

REGULAR SESSION, COMMON COUNCIL, SEPTEMBER 13, 2021

Be it Remembered that the Common Council of the City of Plymouth, Indiana, met in regular session on September 13, 2021. The meeting was held in the Council Chambers, on the second floor of the City Building, 124 N. Michigan St., Plymouth, Indiana and was called to order at 6:30 p.m.

Mayor Senter led the Pledge of Allegiance and Councilman Ecker offered prayer.

Senter presided for Council members Greg Compton, Duane Culp, Don Ecker, Jeff Houin, Shiloh Carothers Milner and Randy Longanecker, all of who attended the meeting in person. Council member Robert Listenberger attended the meeting virtually through Microsoft Teams. City Attorney Surrisi and Clerk-Treasurer Xavier were also present. The public was able to see and hear the meeting through Microsoft Teams.

Council Members Culp and Compton moved and seconded to approve the minutes of the last regular Common Council session on August 23, 2021, as presented. The motion carried.

City Attorney Surrisi presented Ordinance No. 2021-2183, Elected Officials Salary Ordinance for 2022, on Second reading.

Houin stated that the salaries for the Mayor and Clerk-Treasurer were greater than other city employees. For the Mayor increase, there was a year that the Clerk-Treasurer's salary was increased and the Mayor's salary was not increased. In turn, the increase was to reflect this. Also, for the elected officials they were not able to get the mid-year raise which the rest of the city employees received, so this increase would reflect both that increase and the new year increase.

Compton stated that he would prefer not to see an increase for the elected officials as the city has not seen the full effects of COVID. He stated that they still have time left for these raises to take effect.

Council Members Culp and Ecker moved and seconded to Approve Ordinance No. 2021-2183, Elected Officials Salary Ordinance for 2022, on Second Reading. The motion passed by roll call vote.

AYES: Culp, Ecker, Houin, Listenberger, Longanecker, Milner  
NAYS: Compton

City Attorney Surrisi presented Ordinance No. 2021-2183, Elected Officials Salary Ordinance for 2022, on third reading.

Council Members Ecker and Longanecker moved and seconded to approve Ordinance No. 2021-2183, Elected Officials Salary Ordinance for 2022, on Third Reading. The motion passed by roll call vote.

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AYES: Culp, Ecker, Houin, Listenberger, Longanecker, Milner  
NAYS: Compton

City Attorney Surtisi opened the discussion on Veterans Parkway. He stated that Baker Tilley had completed the feasibility study. He introduced Heidi Amspaugh and Kyle Carlson who spoke on the feasibility study.

Amspaugh stated that the feasibility study looked favorably on this project. The study showed that TIF 3 was able to pay all costs of the project and there would still be sufficient funds for the other commitments of the TIF. The way that this project was worded would allow for the flexibility for the Redevelopment to use both TIF 1 and TIF 3.

Xaver expressed her concerns about this project possibly bypassing the downtown and how this would affect the city.

Surtisi stated that he did not believe that this would be bypassing the downtown, but instead would lead to a possible activation and annexation of that part of the city.

Houin asked what the process would be from this point. Surtisi stated that at the October Redevelopment Meeting, if the resolutions which would be presented at the next meeting were passed, there would be a public hearing on the topic along with the confirmation of adding the project to the project list for the TIF areas.

Ecker asked if they had talked with business along this route and if they were supportive of the project. Surtisi stated that he had talked to PIDCO and they were excited about the project.

Ecker and Houin asked that at their next meeting if a list of items could be presented to them that would help them make a decision on the project.

Surtisi asked what they would need to be included on the list to help with the decision. Houin asked for the return of investment on the project and the cost of maintenance of the new road. Ecker asked for a plan of access to current businesses for the road. Compton asked for a projection of the traffic flow on the road and what type of trucks would most likely be seen.

City Attorney Surtisi reviewed the following memo with the board members:

**MEMO**

TO: City Council  
FROM: Sean Surtisi  
DATE: 9/9/21  
RE: Menominee Heights Phase 2 Housing Development

