1. Commitments of City and Applicant:

(a) Subject to the requirements under Indiana Code 6-1.1-12.1-3, the City of Elkhart, Indiana ("City"), acting by and through its Common Council, agrees to approve a deduction from the assessed value of the proposed development of the real estate for three (3) (consecutive) on the Applicant’s real property commonly known as 5333 Beck Drive, Elkhart IN 46516 (hereinafter, the “Subject Property”), which is more specifically described in Exhibit A of this Agreement. The amount of the deduction from the assessed value of the Subject Property shall be according to the deduction schedule shown in Exhibit B of this Agreement (hereinafter, the “Tax Phase-In”). The Tax Phase-In shall start with the first year in which the assessed value of the Subject Property increases because of the proposed development. The Applicant acknowledges and agrees that the designation of the Subject Property as an economic revitalization area expires on December 31, 2026, and the Project (as hereafter defined) must be completed by then in order for the Applicant to be or remain eligible to receive the Tax Phase-In benefits.

(b) Subject to Section 4 herein, the Applicant agrees that by December 31, 2025, it will make a total capital expenditure of One Million (\$1,000,000.00) to improve the Subject Property with new building construction and related improvements at the Subject Property (the “Project”), which will create at least 10 new full-time permanent positions with an average annual salary of no less than \$58,240.00, while retaining 15 jobs with an average annual salary of no less than \$49,380.00, based on two thousand forty hours (2,040) annually. The Applicant further agrees to contribute fifteen percent (15%) of the amount of real property taxes abated under the Tax Phase-In, which payment will be collected by the Elkhart County Treasurer as set forth in the tax invoice statement and remitted to the City. Payment of the contribution shall (1) coincide with the due date of property tax payments in Elkhart County as set forth in Indiana Code 6-1.1-22-9(a), and (2) shall be due and payable the first time in the year following the first year in which the assess value of the subject property increases by reason of the Project and shall continue and each year thereafter during the term of the Tax Phase-In deduction period set forth in Exhibit B, unless modified by agreement of the City of Elkhart and the Applicant.

2. Applicant’s Compliance with City and State Laws: During the term of the Tax Phase-In, the Applicant shall use its good-faith efforts to comply with all applicable provisions of Indiana Code 6-1.1-12.1. Also, during the term of the Tax Phase-In, the City may annually request information from the Applicant concerning the nature of the Project, the costs of the Project and the amount of and average wages for the jobs, and the Applicant shall provide the City with adequate written evidence thereof within fifteen (15) days of such request ("Annual Survey"). The City shall utilize this information and the information provided by the Applicant in the CF-1 Compliance with the Statement of Benefits form to verify that the Applicant has complied with the obligations contained in Applicant's Commitment at all times after the date thereof until the expiration of the Tax Phase-In. The Applicant further agrees to provide the City with such additional information reasonably requested by the City related to the information provided in the Annual Survey and the CF-1 form within fifteen (15) days following any such additional request.

3. Substantial Compliance and Rights of Termination: The City reserves the right to terminate the Economic Revitalization Area designation and the associated Tax Phase-In if it determines that the Applicant has not substantially complied with Applicant's Commitment, and the Applicant's failure to substantially comply with Applicant's Commitment was not due to factors beyond its control. As used in this Agreement, substantial compliance shall mean: by December 31, 2025, (1) making capital expenditures of not less than Ninety-Five Percent (95%) of the capital expenditures referenced in Section 1 above for the Project, (2) creating not less than Ninety-five Percent (95%) of the jobs referenced in Section 1 above, and (3) those new jobs will have an average annual salary of at least \$58,240.00, excluding benefits, while retaining the jobs referenced in Section 1 of this Agreement and at the specified average annual rate of pay.

4. Factors Beyond Applicant's Control: As used in this Agreement, factors beyond the control of the Applicant shall only include factors that: (i) are not reasonably foreseeable at the time of designation, application, and submission of the Statement of Benefits; (ii) are not caused by any grossly negligent act or omission of the Applicant; and (iii) do not materially and adversely affect the ability of the Applicant to substantially comply with this Agreement.

5. Repayment of Tax Phase-In Savings:

(a) During the term of this Agreement, if the Applicant: (i) is delinquent or in default for a period of sixty (60) days with respect to any tax payment due in Elkhart County, Indiana; or (ii) ceases operations at the facility for which the Tax Phase-In was granted for a period longer than thirty (30) consecutive days (other than a temporary cessation of operations in the Applicant's normal course of business or as a result of a force majeure event); or (iii) announces the cessation of operations at such facility for a period longer than thirty (30) consecutive days (other than a temporary cessation of operations in the Applicant's normal course of business or as a result of a force majeure event); or otherwise fails to comply with the commitments of this Memorandum of Agreement, then the City may terminate the Economic Revitalization Area designation and associated Tax Phase-In benefits, and upon such termination, require the Applicant to repay all of the Tax Phase-In benefits received through the date of such termination. Such repayment of received benefits shall be calculated as provided in Section 5(b). The amount of benefit repayment shall be measured against the level of noncompliance, relative to the entire abatement period.

(b) In the event the City terminates this Agreement in accordance with this Section 5, the Applicant will be required to repay only that percentage of the Tax Phase-In benefits received through the date of termination that is equal to the percentage of the Applicant's noncompliance with Section 1 above, including unfulfilled years, subsequent to the termination. Applicant shall be entitled to a credit against the recalculated tax due for the fifteen percent (15%) tax savings which was allocated to, and received by, the City. For purposes of this Agreement, the percentage of the Applicant's noncompliance with Section 1 above shall be calculated as follows: the amount of actual investment in each category (average annual salary, number of jobs, and personal property investment) shall be divided by 100% compliance, to determine Applicant's compliance rate. The compliance rate then shall be subtracted from 100% to determine the percentage of noncompliance. The percentage of noncompliance shall equal the percentage of benefit repayment.

If the Applicant fails to achieve substantial compliance in more than one category, the category with the lowest compliance rate will be used to determine the repayment percentage.

6. Assessment Appeals. Neither the Applicant, nor its successors and assigns, shall file any property tax assessment appeal, review, or other challenge of the property tax assessment made for the

Project involved during the term of the Tax Phase-In unless one of the following conditions occurs during the deduction period:

(a) the original assessment for the Project as determined by the Elkhart County Assessor (“Assessor”) is in excess of the total capital expenditure for the Project as set forth in Section 1 of this Agreement; or

(b) a trending assessment or a reassessment by the Assessor increases the assessment for the Project by more than fifteen percent (15%) from one (1) year to the next year, or by more than an average of ten percent (10%) per year over two (2) or more years.

7. Notice/Hearing of Termination: In the event that the City determines in accordance with Section 5 above that (i) the Economic Revitalization Area designation and associated Tax Phase-In benefits should be terminated or (ii) that all or a portion of the Tax Savings should be repaid, it will give the Applicant notice of such determination, including a written statement calculating the amount due from the Applicant, and will provide the Applicant with an opportunity to meet with the City’s designated representatives to show cause why the Tax Phase-In benefits should not be terminated and/or repaid. Such notice shall state the names of the person with whom the Applicant may meet and will provide that the Applicant shall have thirty (30) days from the date of such notice to arrange such meeting and to provide its evidence concerning why the Tax Phase-In benefits termination and/or repayment should not occur. If, after giving such notice and receiving such evidence, if any, the City determines that the Tax Phase-In termination and/or repayment action is proper, the Applicant shall be provided with written notice and a hearing before the Common Council. Before any final action shall be taken terminating the Tax Phase-In and/or requiring repayment of Tax Phase-In benefits, any such action shall be subject to judicial review under Indiana Code 6-1.1-12.1-5.9(e).

8. Repayment: In the event the City requires repayment of the Tax Phase-In benefits as provided following the procedures set forth in Section 7 hereunder, it shall provide Applicant with a written statement calculating the amount due ("Statement"), and the Applicant shall repay its actual amount of Tax Phase-In benefits to the City within thirty (30) days of the date of the Statement. If the Applicant does not make timely repayment, the City shall be entitled to all reasonable costs and attorneys’ fees incurred in the enforcement and collection of the Tax Phase-In benefits required to be repaid hereunder.

9. Modification/Entire Agreement: This Agreement and any schedules attached hereto contain the entire understanding between the City and the Applicant with respect to the subject matter hereof, and supersede all prior and contemporaneous agreements and understandings, inducements, and conditions, expressed or implied, oral or written, except as herein contained. This Agreement may not be modified or amended other than by an agreement in writing signed by the City and the Applicant. The Applicant understands that all filings required to be made or actions required to be taken to initiate or maintain the Tax Phase-In are solely the responsibility of the Applicant.

10. Waivers: Neither the failure, nor any delay on the part of the City to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any other right, remedy, power or privilege with respect to any occurrence or be construed as a waiver of such right, remedy, power, or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

11. Governing Laws of Indiana: This Agreement and all questions relating to its validity, interpretation, performance, and enforcement shall be governed by the laws and decisions of the courts of the State of Indiana.

