

RESOLUTION #20, 2014

**ADOPTING A FISCAL PLAN FOR THE ANNEXATION OF
PROPERTY KNOWN AS THE "SOUTHEAST ANNEXATION PHASE II", TO THE
CITY OF VALPARAISO, INDIANA**

WHEREAS, the City Council of Valparaiso is the governing body of the City of Valparaiso in Porter County, State of Indiana; and

WHEREAS, the City Council of the City of Valparaiso has pending before it Ordinance No. 29, 2014 which would annex territory more commonly referred to as the "Southeast Annexation Phase II"; and

WHEREAS, the City Council of the City of Valparaiso is desirous to adopt the written fiscal plan and definite policy for the Southeast Annexation Phase II located in unincorporated Porter County; and

WHEREAS, the document attached hereto as Exhibit A shows the following:

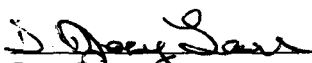
- (i) At least sixty-five percent (65%) of the owners of land in the territory proposed to be annexed.
- (ii) The owners of more than seventy-five percent (75%) in assessed valuation of the land in the territory proposed to be annexed.

NOW, THEREFORE, BE IT RESOLVED by the governing body of the City of Valparaiso, in Porter County, Indiana.

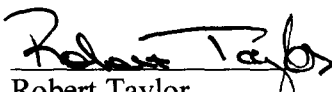
Section One: The City of Valparaiso elects to establish and adopt the written fiscal plan and definite policy before adopting the annexation ordinance for the Southeast Annexation. A copy of the written fiscal plan and definite policy for the Southeast annexation is attached hereto, incorporated herein and marked as **Exhibit "A"** to this Resolution.

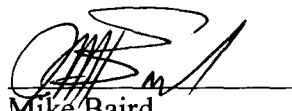
Section Two: This Resolution shall be in full force and effect from date of passage, by the City Council and its publication, as provided by law. All provisions or parts thereof in conflict herewith are hereby repealed.

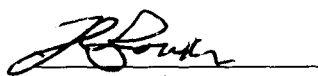
ADOPTED this 22nd day of Sept, 2014 by a 7 vote in favor and 0 vote opposed of all members present and voting.

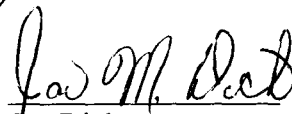

Joey Larr

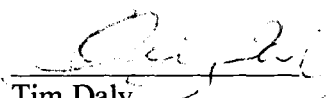

Deb Butterfield


Robert Taylor


Mike Baird


John Bowker


Jan Dick

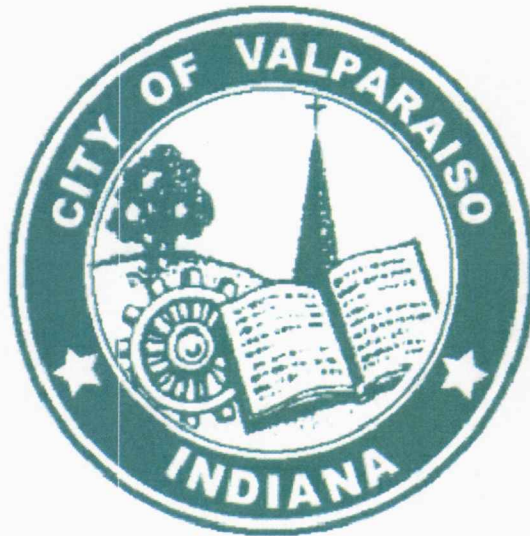

Tim Daly


Jon Costas, Mayor

ATTEST

Sharon Swihart, Clerk-Treasurer

Resolution # 20, 2014 Exhibit "A"
Plan Commission Case A14-003/RZ14-007



SOUTHEAST ANNEXATION PHASE II
FISCAL PLAN

Prepared by:
Tyler Kent
City of Valparaiso
Planning Department
July 2014

SOUTHEAST ANNEXATION PHASE II FISCAL PLAN

SUBJECT: A14-003/RZ14-007 – Southeast Annexation Phase II– Request to annex property known as Southwest Annexation Phase II, Washington Township, T 35N, R5W and Morgan Township T 34N, R5W.