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Over the last several months, the Mayor and I have had a number of meetings with Alan Collins and his team regarding potential development of Phase 2 of the Menominee Heights housing development. Maybe 10 years ago, in partnership with Dave Gibson who owns the land, Collins built 11 homes in this development which is located on Elm Street and Discovery Lane north of Menominee School. Collins has been exploring the possibility of building out an additional 17 homes in the development. Collins described some aggressive incentives that he's received from other communities, like Peru, with recent developments and requested similar consideration here. After many discussions, with the Collins team, Donnie Davidson, Rick Gaul, and Councilmen Ecker and Listenberger, about this project, the Mayor is supportive of the incentive package laid out in this memo. Based on that support, Collins has proceeded with the necessary planning for the project and hopes begin construction this fall. The incentives include entering into a memorandum of understanding, similar to the one for the Centennial Crossing development, addressing the project financial guarantees. In addition, the MOU provides for a 50% reduction in the water tap fees and sewer system development charges. The concept is that the Water and Wastewater Departments would not be asked to absorb that reduction, rather, the City would eventually pay the utilities for the other half of the fees. The other component of the incentive would be a tax abatement of at least one year. That tax abatement would be to the benefit of the eventual homeowner. I describe a bit of the financial impact of the development in this memo. We hope to win your support for this package as housing remains a critical need in our region and new developments like this are necessary to help grow the City's tax base.

The first part of the idea for the incentive package would be a discount on the utility "tap" fees, but not one that would be shouldered by the utilities themselves. Donnie said that the total for these fees for a new residential home is approximately \$2,200. So, for 17 homes that would be about \$37,400. The idea would be that the incentive would be for half that amount or \$18,700 (or whatever that actual half amount around there would pencil out to). But, the City wouldn't be asking the utilities to take a haircut. The City would make a payment in that amount to the utilities and Collins would pay the balance. The MOU just says that half of the fees will be deferred at the outset with the intent that they will eventually be paid by the City. That allows us time to figure out the funding.

The second part of the incentive package would be the homeowner piece. That would involve the Plymouth Economic Development Commission recommending that this land be designated as an Economic Development Target Area. The City Council would then accept that recommendation and make that designation. That would then make single family homes within the area eligible for tax abatement. The proposal would be to grant the properties at least a 1 year tax abatement (100% abatement for the first year). Collins has requested a 4 year phase in. Below is a rough analysis of what the numbers might look like.

Here are links to the GIS pages for the two parcels where these houses would be built.

<https://beacon.schneidercorp.com/Application.aspx?AppID=175&LaverID=2172&PageTypeID=4&PageID=1127&KeyValue=503208201071000019>

<https://beacon.schneidercorp.com/Application.aspx?AppID=175&LaverID=2172&PageTypeID=4&PageID=1127&KeyValue=503208203039002019>

You'll see that they currently have a really low assessed value. Apparently, the total tax bill for 2021 for the 4 acre parcel will be \$444 and for the 1.37 acre parcel \$153. So, as we discussed at the Council meeting with Eric Walsh from Baker Tilly back on Monday, April 26, 2021 (you might refer to your materials and notes from back then), in the current tax environment Plymouth's share of all the overlapping tax entities' take of property taxes is 51.03%. That would mean that we're only bringing in \$304.64 in property taxes on this vacant land right now.



Collins said that he estimated that the houses he plans to build would sell for between \$179,000 and \$219,000. Usually a pretty fair estimate of the assessed value of a newly constructed property is 85% of its cost. That would put the AV on those two costs at \$152,150 and \$186,150 respectively. The Indiana Gateway website has a handy tax bill estimator page where you can plug in your location and the assessed value of the property, etc. and it will give you tax numbers. Here's a link

<https://gateway.ifonline.org/CalculatorsDLGF/TaxCalculator.aspx>. Doing that with the assessed values above and assuming that the homeowners are taking the homestead and mortgage deductions the calculator comes up with a maximum tax bills for the two properties at \$1,522 and \$1,862. For this analysis, I'm assuming that of the 17 homes, 8 are assessed at the lower amount and 9 at the higher amount. That would yield the following tax dollars for Plymouth per year:

\$1,522 X 0.5103 = \$776.67 X 8 = \$6,213.36  
 \$1,862 X 0.5103 = \$950.17 X 9 = \$8,551.53

Applying the proposed tax abatement to the properties would yield the following tax dollars for Plymouth on the improvements over the first 2 years:

Year 1 – 100% abatement	= \$0.00
Year 2 – 0% abatement	= \$14,764.89
Year 2 – 0% abatement	= \$14,764.89
<b>TOTAL:</b>	<b>\$29,569.78</b>

Not including utility revenue for water and sewer usage, that would put the City at \$10,869.78 to the good after just 3 years. Obviously, as with all the disclaimers that Baker Tilly always puts in their projections, those are just projections, but I think it's fair to say that the investment would be recouped pretty quickly and there will also be all the spin-off benefits of having more people in the City. With these numbers as a base you can see how things would adjust of any additional phase-in years of tax abatement were offered. At least symbolically, I like the idea of offering tax abatement to individual homeowners. In practical terms, I do think it will take some handholding

with the homeowners. We'd probably need to send them a couple of letters to remind them that in order to get the benefit of the abatement that they need to file their CF-1 form on time. Also, financially, I think that it makes good sense. It would take raw land that has a very low assessed value and significantly raise its value going forward. The City would then be near earning the initial investment in tax revenue every year thereafter. That sounds like a pretty good value proposition to me.