12. Applicant's Consent to Jurisdiction: The Applicant hereby irrevocably consents to the jurisdiction of the Courts of the State of Indiana and of the Elkhart County Circuit or Superior Court in connection with any action or proceeding arising out of or relating to this Agreement or any documents or instrument delivered with respect to any of the obligations hereunder, and any action related to this Agreement shall be brought in such County and in such Court.

13. Notices: All notices, requests, demands, and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been received when delivered by hand, by facsimile (with confirmation by registered or certified mail), on the next business day following the mailing by a nationally recognized overnight commercial courier, or on the third business day following the mailing, by registered or certified mail, postage prepaid, return receipt requested, thereof, addressed as set forth below:

If to Applicant:

PECF Enterprises Inc. dba Triangle Rubber Co,
LLC
Kevin Gerwels
President
1924 Elkhart Road
Goshen, IN 46526

N7 Guild LLC
Kevin Gerwels
President
10241 Arcadian Ct
Granger, IN 46530

If to the City of Elkhart:

Office of the Mayor
229 S. Second Street
Elkhart, Indiana 46516

Copy to:

Elkhart Common Council
c/o Administrative Assistant to the Council
229 S. Second Street
Elkhart, Indiana 46516

14. Assignment and Transfer Prohibited: This Agreement shall be binding upon and inure to the benefit of the City and the Applicant and their successors and assigns, except that no party may assign or transfer its rights or obligations under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld.

15. Valid and Binding Agreement: This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. By executing this Agreement, each party confirms that each person so executing it has been duly authorized to execute this Agreement on behalf of such party and that this Agreement constitutes a valid and binding obligation of the party.

16. Severability: The provisions of this Agreement and of each section or other subdivision herein are independent of and separable from each other, and no provision shall be affected or rendered invalid or unenforceable by virtue of the fact that for any reason any other or others of them may be invalid or unenforceable in whole or in part unless this Agreement is rendered totally unenforceable thereby.

17. No Personal Liability: No official, director, officer, employee or agent of the City shall be charged personally by the Applicant, its employees or agents with any liabilities or expenses of defense or be held personally liable to the Applicant under any term or provision of this Agreement or because of the execution by such party of this Agreement or because of any default by such party hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

APPLICANT:

PECF Enterprises Inc. dba Triangle Rubber Co,
LLC
1924 Elkhart Road
Goshen, IN 46526

N7 Guild LLC
10241 Arcadian Ct
Granger, IN 46530

By:

Kevin Gerwels
President

Kevin Gerwels
President

CITY OF ELKHART:

By:

Arvis Dawson
President of the Elkhart Common Council

Attest:

Debra Barrett
Elkhart City Clerk

By:

Rod Roberson
Mayor of the City of Elkhart

Attest:

Debra Barrett
Elkhart City Clerk

Approved as to form:

John M. Espar
Corporation Counsel for the City of Elkhart

Exhibit A
Description of Real Property

(Economic Revitalization Area and Project Area)

Legal Description:

As to Parcel 1:

Lot Number One (1) as the said Lot is known and designated on the recorded Plat of Beck Industrial Park Minor Subdivision No. 1; said Plat being recorded in Plat Book 34, page 29, in the Office of the Recorder of Elkhart County, Indiana.

Address:

5333 Beck Drive, Elkhart IN 46516

Parcel Identification Number(s):

20-07-06-203-001.000-039

Exhibit B

Tax Deduction Schedule

YEAR OF REDEVELOPMENT AND REVITALIZATION OF THE REAL ESTATE	2025 Payable 2026	2026 Payable 2027	2027 Payable 2028	2028 Payable 2029	2029 Payable 2030	2030 Payable 2031
2025	100%	66%	33%	-	-	-
2026	-	100%	66%	-	-	-
2027	-	-	100%	66%	33%	-

MEMORANDUM OF AGREEMENT

Personal Property

This Memorandum of Agreement (“Agreement”) serves as a confirmation of the good-faith commitment by PECF Enterprises Inc. dba Triangle Rubber Co, LLC \ N7 Guild LLC, (hereinafter, the “Applicant”) to use its reasonable best efforts to implement the Project as described, to create and retain the jobs and pay the wages specified in the Applicant’s Property Tax Phase-In Application for designation of certain real property as an Economic Revitalization Area, (“Application”), and the Statement of Benefits Personal Property Improvement (Form SB-1 Personal Property, as the same may have been amended, herein after “Statement of Benefits”), and to fulfill its obligations set forth within this Agreement (“Applicant's Commitment”).

1. Commitments of City and Applicant:

(a) Subject to the requirements under Indiana Code 6-1.1-12.1-3, the City of Elkhart, Indiana ("City"), acting by and through its Common Council, agrees to approve a deduction from the assessed value of the proposed installation of manufacturing equipment for three (3) (consecutive) on the Applicant’s real property to be located at 5333 Beck Drive, Elkhart IN 46516 (hereinafter, the “Subject Property”), which is more specifically described in Exhibit A of this Agreement. The amount of the deduction from the assessed value of the Subject Property shall be according to the deduction schedule shown in Exhibit B of this Agreement (hereinafter, the “Tax Phase-In”). The Tax Phase-In shall start with the first year in which the assessed value of the Subject Property increases because of the proposed manufacturing equipment. The Applicant acknowledges and agrees that the designation of the Subject Property as an economic revitalization area expires on December 31, 2026, and the Project (as hereafter defined) must be completed by then for the Applicant to be or remain eligible to receive the Tax Phase-In benefits.

(b) Subject to Section 4 herein, the Applicant agrees that by December 31, 2024, it will make a total capital expenditure of Two Million (\$2,000,000.00) associated with the investment of manufacturing equipment for purchase of new injection molding/robotic equipment and overhead crane at the Subject Property (the “New Equipment”), which will create at least 10 new full-time permanent positions with an average annual salary of no less than \$58,240.00, while retaining 15 jobs with an average annual salary of no less than \$49,380.00, based on two thousand forty hours (2,040) annually. The Applicant further agrees to contribute fifteen percent (15%) of the amount of personal property taxes abated under the Tax Phase-In, which payment will be collected by the Elkhart County Treasurer as set forth in the tax invoice statement and remitted to the City. Payment of the contribution shall (1) coincide with the due date of property tax payments in Elkhart County as set forth in Indiana Code 6-1.1-22-9(a), and (2) shall be due and payable the first time in the year following the first year in which the assess value of the subject property increases by reason of the Project and shall continue and each year thereafter during the term of the Tax Phase-In deduction period set forth in Exhibit B, unless modified by agreement of the City of Elkhart and the Applicant.

2. Applicant’s Compliance with City and State Laws: During the term of the Tax Phase-In, the Applicant shall use its good-faith efforts to comply with all applicable provisions of Indiana Code 6-1.1-12.1. Also, during the term of the Tax Phase-In, the City may annually request information from the Applicant concerning the nature of the Project, the costs of the Project and the amount of and average wages for the jobs, and the Applicant shall provide the City with adequate written evidence thereof within fifteen (15) days of such request ("Annual Survey"). The City shall utilize this information and the information provided by the Applicant in the CF-1 Compliance with the Statement of Benefits form to verify that the Applicant has complied with the commitments contained in Applicant's Commitment at all times after the

date thereof until the expiration of the Tax Phase-In. The Applicant further agrees to provide the City with such additional information reasonably requested by the City related to the information provided in the Annual Survey and the CF-1 form within fifteen (15) days following any such additional request.

3. Substantial Compliance and Rights of Termination: The City reserves the right to terminate the Economic Revitalization Area designation and the associated Tax Phase-In if it determines that the Applicant has not substantially complied with all of the Applicant's Commitment, and the Applicant's failure to substantially comply with Applicant's Commitment was not due to factors beyond its control. As used in this Agreement, substantial compliance shall mean: by December 31, 2024, (1) making capital expenditures of not less than Ninety-Five Percent (95%) of the capital expenditures referenced in Section 1 above for the Project, (2) creating not less than Ninety-five Percent (95%) of the jobs referenced in Section 1 above, and (3) those new jobs will have an average annual salary of at least \$58,240.00, excluding benefits, while retaining the jobs referenced in Section 1 of this Agreement and at the specified average annual rate of pay.

4. Factors Beyond Applicant's Control: As used in this Agreement, factors beyond the control of the Applicant shall only include factors that: (i) are not reasonably foreseeable at the time of designation, application, and submission of the Statement of Benefits; (ii) are not caused by any grossly negligent act or omission of the Applicant; and (iii) do not materially and adversely affect the ability of the Applicant to substantially comply with this Agreement.