DATE: July 30, 2014

The Planning, Building, and Engineering Department and the Clerk/Treasurer, Sharon Emerson-Swihart prepared this fiscal plan, with the cooperation and assistance from the following departments:

Engineering Department	Fire Department	Park and Recreation Department
Police Department	Public Works Department	Utilities Department

This report contains projected revenues and expenditures as well as a description of services to be provided to the newly annexed area, as required by law. While the City is committed to providing services in the same manner as similar areas within the city limits, dollar figures presented are estimates and are subject to some change. Variations are dependent upon the rate and extent of future development, future property assessments, and changes in the cost of providing services. Since this is a developing area, revenues and costs have been estimated based on a forecasted buildout of the areas in the proposed annexation. Assumptions were made with respect to assessed valuation and were based on estimates from developers of the property or existing comparable values. This report also assumes that property will develop substantially in accordance with the City of Valparaiso Growth Management Plan.

POLICY FOR PROVISION OF CAPITAL AND NON-CAPITAL SERVICES

Non-Capital Services

As required by IC 36-4-3-13 (d) (4), all non-capital services of the City including police protection, fire protection, street and road maintenance, and all other non-capital services normally provided within the corporate limits of the City of Valparaiso, will be provided to the annexed territory within one (1) year after the effective date of the annexation and they will be provided in a manner equivalent in standard and scope to those non-capital services provided to areas within the corporate boundaries regardless of similar topography, patterns of land use, and population density.

Capital Services

As required by IC 36-4-3-13 (d) (4), all capital services of the City including street construction, street lighting, sewer facilities, water facilities, and stormwater facilities will be provided to the annexed territory within three (3) years after the effective date of the annexation and they will be provided in a manner equivalent in standard and scope to those capital services provided to areas within the corporate boundaries regardless of similar topography, patterns of land use, and population density in a manner consistent with federal, state, and local laws, procedures, and planning criteria.

GENERAL INFORMATION

Location

The area included in this annexation consists of property located in Washington and Morgan Township, North of the Norfolk and Southern Railroad, West of 450 East, East of 400 East and South of US 30 and more particularly described as follows:

See attached description

Total Acreage	160.55 Acres more or less
Number of Dwelling Units	0
Number of Non-Residential Units	0 Existing, 0 Proposed
Percent Contiguous	17%
Existing Zoning (County)	I2, General Industrial (County)
Proposed Zoning	INH, Heavy Industrial

The annexation area consists of approximately 160.55 acres of farm land. The land included in the annexation petition is under the ownership of Glenn J. Tabor, As Surviving Co-Trustee.

CONTIGUITY

The southeast annexation area is 17% contiguous to the existing City limits.

"Needed & Can Be Used"

The SOUTHEAST Annexation Phase II area is 'needed and can be used by the City for its development at this time. The City of Valparaiso has taken steps to demonstrate this need and the intent to annex this land in the form of adopted city planning documents such as the Growth Management Plan. As the plans indicate, the areas included in this annexation are of vital importance to the positive development of the City as it continues to grow in the future. The inclusion of these areas within the city limits is crucial to protecting the character of the City, including existing commercial areas and downtown.

City Established Planning Jurisdiction/Influence

In agreement with Porter County government, any time a development is proposed that lies outside the official corporate boundaries of the City of Valparaiso, and the developer is seeking connection to municipal utilities the project is required to go through a joint city-county site review/DRC process. In this case however, the developer wishes to wait until annexation of the land is complete in order to develop or obtain building permits. In this case, the City development or site improvement standards apply as a condition of receipt of municipal utilities.

2030 Envision Valparaiso (2013)

The Growth Management Plan is a component of the 2030 Envision Valparaiso Comprehensive Plan. The plan identifies the future land use goals for the areas outside of the corporate limits that the City sees as within its sphere of influence, and will eventually annex. Furthermore, the areas included in the plan are closely tied to the corporate boundaries, and thus more accurately describe the limits of the Valparaiso "community". The plan details future land use goals within the SOUTHEAST Annexation PHASE II Area, and indicates that the area falls within a five-year annexation boundary.

Council District

It is recommended that the annexation area be assigned to the 1st Councilmanic District until the next redistricting.