Please let me know if you have any questions.

Surrisi presented the following proposed Memorandum of Understanding between the City of Plymouth and Construction Management and Design, Inc.

**MEMORANDUM OF UNDERSTANDING  
 BETWEEN THE CITY OF PLYMOUTH AND  
CONSTRUCTION-MANAGEMENT AND DESIGN, INC.**

This memorandum is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2021 by and between the City of Plymouth, located in Marshall County, Indiana, (hereinafter referred to as "CITY") and Construction-Management and Design, Inc. (hereinafter referred to as "BUILDER"). For the consideration of the premises and the mutual dependent covenants herein contained, the City and Builder agree as follows:

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1. The purpose of this Memorandum is to memorialize the terms regarding the development of improvements to real estate in the form of infrastructure (water, storm sewer and sanitary sewer, streets, lighting sidewalks etc.) located within the Menominee Heights Subdivision – Phase 2, Plymouth, Indiana 46563, Marshall County, more specifically described in the attached “Exhibit A”. Builder has filed with the city a plat for said development which was approved by the Plymouth Plan Commission on September 7, 2021. The applicable regulations require that the Builder provide a bond or other acceptable guarantee for all required improvements. This guarantee must be provided at the time of permit application. The parties acknowledge and agree that the following is intended as an outline of material matters indicating what each party will do during the term of this Memorandum of Understanding (hereinafter referred to as “MOU”); however, it is not intended to be all inclusive. The parties agree they will cooperate concerning the general nature of the matters of this Agreement and will consider changes herein when deemed appropriate and agreed upon by the parties.

2. Builder guarantees to construct all required improvements, including the construction of 17 to 19 homes on the lots which are part of the Menominee Heights Subdivision – Phase 2, in accordance with the plans approved by the plan commission on September 7, 2021 or as modified at the request of the State of Indiana, Marshall County or the City of Plymouth and in accordance with the specifications and requirements of the laws and regulations of the State of Indiana, the City of Plymouth and Marshall County, Indiana. Further, Builder guarantees to complete all required improvements, not to include any buildings, by December 31, 2022. Builder further agrees to comply with any oversight and testing required by the laws and regulation of the City of Plymouth and to provide the city with as-built documents once the required improvements are complete. Lastly, Builder guarantees it will be responsible for providing all of the material necessary for the required improvements.

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3. The City guarantees, in consideration for the guarantees provided by the Builder in Paragraph 2 of this Memorandum, it will take ownership of the required improvements that are to be public, as was approved by the Plan Commission in the Phase 2 plat or as modified at the request of the State of Indiana, Marshall County or the City of Plymouth, once the construction is complete, the as-built documents are completed and filed with the city and/or county and the Builder has provided all other documentation as required by the laws and regulations of the City of Plymouth, Marshall County and the State of Indiana. The parties agree the City of Plymouth will not take ownership of any water retention/detention ponds or areas or of any structures, pipes or channels directly into or out of said areas. Further, in consideration of the Builder's guarantee to complete the improvements and comply with oversight and testing requirements of the City of Plymouth, the city agrees to waive all fees included in Ordinance No. 2018-2138 \$6, \$7, and \$8. Further, the City agrees to reduce the Builder's water tap fees and sewer system development fees by 50%. The Builder shall pay its half of such fees when due at the outset of the project and the other half of such fees shall be deferred at this time, with the intention that the City will make payment of the remaining 50% to the Plymouth Water Department and the Plymouth Wastewater Department, respectively, in due course, after arrangements for such payments have been provided for according to the City's usual internal procedures.

4. Disclaimers: The parties are in agreement that the term required improvements does not include any building or all structures. Required improvements do not include houses, apartment buildings, condominiums, clubhouses, garages, playgrounds, swimming pools, gazebos or pavilions or any of the like.

5. The parties will work in good faith and in the best business interests of each party to conduct construction and oversight of the project in compliance with all applicable laws and regulations and in any way related to the performance of the duties under this Memorandum.

The parties agree they will comply with all applicable federal, state and local laws, rules, regulations and ordinances and all provisions required thereby to be included herein are hereby incorporated by reference.

6. This Agreement shall be construed in accordance with and governed by the laws of the State of Indiana in the case of a dispute not resolved by agreement is brought to a lawsuit, such suit shall be brought in a Marshall County state court in the State of Indiana.