5. Repayment of Tax Phase-In Savings:

(a) During the term of this Agreement, if the Applicant: (i) is delinquent or in default for a period of sixty (60) days with respect to any tax payment due in Elkhart County, Indiana; or (ii) ceases operations at the facility for which the Tax Phase-In was granted for a period longer than thirty (30) consecutive days (other than a temporary cessation of operations in the Applicant's normal course of business or as a result of a force majeure event); or (iii) announces the cessation of operations at such facility for a period longer than thirty (30) consecutive days (other than a temporary cessation of operations in the Applicant's normal course of business or as a result of a force majeure event); or otherwise fails to comply with the commitments of this Memorandum of Agreement, then the City may terminate the Economic Revitalization Area designation and associated Tax Phase-In benefits, and upon such termination, require the Applicant to repay all of the Tax Phase-In benefits received through the date of such termination. Such repayment of received benefits shall be calculated as provided in Section 5(b). The amount of benefit repayment shall be measured against the level of noncompliance, relative to the entire abatement period.

(b) In the event the City terminates this Agreement in accordance with this Section 5, the Applicant will be required to repay only that percentage of the Tax Phase-In benefits received through the date of termination that is equal to the percentage of the Applicant's noncompliance with Section 1 above, including unfulfilled years, subsequent to the termination. Applicant shall be entitled to a credit against the recalculated tax due for the fifteen percent (15%) tax savings which was allocated to, and received by, the City. For purposes of this Agreement, the percentage of the Applicant's noncompliance with Section 1 above shall be calculated as follows: the amount of actual investment in each category (average annual salary, number of jobs, and personal property investment) shall be divided by 100% compliance, to determine Applicant's compliance rate. The compliance rate then shall be subtracted from 100% to determine the percentage of noncompliance. The percentage of noncompliance shall equal the percentage of benefit repayment.

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6. Assessment Appeals. Neither the Applicant, nor its successors and assigns, shall file any property tax assessment appeal, review, or other challenge of the property tax assessment made for the Project involved during the term of the Tax Phase-In unless one of the following conditions occurs during the deduction period:

(a) the original assessment for the Project as determined by the Elkhart County Assessor (“Assessor”) is in excess of the total capital expenditure for the Project as set forth in Section 1 of this Agreement; or

(b) a trending assessment or a reassessment by the Assessor increases the assessment for the Project by more than fifteen percent (15%) from one (1) year to the next year, or by more than an average of ten percent (10%) per year over two (2) or more years.

7. Notice/Hearing of Termination: In the event that the City determines in accordance with Section 5 above that (i) the Economic Revitalization Area designation and associated Tax Phase-In benefits should be terminated or (ii) that all or a portion of the Tax Savings should be repaid, it will give the Applicant notice of such determination, including a written statement calculating the amount due from the Applicant, and will provide the Applicant with an opportunity to meet with the City’s designated representatives to show cause why the Tax Phase-In benefits should not be terminated and/or repaid. Such notice shall state the names of the person with whom the Applicant may meet and will provide that the Applicant shall have thirty (30) days from the date of such notice to arrange such meeting and to provide its evidence concerning why the Tax Phase-In benefits termination and/or repayment should not occur. If, after giving such notice and receiving such evidence, if any, the City determines that the Tax Phase-In termination and/or repayment action is proper, the Applicant shall be provided with written notice and a hearing before the Common Council. Before any final action shall be taken terminating the Tax Phase-In and/or requiring repayment of Tax Phase-In benefits, any such action shall be subject to judicial review under Indiana Code 6-1.1-12.1-5.9(e).

8. Repayment: In the event the City requires repayment of the Tax Phase-In benefits as provided following the procedures set forth in Section 7 hereunder, it shall provide Applicant with a written statement calculating the amount due ("Statement"), and the Applicant shall repay its actual amount of Tax Phase-In benefits to the City within thirty (30) days of the date of the Statement. If the Applicant does not make timely repayment, the City shall be entitled to all reasonable costs and attorneys’ fees incurred in the enforcement and collection of the Tax Phase-In benefits required to be repaid hereunder.

9. Modification/Entire Agreement: This Agreement and any schedules attached hereto contain the entire understanding between the City and the Applicant with respect to the subject matter hereof, and supersede all prior and contemporaneous agreements and understandings, inducements, and conditions, expressed or implied, oral or written, except as herein contained. This Agreement may not be modified or amended other than by an agreement in writing signed by the City and the Applicant. The Applicant understands that any and all filings required to be made or actions required to be taken to initiate or maintain the Tax Phase-In are solely the responsibility of the Applicant.

10. Waivers: Neither the failure, nor any delay on the part of the City to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any other right, remedy, power or privilege with respect to any occurrence or be construed as a waiver of

such right, remedy, power, or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

11. Governing Laws of Indiana: This Agreement and all questions relating to its validity, interpretation, performance, and enforcement shall be governed by the laws and decisions of the courts of the State of Indiana.

12. Applicant's Consent to Jurisdiction: The Applicant hereby irrevocably consents to the jurisdiction of the Courts of the State of Indiana and of the Elkhart County Circuit or Superior Court in connection with any action or proceeding arising out of or relating to this Agreement or any documents or instrument delivered with respect to any of the obligations hereunder, and any action related to this Agreement shall be brought in such County and in such Court.

13. Notices: All notices, requests, demands, and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been received when delivered by hand, by facsimile (with confirmation by registered or certified mail), on the next business day following the mailing by a nationally recognized overnight commercial courier, or on the third business day following the mailing, by registered or certified mail, postage prepaid, return receipt requested, thereof, addressed as set forth below:

If to Applicant:

PECF Enterprises Inc. dba Triangle Rubber Co,
LLC
Kevin Gerwels
President
1924 Elkhart Road
Goshen, IN 46526

N7 Guild LLC
Kevin Gerwels
President
10241 Arcadian Ct
Granger, IN 46530

If to the City of Elkhart:

Office of the Mayor
229 S. Second Street
Elkhart, Indiana 46516

Copy to:

Elkhart Common Council
c/o Administrative Assistant to the Council
229 S. Second Street
Elkhart, Indiana 46516

14. Assignment and Transfer Prohibited: This Agreement shall be binding upon and inure to the benefit of the City and the Applicant and their successors and assigns, except that no party may assign or transfer its rights or obligations under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld.

15. Valid and Binding Agreement: This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. By executing this Agreement, each party confirms that each person so executing it has been duly authorized to execute this Agreement on behalf of such party and that this Agreement constitutes a valid and binding obligation of the party.

16. Severability: The provisions of this Agreement and of each section or other subdivision herein are independent of and separable from each other, and no provision shall be affected or rendered invalid or unenforceable by virtue of the fact that for any reason any other or others of them may be invalid or unenforceable in whole or in part unless this Agreement is rendered totally unenforceable thereby.

17. No Personal Liability: No official, director, officer, employee or agent of the City shall be charged personally by the Applicant, its employees or agents with any liabilities or expenses of defense or be held personally liable to the Applicant under any term or provision of this Agreement or because of the execution by such party of this Agreement or because of any default by such party hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

APPLICANT:

PECF Enterprises Inc. dba Triangle Rubber Co,
LLC
1924 Elkhart Road
Goshen, IN 46526

N7 Guild LLC
10241 Arcadian Ct
Granger, IN 46530

By:

Kevin Gerwels
President

Kevin Gerwels
President

CITY OF ELKHART:

By:

Arvis Dawson
President of the Elkhart Common Council

Attest:

Debra Barrett
Elkhart City Clerk

By:

Rod Roberson
Mayor of the City of Elkhart

Attest:

Debra Barrett
Elkhart City Clerk

Approved as to form:

John M. Espar
Corporation Counsel for the City of Elkhart

Exhibit A
Description of Real Property

(Economic Revitalization Area and Project Area)

Legal Description:

As to Parcel 1:

Lot Number One (1) as the said Lot is known and designated on the recorded Plat of Beck Industrial Park Minor Subdivision No. 1; said Plat being recorded in Plat Book 34, page 29, in the Office of the Recorder of Elkhart County, Indiana.

Address:

5333 Beck Drive, Elkhart IN 46516

Parcel Identification Number(s):

20-07-06-203-001.000-039

Exhibit B

Tax Deduction Schedule

YEAR EQUIPMENT INSTALLED IN THE IN THE ERA	2025 Payable 2026	2026 Payable 2027	2027 Payable 2028	2028 Payable 2029	2029 Payable 2030	2030 Payable 2031
2025	100%	66%	33%	-	-	-
2026	-	100%	66%	-	-	-
2027	-	-	100%	66%	33%	-



MEMORANDUM

DATE: November 13, 2024
TO: Common Council
FROM: Corporation Counsel John Espar
RE: Proposed Resolution No. 24-R-58

A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF ELKHART, INDIANA,
AMENDING RESOLUTION NO. R-11-24, ADOPTING A WRITTEN FISCAL PLAN TO DEFINE A
POLICY FOR THE PROVISION OF SERVICES TO THE ANNEXATION AREA REFERRED TO AS
ELKHART EAST ANNEXATION PHASE 1

This Proposed Resolution relates to the request for adoption of an amended ordinance for the annexation of the property referenced above which is presently before this Council under Proposed Ordinance No. 24-O-50.