PARCEL NUMBERS INCLUDED IN ANNEXATION

64-10-34-300-004.000-020

64-13-03-126-001.000-008

ESTIMATED ANNUAL REVENUES

The principal source of revenue for the City is through local property tax. True Tax Valuations (TTV) are based on information provided by the Porter County Auditor's Office. The 2014 payable in 2015 City tax rate of \$1.2576/100 TTV will be used for revenue estimates. This rate is now subject to a tax cap known as a circuit breaker. In the case of Industrial property, the cap is 3.0%, or the maximum tax that is paid on the property is 3.0% of the Assessed Value (AV).

Valparaiso – Morgan TWP Parcel

Total True Tax Value (AV)**	\$17,000.00 Existing AV \$17,000.00 AV as proposed
Total Tax Rate (Morgan-Valpo)	\$2.8797/100 AV
City Net Tax Rate	\$1.2576
City % of total tax	43.67%
Total Tax before cap	\$(489.55)
City portion of total tax before cap	\$(213.79)
Maximum Tax Rate (Circuit Breaker)	3.0% Industrial
Maximum tax after circuit breaker	\$ 504.24 > \$489.55
City portion of Max. tax after cap	\$ 220.20
Total property tax revenue **	\$ 220.20

Valparaiso – Washington TWP Parcel

Total True Tax Value (AV)**	\$94,100.00 Existing AV \$94,100.00 AV as proposed
Total Tax Rate (Washington Township)	\$2.8543/100 AV
City Net Tax Rate	\$1.2576
City % of total tax	44.05%
Total Tax before cap	\$(2,685.90)
City portion of total tax before cap	\$(1,183.40)
Maximum Tax Rate (Circuit Breaker)	3.0% Industrial
Maximum tax after circuit breaker	\$2,766.47 > \$2,685.90
City portion of Max. tax after cap	\$ 1,218.63
Total property tax revenue **	\$ 1,218.63

Total Estimated Annual Revenues (Tax)	\$1,397.19 Existing AV \$1,397.19 As proposed
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Other State Distributed Revenues

Local Road and Streets

Based on a formula of \$2,063.47 per mile (2014 LRS receipts of \$316,329.22 divided by 153.3 certified lane miles in City), this annexation is expected to generate an additional \$1,774.58 LRS funds based on the addition of 0.86 lane miles to the City inventory.

Motor Vehicle Highway

Based on a formula of \$6,156.97 per mile (2014 MVH receipts of \$943,863.78 divided by 153.3 certified lane miles in City), this annexation is expected to generate an additional \$5,294.99 in MVH funds based on the addition of 0.86 lane miles to the City inventory.

Total Estimated Annual Revenues (All Sources)	\$0 Existing
	\$7,069.57 as proposed

Utility-Based Revenues

The following utility-based revenues are not part of the general fund or civil city budget, and are derived from sewer and water monthly billing for user fees.

Monthly Water Use Revenues

At the time of annexation, there are no plans to build within the annexed area. When constriction occurs, meter size and monthly water usage will be determined. \$0

Monthly Sewer Use Revenues

At the time of annexation, there are no plans to build within the annexed area. When constriction occurs, meter size and monthly sewer usage will be determined. \$0

Stormwater Fees

At the time of annexation, there are no plans to build within the annexed area. When constriction occurs, an assessment of the property will determine the stormwater fees. \$0

Total Annual Utility Revenues	\$0 Existing
	\$0 as proposed

ONE TIME REVENUES

These revenues are generated at the time a particular property is connected to the municipal sewer or water system or both. The revenues generated from these fees are dependent upon connection of homes and businesses to these systems.

Water - New Service Construction Cost

Minimum \$4,500.00 per principal structure. Unknown number of new water service required \$0. Plus \$6,000.00 for a new fire hydrant, 6 fire hydrants maybe required. 6 fire hydrants x \$6,000 = \$36,000. This annexation request includes proposed building at a total revenue of **\$36,000.00**.

Sewer Connection Fees

Due to the unknown number of buildings to be constructed on the property, sewer connection will not be accessed in this fiscal plan. **\$0**.

Total One Time Utility Revenues - \$36,000.00

Building and Engineering Permit Fees

At the time, there are no plans to construction buildings on the property. When buildings are to be constructed, the Building and Engineering Departments will collect the appropriate fees. **\$0**

Total One Time CITY Revenues \$0

ANTICIPATED ANNUAL COSTS AND IMPACT ON CITY SERVICES

Administrative Services:

Administrative functions of the City, including Mayor's Office, Clerk-Treasurer, Economic Development, Human Resources, Project Management, and Information Technology, and Legal services affected by this annexation will be handled with current staffing levels and resources funded by the current and future City General Fund revenues generated by the tax levy.