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IN WITNESS WHEREOF, the City and Builder through their duly authorized representatives enter into this Agreement.

**City of Plymouth, Indiana**

Mark Seuter, Mayor

Attested by:

Jeanne M. Xaver, IAMC/CMC/CPFM, Clerk-Treasurer

**Construction Management and Design,  
Inc.**

Alan Collins, President

Attested by:

Surrisi stated that this Memorandum of Understanding was similar to the Centennial Crossings Memorandum of Understanding. This Memorandum would be for the Menominee Heights Subdivision. They would be adding 17-19 homes to the subdivision with the same style and footprint. The differences between this MOU and Centennial Crossings MOU would be that this Memorandum would allow for ½ of the fees associated with the city to be deferred to a later time. They had also talked about possibly looking into a tax abatement for the single-family homes for one year for the new homeowners. Surrisi introduced Burke Richeson who was there to answer questions about the MOU.

Houin asked if these homes were intended to be sold and owner-occupied. Richeson stated that they intended to sell them all, and that they were not intending to rent any of the homes.

Houin asked what they anticipated for the construction timeline. Richeson stated that they intended for the homes to be ready for move in next fall and they wanted to start building the homes this fall.

Compton asked at what time the tax abatement would begin. Surrisi stated that they assume that this would begin in 2023 that way that the people who purchase the home would benefit for one year.

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Ecker stated that he would not support any sort of tax abatement that lasted more than one year on these homes. Surrisi stated that the Memorandum of Understanding did not include anything about a tax abatement, and that they would have to come before the council at another time for the abatement.

Clerk-Treasurer Xaver asked what were the fees that would be deferred. Surrisi stated that the Plan Review Fees, Tap Fees, Street Cuts, and Financial Guarantees fees would be included in this.

Council Members Houin and Listenberger moved and seconded to the approve the Memorandum of Understanding between the City of Plymouth and Construction Management and Design, Inc. The motion passed by roll call vote.

A YES: Compton, Culp, Ecker, Houin, Listenberger, Longanecker, Milner  
NAYS: None

Clerk-Treasurer Xaver presented the proposed 2022 Budget to the Council. She provided the council with a list of large changes in the budget from the previous year.

Ecker asked why the advertised rate was lower than previous years. Xaver stated that because the council had voted to move the Storm Sewer expenses from the General Fund to the Wastewater Fund; additionally, the council had voted to move the public hydrant fee from the General Fund and add it to utility customers' water bills. This removed over \$420,000 from the General Fund and dependence on property taxes, therefore reducing the property tax rate. Additionally, Xaver is budgeting \$350,000 of the annual street improvements in the Local Road and Street Fund, which is not funded by property tax dollars. This action further reduces the dependence on property taxes and reduces the property tax rate.

Houin asked if Xaver could provide the analysis of deficit spending for the last year as had been provided in previous years before the next meeting. Xaver stated that she would work to prepare that for them.

City Attorney Surrisi presented Resolution No. 2021-968, A Resolution of the Common Council of the City of Plymouth Authorizing the Investment of Public Funds Pursuant to IC 5-13-6-5.

City Attorney Surrisi presented Resolution No. 2021-969, A Resolution of the Common Council of the City of Plymouth to Approve an Investment Policy.

Clerk-Treasurer Xaver explained that this was the same policy that the city had, it simply needed to be re-addressed every four years.



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Council Members Houin and Milner moved and seconded to approve Resolution No. 2021-968, A Resolution of the Common Council of the City of Plymouth Authorizing the Investment of Public Funds Pursuant to IC 5-13-6-5 and Resolution No. 2021-969, A Resolution of the Common Council of the City of Plymouth to Approve an Investment Policy. The motion carried.

City Attorney Surrisi updated the Council on the Stellar Communities projects. He stated that the construction on the Rees Theatre was underway, and that the River Park Square Phase II application was getting close to being submitted.

Mayor Senter offered the privilege of the floor.

Council members Ecker and Compton moved and seconded to accept the following

communications:

- Minutes of the Board of Public Works and Safety meeting of August 23, 2021
- August 24, 2021 Technical Review Committee Meeting Notes
- 09.13.21 Check Register
- IDEM Hoosier Racing Tire Notice

The motion carried.

There being no further business to come before the Council, after a proper motion and second, Mayor Senter declared the meeting adjourned at 8:43 p.m.

*Jeannie M. Xaver*  
 Jeannie M. Xaver, IAMC, CMC, ACPFTM  
 Clerk-Treasurer

APPROVED

*Mark Senter*  
 Mark Senter, Mayor