This Proposed Resolution 24-R-58 would amend the previously adopted fiscal plan in the manner and form attached and entitled, *Annexation Fiscal Plan for the City of Elkhart, Elkhart East Phase 1* as the fiscal plan and defined policy for the provision of services to the annexed areas which is a requirement under state law as part of annexation.

RESOLUTION NO. R-

A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF ELKHART, INDIANA, AMENDING RESOLUTION NO. R-11-24, ADOPTING A WRITTEN FISCAL PLAN TO DEFINE A POLICY FOR THE PROVISION OF SERVICES TO THE ANNEXATION AREA REFERRED TO AS ELKHART EAST ANNEXATION PHASE 1

WHEREAS, on June 3, 2024, the Common Council of the City of Elkhart, Indiana, duly adopted Resolution No. R-11-24 and Ordinance No. 5983, approving a fiscal plan for and declaring certain real property to be a part of the City of Elkhart, Indiana; and

WHEREAS, on June 4, 2024, the Mayor of the City of Elkhart, Indiana, approved Resolution No. R-11-24 and Ordinance No. 5983, as adopted; and

WHEREAS, subsequent to the adoption of Resolution No. R-11-24 and Ordinance No. 5983, the County of Elkhart, Indiana, and members of the City of Elkhart administration, identified certain errors in the alphabetical references to annexation areas and the legal description which contained an incorrect reference to a previous replat of one parcel, and incorrect reference to a plat that was not contained in the annexation area; and

WHEREAS, the City of Elkhart, intends to amend Resolution No. R-11-24 and Ordinance No. 5983, restating the resolution and ordinance in their entirety, retroactive to the original effective date of Ordinance No. 5983; and

WHEREAS, the City of Elkhart, Indiana, desires to annex certain real estate, referred to as Elkhart East Annexation Phase 1, and more specifically described in the legal description set forth in the fiscal plan, attached; and

WHEREAS, responsible planning and state law require adoption of a fiscal plan and definite policy for the provision of services to annexed areas; and

WHEREAS, such a plan and policy has been developed and presented to the Common Council, entitled “ANNEXATION FISCAL PLAN FOR THE CITY OF ELKHART, ELKHART EAST ANNEXATION PHASE 1” (the “Plan”).

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF ELKHART, INDIANA, THAT:

1. The Common Council of the City of Elkhart, Indiana, hereby approves and adopts the Plan, which plan is attached hereto and made a part hereof, and hereby approves and adopts the specific policies for implementation of the Plan as set out therein.

2. Any monies necessary for the provision of services as described and itemized in the attached Plan shall be budgeted and appropriated from the applicable fund, pursuant to state law and the City’s budget procedure.

3. The services of a non-capital nature described in the Plan are equivalent in standard and scope to such non-capital services provided to areas within the corporate boundaries of the City of Elkhart that have similar topographies, patterns of land use, and population density.

4. Services of a capital improvement nature that are described in the Plan will be provided to the annexed area within three (3) years after the effective date of this annexation in the same manner as those services are provided to areas within the corporate boundaries of the City of Elkhart that have similar topography, patterns of land use, and population density, and in a manner consistent with federal, state and local laws, procedures and planning criteria.

5. It is anticipated that this annexation will not result in the elimination of jobs for employees of other governmental entities. In the event that it does, however, then the Human Resources Department of the City of Elkhart, Indiana, is hereby directed to assist such employees in obtaining new employment; but nothing herein shall require the City to hire any such employees.

6. This Resolution shall become effective upon passage, retroactive to the date of the original effective date of Ordinance No. 5983.

RESOLVED this ____ day of _____, _____.

Arvis Dawson
President of the Common Council

ATTEST:

Debra D. Barrett, City Clerk

PRESENTED to the Mayor by me this _____ day of _____, _____, at _____
_____ a.m./p.m.

Debra D. Barrett, City Clerk

APPROVED by me this ____ day of _____, _____.

Rod Roberson, Mayor

ATTEST:

Debra D. Barrett, City Clerk

**ANNEXATION FISCAL PLAN
FOR THE
CITY OF ELKHART**

Elkhart East Phase I

March 28, 2024
(amended November 13, 2024)

Prepared by:



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INTRODUCTION

The following fiscal plan (the "Fiscal Plan") is for the proposed annexation of parcels to the east of the existing corporate limits on the northeast side of Elkhart (the "Annexation Area"). The Annexation Area is adjacent to the City of Elkhart (the "City"). The requirements of the Indiana Code mandate the development and adoption of a written fiscal plan and the establishment of a definite policy by resolution of the City Council. The Indiana Code 36-4-3-13(d) states that this fiscal plan must include and provide:

- 1) The cost estimates of planned services to be furnished to the territory to be annexed. The plan must present itemized estimated costs for each municipal department or agency;
- 2) The method or methods of financing the planned services. The plan must explain how specific and detailed expenses will be funded and must indicate the taxes, grants and other funding to be used;
- 3) The plan for the organization and extension of services. The plan must detail the specific services that will be provided and the dates the services will begin;
- 4) That planned services of a non-capital nature, including police protection, fire protection, street and road maintenance and other non-capital services normally provided within the corporate boundaries will be provided within one (1) year after the effective date of annexation and that they will be provided in a manner equivalent in standard and scope to those non-capital services provided in areas within the corporate boundaries regardless of similar topography, patterns of land use and population density;
- 5) That services of a capital improvement nature, including street construction, street lighting, sewer facilities, water facilities and storm water drainage facilities, will be provided to the annexed territory within three (3) years after the effective date of the annexation in the same manner as those services are provided to areas within the corporate boundaries, regardless of similar topography, patterns of land use and population density and in a manner consistent with federal, state and local laws, procedures and planning criteria;
- 6) The estimated effect of the proposed annexation on taxpayers in each of the political subdivisions to which the proposed annexation applies, including the expected tax rates, tax levies, expenditure levels, service levels and annual debt service payments in those political subdivisions for four (4) years after the effective date of the annexation;
- 7) The estimated effect the proposed annexation will have on municipal finances, specifically how municipal tax revenues will be affected by the annexation for four (4) years after the effective date of the annexation;
- 8) Any estimated effects on political subdivisions in the county that are not part of the annexation and on taxpayers located in those political subdivisions for four (4) years after the effective date of the annexation; and

INTRODUCTION

- 9) A list of all parcels of property in the annexation territory and the following information regarding each parcel:
- (A) The name of the owner of the parcel.
 - (B) The parcel identification number.
 - (C) The most recent assessed value of the parcel.
 - (D) The existence of a known waiver of the right to remonstrate on the parcel.

This Fiscal Plan may include additional materials in connection with the foregoing. It was developed through the cooperative efforts of the City's various administrative offices and the City's financial advisors, Baker Tilly. This Fiscal Plan is the result of an analysis of the proposed Annexation Area.

The Annexation Area is contiguous to the City for the purposes of Indiana Code 36-4-3-1.5, and there is a written Fiscal Plan, herein provided, that has been approved by the City Council.

SECTION I

AREA DESCRIPTION

A. Location, Area Size and Contiguity

The proposed Annexation Area is located on the east side of the existing corporate boundaries on the northeast side of the City. A map and legal description of the area to be annexed has been included in attached Appendix II.

The Annexation Area is approximately 198 acres (245 including right of way). The perimeter boundary of the Annexation Area is more than 12.5% contiguous to the existing corporate boundaries of the City.

B. Current Land Use

The Annexation Area consists of vacant land and commercial property.

C. Zoning

Existing Zoning: Office and Business Park District (E3)

Proposed Zoning: Office and Business Park District (E3)

D. Current Population

The current population of the Annexation Area is estimated at 0, as there are no occupied homes within the Annexation Area.

E. Real Property Assessed Valuation

The estimated net assessed valuation for land and improvements in the Annexation Area is \$34,578,900. This represents the net assessed value as of January 1, 2022 for taxes payable 2023.

SECTION II

NON-CAPITAL SERVICES

A. Cost of Services

The current standard and scope of non-capital services being delivered within the City and the Annexation Area were evaluated by each municipal department to determine the personnel and equipment necessary to provide such non-capital services in a manner equivalent in standard and scope to services that are currently provided within the existing City's municipal boundary.

The City will provide all non-capital services to the Annexation Area within one (1) year after the effective date of the annexation in a manner equivalent in standard and scope to those non-capital services provided to areas within the City regardless of topography, patterns of land use, and population density.

B. Police Protection

The Elkhart County Sheriff's Department currently provides police protection and law enforcement services to the Annexation Area. However, all non-capital services of the Elkhart Police Department will be made available in the Annexation Area within 1 year of the effective date of this annexation and will be extended in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the City.

The City of Elkhart Police Department's primary purpose is the prevention of crime. The department is manned 24 hours per day, and it consists of over 100 officers. The Police Department consists of several divisions with many specialty units. For example, the patrol division includes a special response team, an explosive ordinance disposal unit, a dive team and a canine unit. The Police Department patrols within the boundaries of the City on a daily basis and responds to all alarm calls. In addition, the Police Department provides other services such as detection and apprehension of offenders, traffic control and preservation of civil order. The Police Department does not distinguish between different areas of the City. The same services are provided throughout the City. Due to the location and character of the Annexation Area, the City does not anticipate needing to hire additional officers as a result of the annexation. It is anticipated that an increase in fuel and vehicle maintenance will be necessary in the amount of approximately \$3,700 (plus inflation) per year as a result of the annexation. The Police Department's budget within the City's General Fund will fund any additional costs.

C. Fire Protection and Emergency Medical Services

The Annexation Area is currently served by the Osolo Township Fire Department and the Washington Township Fire Department. However, all non-capital services of the Elkhart Fire Department ("E.F.D.") will be made available in the Annexation Area within 1 year of the effective date of this annexation and will be extended in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the City.

SECTION II

(Cont'd)

NON-CAPITAL SERVICES

C. Fire Protection and Emergency Medical Services (Cont'd)

The E.F.D. serves within the corporate boundaries of the City and provides mutual aid to surrounding communities and townships, including the Annexation Area. The department consists of 1 chief, 1 assistant chief, 2 division chiefs, 2 chief inspectors, 3 battalion chiefs, 3 assistant battalion chiefs and over 100 additional firefighters, which includes 47 who are state certified paramedics. The firefighters staff 7 fire stations 24 hours per day, 365 days per year. Located within these stations, the department's active fleet of apparatus is comprised of 6 engines companies, 2 truck companies and 3 paramedic ambulances. The E.F.D. also has 3 reserve engines and 2 reserve ambulances for use in times of extreme emergency or when mechanical issues occur. The E.F.D. provides fire and emergency medical response services to citizens within the City limits. Due to the location and character of the Annexation Area, the E.F.D. does not anticipate needing to hire additional employees as a result of the annexation. Any increase in costs as a result of the annexation will be funded by the E.F.D.'s budget.

D. Communications Center

Any dispatch calls within the Annexation Area are currently handled by Elkhart County 9-1-1 Communications Center. Within the City, Elkhart Communications Center dispatches all Police, Fire and EMS calls within the City limits. The Center has at least three dispatchers on duty at all times. Dispatchers answer all incoming 9-1-1 calls within the City, all non-emergency and business lines, as well as several direct dial private lines. The Elkhart Communications Center does not anticipate any additional costs as a result of the annexation.

E. Street Maintenance

All dedicated streets and county roads in the Annexation Area are currently maintained by Elkhart County. However, all non-capital services of the Elkhart Street Department will be made available in the Annexation Area within 1 year of the effective date of the annexation and will be extended in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the City.

The Elkhart Street Department is responsible for maintaining streets and roads, signs and right-of-ways. It performs street sweeping, snow removal, leaf pick-up and street and curb repair and maintenance. The Annexation Area contains approximately 3.71 miles of streets that the City will be responsible for maintaining. Currently, the City has approximately 654.49 miles of streets. The City anticipates additional operating costs for supplies and repairs and maintenance of approximately \$17,500 (plus inflation) per year as a result of the annexation. The Local Road and Street and Motor Vehicle Highway Funds will fund any additional costs.

SECTION II

(Cont'd)

NON-CAPITAL SERVICES

F. Trash Collection and Recycling

Elkhart County does not provide solid waste disposal to the Annexation Area. This service is provided to residents outside of the City by private firms. A comprehensive survey was not undertaken, but based on available information it appears as if private firms charge approximately \$60 or more per quarter for residential trash pick-up.

Within 1 year of the effective date of this annexation, all non-capital services of the Elkhart Street and Public Works Departments, including trash collection, recycling, yard refuse and limb pick up, will be made available in the Annexation Area and will be extended in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the City. Any additional costs to the City will be offset by additional related revenues.

G. Storm Drainage

Storm water and drainage facilities throughout the Annexation Area will be consistent with the City's current storm water and drainage system throughout the City. The City and County have maintained their drainage areas very similarly, as the City is a part of the Greater Elkhart County Storm Water Partnership for which the Elkhart County Soil and Water Conservation District acts as supervisor. The City currently charges \$50 annually per ERU, which is collected through property taxes. Any future development in the area will have to have its storm water plan approved by the City engineer or the City's Department of Storm Water Management, and any associated storm water and drainage costs will be borne by the developers. All non-capital services of the Department of Storm Water Management will be made available in the Annexation Area within 1 year of the effective date of this annexation and will be extended in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the City.

H. Parks

There are currently nineteen community parks, ten neighborhood parks, one water park and one swimming pool within City limits. High Dive Park and McNaughton Park are both located along the river front and have amenities for tennis, hiking and fishing, as well as pavilions with full kitchens. Studebaker Park features a soccer field, tennis courts, a basketball court, a baseball diamond, a large multi-purpose field, playgrounds and trails for hiking. Ideal Beach is also part of the City's park system. It is a large, water park that contains a wading pool, water slide, swimming beach, sand volleyball court, miniature golf, a public boat ramp and concessions. The NIBCO Ice & Water Park is another featured destination of the Parks Department, with skate rentals, an outdoor ice path, picnic areas and concessions. It is anticipated that no additional parks will be added as a result of annexation, therefore there will be no additional costs to the City.

SECTION II

(Cont'd)

NON-CAPITAL SERVICES

H. Parks (cont'd)

Nevertheless, all non-capital services of the Parks Department will be made available in the Annexation Area on the date the annexation becomes effective and will be extended in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the City.

I. Street Lighting

Elkhart County does not provide street lights in the Annexation Area. After annexation, the City may approve street lighting on a case-by-case basis. If approved, the City pays all costs for installation and maintenance of streetlights. At this time, the City does not anticipate adding any streetlights within the Annexation Area. Therefore, there will be no additional costs to the City related to street lighting.

J. Building and Code Enforcement

The Building and Code Enforcement Department of the City of Elkhart is responsible for conducting building, electrical, plumbing, HVAC and structural inspections. It is anticipated that any additional costs associated with inspections in the Annexation Area will be offset by revenues from the associated building permits.

K. Governmental Administrative Services

The City does not anticipate that the addition of the Annexation Area will result in a demand for Governmental Administrative Services that cannot be met by the existing staffing of the City's offices, agencies and departments. All non-capital services of the administration of the City will be made available in the Annexation Area on the date the annexation becomes effective and will be extended in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the City.

The Governmental Administrative Services of the City include, but are not limited to, the services provided by the following:

- Mayor's Office
- City Council
- Redevelopment Commission
- Elkhart Environmental Center
- Economic Development Commission
- Finance Department
- Human Resources
- Planning and Zoning Department
- Emergency Management Department
- Information Technology Department

SECTION III

CAPITAL IMPROVEMENTS

A. Cost of Services

The Annexation Area was evaluated to determine the services and facilities required to provide the same type of services in the same manner as services that are currently provided within the existing City's corporate limits.

The City will provide the following capital services to the Annexation Area no later than three (3) years after the effective date of the annexation in the same manner as those capital services provided to areas within the City regardless of topography, patterns of land use and population density and in a manner consistent with federal, state and local laws, procedures and planning criteria. It is currently assumed that the annexation will be effective no later than December 31, 2024.

B. Water Service

The Annexation Area is currently being served. This will not change as a result of the annexation.

C. Wastewater Service

The Annexation Area is currently being served. This will not change as a result of the annexation.

D. Storm Water and Drainage

Storm water and drainage facilities throughout the Annexation Area will be consistent with the City's current storm water and drainage system throughout the City. The City and County have maintained their drainage areas very similarly, as the City is a part of the Greater Elkhart County Storm Water Partnership for which the Elkhart County Soil and Water Conservation District acts as supervisor. The City currently charges \$50 annually per ERU, which is collected through property taxes. Any future development in the area will have to have its storm water plan approved by the City Engineer or the City's Department of Storm Water Management, and any associated storm water and drainage costs will be borne by the developers. Regardless, all capital services of the Department of Storm Water Management will be extended to the Annexation Area within 3 years of the effective date of this annexation in the same manner as those services are provided to areas inside the corporate limits and in a manner consistent with federal, state and local laws, procedures and planning criteria.

CAPITAL IMPROVEMENTS

E. Street Construction

Construction of any new streets within the developments in the Annexation Area will be the responsibility of the appropriate developer in accordance with the applicable City Code. The existing streets within the Annexation Area are in very similar condition to existing City streets; it is not anticipated that any additional costs will be required to improve them to City standards. Regardless, all capital services of the Elkhart Street Department, including evaluation and construction services, will be extended to the Annexation Area within 3 years of the effective date of this annexation in the same manner as those services are provided to areas inside the corporate limits and in a manner consistent with federal, state and local laws, procedures and planning criteria.

SECTION IV

FISCAL IMPACT

As a result of this annexation, based on estimated assessed values as of January 1, 2024, the net assessed value for the City is anticipated to increase by \$34,578,900, or approximately 0.9574%. The net impact of increasing the City's net assessed value will result in additional property tax revenues to the City, which may be used to offset the cost of providing services to the Annexation Area.

It is assumed that the effective date of this annexation will be as soon as practically possible, but no later than December 31, 2024. Based on the assumed effective date, Annexation Area property owners will not pay property taxes to the City until 2025 payable 2026, or until the parcels are no longer municipal tax-exempt. However, the City will begin providing non-capital municipal services to the property owners within one (1) year after the effective date of the annexation, and it will begin providing capital municipal services to the property owners within three (3) years after the effective date of the annexation.

It is anticipated that there will be minimal additional costs to the City as a result of the annexation. The additional costs are related to the Police Department and Street Department. The causes of the anticipated increased costs are discussed on the prior pages, and a summary of the costs is demonstrated in Appendix I.

It is anticipated that the City will realize an increase in its levy of approximately \$608,309 (\$578,199 net of circuit breaker) as a result of the annexation. However, the percentage increase in the levy will not exceed the percentage increase in the City's assessed value; therefore, there is not anticipated to be a tax rate increase as a direct result of this annexation. If there is a shortfall in revenue from the annexation, the services described in this plan can be provided using funds on hand.

Based on the assumed annual growth factors noted on page 12, the additional levy will be approximately \$634,466 (\$604,356 net of circuit breaker) in 2027, \$657,307 (\$627,197 net of circuit breaker) in 2028, and \$683,599 (\$653,489 net of circuit breaker) in 2029. The estimated additional property tax cap losses for the overlapping taxing units based on current assessed values are as follows:

County	\$6,183
Osolo Twp	79
Washington Twp	7
School	14,911
Library	2,195
	<hr/>
Total	<u>\$23,375</u>

SECTION V

ASSUMED INDEBTEDNESS

As required by Indiana Code 36-4-3-10, the City will assume and pay any unpaid bonds or other obligations of Osolo Township and Washington Township existing at the effective date of the annexation of the Annexation Area in the same ratio as the assessed valuation of the property in the Annexation Area bears to the assessed valuation of all property in Osolo Township and Washington Township, as shown by the most recent assessment for taxation before the annexation, unless the assessed property within the City is already liable for the indebtedness.

Osolo Township currently has a fire truck loan with \$134,158 outstanding at an interest rate of 2.08%. Payments are due semi-annually on January 15th and July 15th and will be paid off on January 15, 2025. As a result of the annexation, the City will not be responsible for any the remaining loan payments because the City will not receive tax revenues from the Annexation Area until after the last debt service payment is made.

Washington Township has no debt currently outstanding.

Appendix I

CITY OF ELKHART, INDIANA

Elkhart East Phase I

ESTIMATED ASSESSED VALUE AND TAX RATE IMPACT

(Assumes first year of tax collections from Annexation Area is 2025 pay 2026)

Assessment Year	Estimated Net Assessed Value of Annex. Area (1)	Estimated Net Assessed Value of City (2)	Total Est. Net Assessed Value of City (3)	Est. Property Tax Levy of City (4),(5),(6)	Total Est. Property Tax Rate (7)
2023 Pay 2024	N/A	\$3,276,097,001	\$3,276,097,001	\$60,601,243	\$1.8498
2024 Pay 2025	N/A	3,439,901,851	3,439,901,851	62,955,509	1.8302
2025 Pay 2026	\$34,578,900	3,611,896,944	3,646,475,844	66,573,014	1.8257
2026 Pay 2027	38,303,900	3,792,491,791	3,830,795,691	69,419,765	1.8122
2027 Pay 2028	42,028,900	3,982,116,381	4,024,145,281	71,920,867	1.7872
2028 Pay 2029	45,753,900	4,181,222,200	4,226,976,100	74,790,598	1.7694

(1) Based on the current net assessed value of the real property, less municipal tax-exempt agricultural assessed land, in the Annexation Area as gathered from the Elkhart County Assessor's office and an additional \$11,175,000 in estimated value of development in the Annexation Area. Per information provided by the City, we have assumed development will first be assessed in 2026 pay 2027.

(2) Assumes the assessed value for the City of Elkhart, excluding the Annexation Area, grows at a rate of 5%.

(3) Represents the net assessed value for the City, including the Annexation Area, used to calculate the tax rate.

(4) Assumes controlled property tax levies increase by an annual growth factor as follows:

Year	Controlled Levy Growth
2024	4.0%
2025	3.9%
2026	4.8%
2027	4.3%
2028	3.6%
2029	4.0%

(5) Assumes that the Park Bond levy remains constant. Also, assumes the CCD rate remains constant, which results in additional levy due to NAV growth.

(6) Assumes the City receives an automatic increase in its levy equal to its percentage increase in net assessed value as a result of the annexation.

(7) Based on the Est. Property Tax Levy of City divided by the Total Est. Net Assessed Value of City.

CITY OF ELKHART, INDIANA

Elkhart East Phase I

SUMMARY OF ADDITIONAL COSTS DUE TO ANNEXATION

(Non-Capital Services)

<u>Department</u>	<u>Description of Costs</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>Ref.</u>
Street	Materials, supplies and repairs	\$17,500	\$18,025	\$18,566	\$19,123	(1)
Police	Fuel and repairs	3,700	3,811	3,925	4,043	(1)
	Totals	<u>\$21,200</u>	<u>\$21,836</u>	<u>\$22,491</u>	<u>\$23,166</u>	

(1) Assumes a 3% inflationary adjustment for years 2026 through 2028.

	<u>Summary of Net Impact</u>		
	<u>2025</u>	<u>2026</u>	<u>2027</u>
Estimated levy increase (net of circuit breaker)	\$ -	\$578,199	\$604,356
Estimated CCD levy increase	-	16,321	18,079
Estimated additional costs	(21,200)	(21,836)	(22,491)
Net Impact	<u>\$ (21,200)</u>	<u>\$572,684</u>	<u>\$599,944</u>
			<u>\$627,197</u>
			19,838
			(23,166)
			<u>\$623,869</u>

(2) Assumes the CCD rate remains constant, which results in additional levy from the added Annexation Area NAV, as noted on page 12.

CITY OF ELKHART, INDIANA

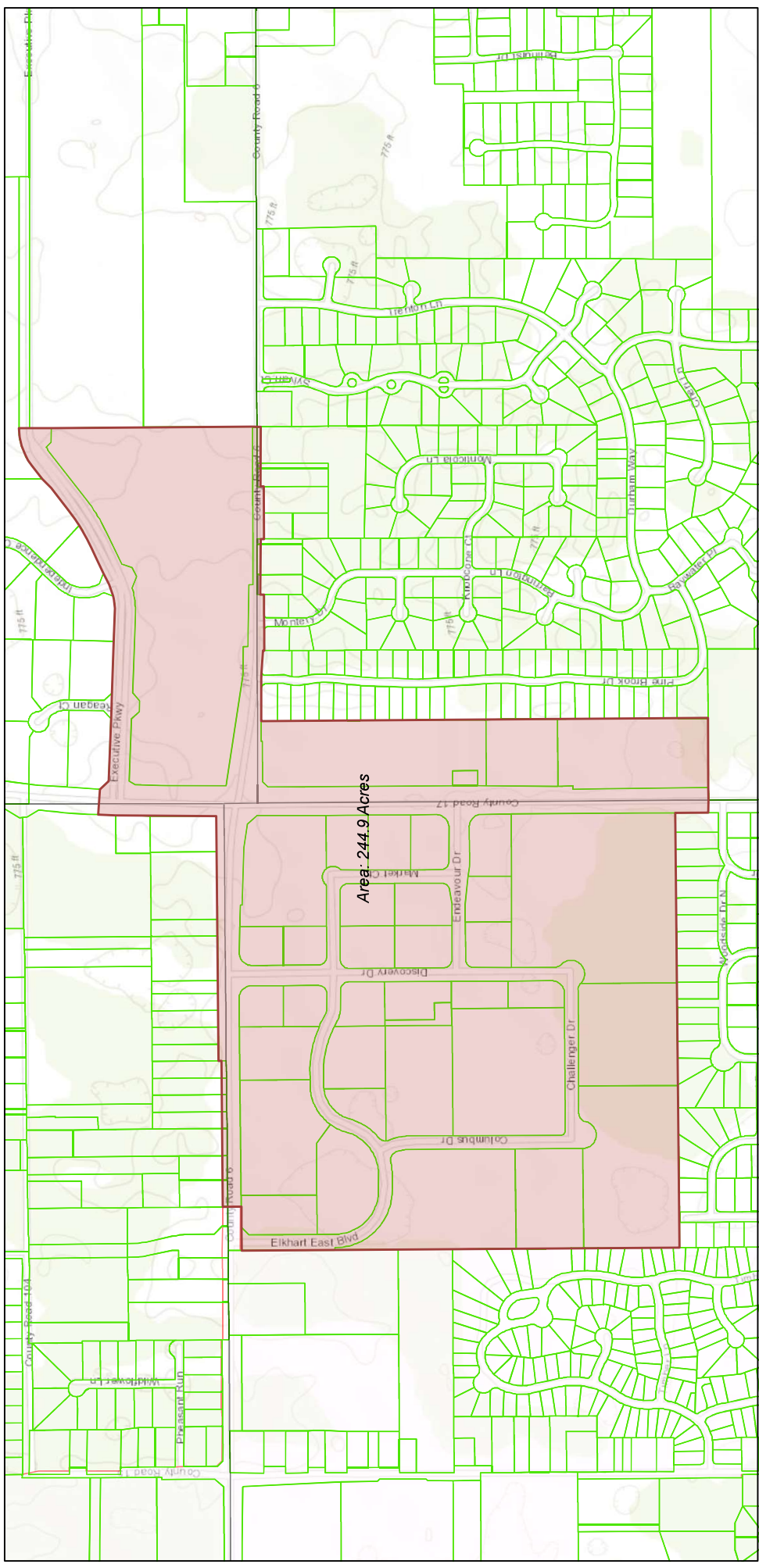
Elkhart East Phase I

PARCEL LIST

<u>Parcel ID</u>	<u>Owner</u>	<u>'22 Pay '23 Net Assessed Value</u>	<u>Remonstrance Waiver</u>
20-02-25-201-005.000-026	Baker, James M	\$ 609,500	No
20-02-25-201-006.000-026	Feed the Children Inc	-	No
20-02-25-201-007.000-026	ALMAC IN	10,000	No
20-02-25-201-004.000-026	Cook Legacy Properties LLC	842,800	No
20-02-25-226-004.000-026	Ludwig Investments Inc An Ind Corp	3,500	No
20-02-25-226-001.000-026	Ludwig Investments Inc An Ind Corp	3,500	No
20-02-25-226-002.000-026	Huill Lift Truck Inc	18,100	No
20-02-25-226-005.000-026	Hull Lift Truck Inc	18,000	No
20-02-25-226-003.000-026	Hull Lift Truck Inc	98,200	No
20-02-25-226-009.000-026	Jenway Majestic LLC	3,500	No
20-02-25-226-013.000-026	Jaxon-Java Proper LLC	25,000	No
20-02-25-226-014.000-026	Endeavour Holdings LLC	1,104,100	No
20-02-25-226-012.000-026	Elkhart DDS Real Estate LLC	450,000	No
20-02-25-226-011.000-026	Elkhart DDS Real Estate LLC	3,500	No
20-02-25-226-007.000-026	Rented by Erik LLC	201,200	No
20-02-25-226-008.000-026	Rented by Erik LLC	3,500	No
20-02-25-251-019.000-026	Shah Land Development LLC	3,500	No
20-02-25-251-014.000-026	Shah Land Development LLC	3,500	No
	AIC Income Fund Columbia LLC c/o		
20-02-25-252-001.000-026	George McElroy & Assoc. Inc.	3,985,900	No
20-02-25-203-004.000-026	53208 Columbia Dr Owner LLC	3,469,100	No
	White Charles R Trustee Charles R		
20-02-25-203-003.000-026	White Revocable Trust	533,900	No
	White Charles R Trustee Charles R		
20-02-25-203-005.000-026	White Revocable Trust	5,900	No
	White Charles R Trustee Charles R		
20-02-25-200-012.000-026	White Revocable Trust	5,900	No
20-02-25-226-010.000-026	Discovery Drive - Elkhart LLC	51,400	No
20-02-25-226-006.000-026	Discovery Drive - Elkhart LLC	924,400	No
20-02-25-251-018.000-026	BNS Holdings LLC	3,500	No
20-02-25-251-017.000-026	BNS Holdings LLC	3,500	No
20-02-25-251-016.000-026	Almac Inc	700,000	No
	Elkhart DDS Real Estate LLC Valeo		
20-02-25-251-013.000-026	North America	6,130,300	No
20-02-25-251-011.000-026	3 G Real Estate LLC	3,286,800	No
20-02-25-251-005.000-026	Marteli Holdings LLC	6,872,900	No
20-02-25-251-009.000-026	Vista Building LLC	2,117,900	No
20-02-25-251-006.000-026	LAM Corporation	4,600	No
20-02-25-202-002.000-026	LAM Corporation	2,887,300	No
20-03-30-151-002.000-030	Ludwig Investments Inc	194,200	No
20-03-30-151-001.000-030	Ludwig Investments Inc	3,500	No
20-03-30-101-004.000-030	Ludwig Investments Inc	500	No
20-03-30-101-002.000-030	Ludwig Investments Inc	9,200	No
20-03-19-300-020.000-030	Finis Terra Inc An IN Corp	28,400	No
	Total	\$ 34,620,500	

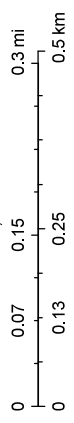
Appendix II

ELKHART EAST ANNEXATION, PHASE 1



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Esri, Canada, Esri, HERE, Garmin, INCREMENT P, USGS, METI/
NASA, EPA, USDA

CITY OF ELKHART
Esri, Canada, Esri, HERE, Garmin, INCREMENT P, USGS, EPA, USDA | Elkhart GIS | City of Elkhart | Elkhart County GIS

A PART OF THE SOUTHEAST QUARTER OF SECTION 24, TOWNSHIP 38 NORTH, RANGE 5 EAST; ALSO, A PART OF THE NORTHEAST QUARTER OF SECTION 25, TOWNSHIP 38 NORTH, RANGE 5 EAST; ALSO, A PART OF THE SOUTHEAST QUARTER OF SECTION 25, TOWNSHIP 38 NORTH, RANGE 5 EAST; ALL IN OSOLO TOWNSHIP, ELKHART COUNTY, INDIANA;

ALSO, A PART OF THE SOUTHWEST QUARTER OF SECTION 19, TOWNSHIP 38 NORTH, RANGE 6 EAST; ALSO, A PART OF THE NORTHWEST QUARTER OF SECTION 30, TOWNSHIP 38 NORTH, RANGE 6 EAST; ALL IN WASHINGTON TOWNSHIP, ELKHART COUNTY, INDIANA;

BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF SECTION 25, TOWNSHIP 38 NORTH, RANGE 5 EAST;

THENCE SOUTHERLY ALONG THE WEST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 25 A DISTANCE OF 80.0 FEET, MORE OR LESS, TO A POINT ON THE WEST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 25 THAT INTERSECTS WITH THE SOUTHERLY RIGHT-OF-WAY LINE OF COUNTY ROAD 6; SAID POINT BEING THE PLACE OF BEGINNING OF THIS DESCRIPTION;

THENCE CONTINUING SOUTHERLY ALONG THE WEST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 25 A DISTANCE 2578.2 FEET, MORE OR LESS, TO THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 25;

THENCE EASTERLY ALONG THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 25 A DISTANCE OF 2570.1 FEET, MORE OR LESS, TO A POINT ON THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 25 THAT INTERSECTS THE WESTERLY RIGHT-OF-WAY LINE OF COUNTY ROAD 17;

THENCE SOUTHERLY ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID COUNTY ROAD 17 A DISTANCE OF 200.0 FEET, MORE OR LESS TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF SAID COUNTY ROAD 17 THAT INTERSECTS WITH THE WESTERLY EXTENSION OF THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 30, TOWNSHIP 38 NORTH, RANGE 6 EAST;

THENCE EASTERLY ALONG THE WESTERLY EXTENSION OF THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 30 A DISTANCE OF 75.0 FEET, MORE OR LESS, TO THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF SECTION 30;

THENCE CONTINUING EASTERLY ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 30 A DISTANCE OF 75.0 FEET, MORE OR LESS, TO A POINT ON SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 30 THAT INTERSECTS THE EASTERLY RIGHT-OF-WAY LINE OF SAID AFOREMENTIONED COUNTY ROAD 17;

THENCE CONTINUING EASTERLY ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 30 A DISTANCE OF 413.0 FEET, MORE OR LESS, TO A POINT ON THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 30 THAT INTERSECTS WITH THE SOUTHERLY EXTENSION OF THE WESTERLY LINE OF THE RECORDED PLAT OF WOODLAND MEADOWS, SAID PLAT BEING RECORDED IN PLAT BOOK 23 PAGE 34;

THENCE NORTHERLY ALONG THE SOUTHERLY EXTENSION OF THE WESTERLY LINE OF SAID RECORDED PLAT OF WOODLAND MEADOWS AND ALONG THE WESTERLY LINE OF SAID RECORDED PLAT OF WOODLAND MEADOWS A DISTANCE OF 1305.9 FEET, MORE OR LESS, TO THE SOUTHWEST CORNER OF THE RECORDED PLAT OF PINEBROOK, SAID PLAT BEING RECORDED IN PLAT BOOK 22 PAGE 15;

THENCE CONTINUING NORTHERLY ALONG THE WESTERLY LINE OF SAID RECORDED PLAT OF PINEBROOK A DISTANCE OF 1323.3 FEET, MORE OR LESS, TO A POINT ON THE WESTERLY LINE OF SAID RECORDED PLAT OF PINEBROOK THAT INTERSECTS THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID AFOREMENTIONED COUNTY ROAD 6;

THENCE CONTINUING EASTERLY AND SOUTHEASTERLY ALONG THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID COUNTY ROAD 6 A DISTANCE OF 413.5 FEET, MORE OR LESS, TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID COUNTY ROAD 6 THAT INTERSECTS WITH THE WESTERLY LINE OF THE RECORDED PLAT OF PHEASANT RIDGE FOURTH, SAID PLAT BEING RECORDED IN PLAT BOOK 17 PAGE 76;

THENCE SOUTHERLY ALONG THE WESTERLY LINE OF SAID RECORDED PLAT OF PHEASANT RIDGE FOURTH A DISTANCE OF 7.3 FEET, MORE OR LESS, TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID COUNTY ROAD 6 THAT INTERSECTS THE WESTERLY LINE OF SAID RECORDED PLAT OF PHEASANT RIDGE FOURTH;

THENCE EASTERLY ALONG THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID COUNTY ROAD 6 A DISTANCE OF 332.5 FEET, MORE OR LESS, TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID COUNTY ROAD 6 THAT INTERSECTS WITH THE EASTERLY LINE OF SAID RECORDED PLAT OF PHEASANT RIDGE FOURTH;

THENCE NORTHERLY ALONG THE EASTERLY LINE OF SAID RECORDED PLAT OF PHEASANT RIDGE FOURTH A DISTANCE OF 20.0 FEET, MORE OR LESS, TO A POINT ON THE EASTERLY LINE OF SAID RECORDED PLAT OF PHEASANT RIDGE FOURTH THAT INTERSECTS WITH THE APPARENT SOUTHERLY RIGHT-OF-WAY LINE OF SAID COUNTY ROAD 6;

THENCE EASTERLY ALONG THE APPARENT SOUTHERLY RIGHT-OF-WAY LINE OF SAID COUNTY ROAD 6 A DISTANCE OF 328.8 FEET, MORE OR LESS, TO POINT ON THE APPARENT SOUTHERLY RIGHT-OF-WAY LINE OF COUNTY ROAD 6 THAT INTERSECTS WITH THE WESTERLY LINE OF THE RECORDED PLAT OF ZIMMERMAN ACRES, SAID PLAT BEING RECORDED IN PLAT BOOK 26 PAGE 8;

THENCE SOUTHERLY ALONG THE WESTERLY LINE OF SAID RECORDED PLAT OF ZIMMERMAN ACRES A DISTANCE OF 20.0 FEET, MORE OR LESS, TO A POINT ON THE WESTERLY LINE OF SAID RECORDED PLAT OF ZIMMERMAN ACRES THAT INTERSECTS WITH THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID AFOREMENTIONED COUNTY ROAD 6;

THENCE EASTERLY ALONG THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID COUNTY ROAD 6 A DISTANCE OF 313.1 FEET, MORE OR LESS, TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID COUNTY ROAD 6 THAT INTERSECTS WITH THE EASTERLY LINE OF SAID RECORDED PLAT OF ZIMMERMAN ACRES;

THENCE NORTHERLY ALONG THE EASTERLY LINE OF SAID RECORDED PLAT OF ZIMMERMAN ACRES A DISTANCE OF 20.0 FEET, MORE OR LESS, TO A POINT ON THE EASTERLY LINE OF SAID RECORDED PLAT OF ZIMMERMAN ACRES THAT INTERSECTS WITH THE APPARENT SOUTHERLY RIGHT-OF-WAY LINE OF SAID COUNTY ROAD 6;

THENCE EASTERLY ALONG THE APPARENT SOUTHERLY RIGHT-OF-WAY LINE OF SAID COUNTY ROAD 6 A DISTANCE OF 353.3 FEET, MORE OR LESS, TO A POINT ON THE APPARENT SOUTHERLY RIGHT-OF-WAY LINE OF SAID COUNTY ROAD 6 THAT INTERSECTS WITH THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 30;

THENCE NORTHERLY ALONG THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 30 A DISTANCE OF 20.0 FEET, MORE OR LESS, TO THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF SECTION 19, TOWNSHIP 38 NORTH, RANGE 6 EAST;

THENCE NORTHERLY ALONG THE EAST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 19 A DISTANCE OF 20.0 FEET, MORE OR LESS, TO A POINT ON THE EAST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 19 THAT INTERSECTS WITH THE APPARENT NORTHERLY RIGHT-OF-WAY LINE OF SAID AFOREMENTIONED COUNTY ROAD 6;

THENCE CONTINUING NORTHERLY ALONG THE EAST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 19 A DISTANCE OF 1378.6 FEET, MORE OR LESS, TO A POINT ON THE EAST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 19 THAT INTERSECTS WITH THE NORTHERLY RIGHT-OF-WAY LINE OF EXECUTIVE PARKWAY;

THENCE WESTERLY AND SOUTHWESTERLY ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF SAID EXECUTIVE PARKWAY A DISTANCE OF 1100.3 FEET, MORE OR LESS, TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE SAID EXECUTIVE PARKWAY THAT INTERSECTS WITH THE CENTERLINE OF INDEPENDENCE COURT;

THENCE CONTINUING SOUTHWESTERLY AND WESTERLY ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF SAID EXECUTIVE PARKWAY A DISTANCE OF 724.8 FEET, MORE OR LESS, TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF SAID EXECUTIVE PARKWAY THAT INTERSECTS WITH THE CENTERLINE OF REAGAN COURT;

THENCE CONTINUING WESTERLY ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF SAID EXECUTIVE PARKWAY A DISTANCE OF 445.4 FEET, MORE OR LESS;

THENCE NORTHWESTERLY ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF SAID EXECUTIVE PARKWAY A DISTANCE OF 70.7 FEET, MORE OR LESS, TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF SAID AFOREMENTIONED COUNTY ROAD 17;

THENCE WESTERLY PERPENDICULAR TO THE EASTERLY RIGHT-OF-WAY LINE OF SAID COUNTY ROAD 17 A DISTANCE OF 150.0 FEET, MORE OR LESS, TO A POINT THE WESTERLY RIGHT-OF-WAY OF SAID COUNTY ROAD 17;

THENCE SOUTHERLY ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID COUNTY ROAD 17 A DISTANCE OF 695.9 FEET, MORE OR LESS, TO A POINT ON THE WESTERLY RIGHT-OF-WAY OF SAID COUNTY ROAD 17 THAT INTERSECTS WITH THE NORTHERLY RIGHT-OF-WAY OF SAID AFOREMENTIONED COUNTY ROAD 6;

THENCE WESTERLY ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF SAID COUNTY ROAD 6 A DISTANCE OF 1449.7 FEET, MORE OR LESS, TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF SAID COUNTY ROAD 6 THAT INTERSECTS WITH THE EASTERLY LINE OF LAND CONVEYED TO ASHLEY BROWN IN DOCUMENT NUMBER 2009-28239;

THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID BROWN LAND A DISTANCE OF 15.0 FEET, MORE OR LESS, TO A POINT ON THE EASTERLY LINE OF SAID BROWN LAND THAT INTERSECTS WITH THE APPARENT NORTHERLY RIGHT-OF-WAY LINE OF SAID COUNTY ROAD 6;

THENCE WESTERLY ALONG THE APPARENT NORTHERLY RIGHT-OF-WAY LINE OF SAID COUNTY ROAD 6 A DISTANCE OF 863.0 FEET, MORE OR LESS, TO A POINT ON THE APPARENT NORTHERLY RIGHT-OF-

WAY LINE OF SAID COUNTY ROAD 6 THAT INTERSECTS WITH THE WESTERLY LINE OF LAND CONVEYED TO CHAZ R. BELLFY IN DOCUMENT NUMBER 2004-15029;

THENCE SOUTHERLY ALONG THE WESTERLY LINE OF SAID BELLFY LAND A DISTANCE OF 25.0 FEET, MORE OR LESS, TO THE SOUTHWEST CORNER OF SAID BELLFY LAND; SAID POINT BEING ON THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID AFOREMENTIONED SECTION 25, TOWNSHIP 38 NORTH, RANGE 5 EAST;

THENCE CONTINUING SOUTHERLY ALONG THE SOUTHERLY EXTENSION OF THE WESTERLY LINE OF SAID BELLFY LAND A DISTANCE OF 60.0 FEET, MORE OR LESS, TO THE SOUTHERLY RIGHT-OF-WAY LINE SAID AFOREMENTIONED COUNTY ROAD 6;

THENCE WESTERLY ALONG THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID AFOREMENTIONED COUNTY ROAD 6 A DISTANCE OF 258.3 FEET, MORE OR LESS, TO THE PLACE OF BEGINNING OF THIS DESCRIPTION;

CONTAINING 245 ACRES, MORE OR LESS.