Inspection Services:

Zoning, building, and engineering inspection services within this annexation area as well as other annexation areas are not expected to require additional resources based on expected growth in this area over the next five to ten years.

Refuse Collection:

Trash and recycling pick up for residential properties is the responsibility of the building owner. Therefore, the expected cost of the proposed development is **\$0** annually.

Police Protection:

Police protection will be furnished by the Valparaiso Police Department within one year of the effective date of annexation as required by law. Based on the current use of the property as wooded farmland, the expected annual cost is **\$0** annually.

Fire Protection Services:

Fire protection will be furnished by the Valparaiso Fire Department within one year of the effective date of annexation as required by law. Based on the current use of the property as wooded farmland, the expected annual cost is **\$0** annually.

Street and Road Maintenance:

The annexation will result in the addition of .86 lane miles to the City street system. Currently there are 153.3 State certified miles in the city. The annual maintenance cost per mile is \$18,425.00. This will result in the expenditure of approximately **\$15,846** annually for road maintenance for this annexation. This value is based on a formula in which the 2014 Street Department Budget of \$1,833,066.56.

The annual cost of road surface replacement based on a 15-year resurfacing schedule is \$188,085.00 per centerline mile. With 0.86 centerline miles included divided by a 15-year replacement schedule at \$12,539 per mile per year, the road replacement cost is **\$10,658** annually.

Finally, the yearly cost of salt for 0.86 lane miles is based on a cost of \$57 per ton, and requiring 32 tons per mile, and would be **\$1,569.00** based on this formula.

In total, the overall cost for streets and roads is **\$28,073** annually.

Total Annual Costs to City and Services \$28,073 as proposed

ANTICIPATED ONE-TIME COSTS (Infrastructure Improvements)

Water Utility Service:

Municipal water service is available to the annexation area at this time via water mains located along the NIPSCO property. The developers will provide water infrastructure throughout the development at their cost. This annexation does not require immediate connection to the municipal water utility, but connections are expected as buildings are

constructed. Valparaiso City Utilities will construct water lines for the developments at the expense of the developer. Roughly 2,840 linear feet of sixteen inch water main with the necessary fittings and hydrants will be required. An additional 2,007 linear feet of eight inch water main with the necessary fittings and hydrants will be required to serve the property. An eight inch water jack and bore under the railroad with 24" casing will be required for serve to the property. Total cost to the City is \$0

Sewer Utility Service:

Municipal sewer service is available to the annexation area at this time via a sewer main located on the South side of US 30. This annexation does not require immediate connection to the municipal waste water utility, but connections are expected as buildings are constructed. Valparaiso City Utilities will construct waste water lines for the developments at the expense of the developer. Roughly 4,402 linear feet of 15" gravity sewer with all necessary manholes and fittings will be required to serve the property. A 15" sewer jack and bore under the railroad with a 24" casing will be required to serve the property. Total cost to the City is \$0

Total One Time Costs to the City

\$0

Water Service Extensions

The Valparaiso City Utilities owns and operates the water department that will serve this area with potable water. The policy of the Valparaiso City Utilities with respect to water service is and shall be to provide areas within the city with access to city potable water. However, this "access" does not include direct connection and/or construction of water lines in front of every residential and business. Valparaiso City Utilities will construct water lines for new developments at the expense of the developer. In the case of off-site water mains for such developments, Valparaiso City Utilities will allow the developer to recoup off site water main expenses from those who directly connect to said off-site water main¹.

For developed areas, Valparaiso City Utilities will develop a project to serve those property owners who request water service, to the extent enough property owners request such service. Typically, fifty-one percent of the property owners must request the service and commit to the payment of the service. However, if the cost of the project to serve an developed area is excessively high, such as the need to extend a long length of off-site main, the board of Directors may require a commitment from a larger percentage of property owners. In each case, the Board of Directors makes the final determination.

Sewer Service Extensions

The Valparaiso City Utilities owns and operates the water reclamation department that will serve this area with sanitary sewers. The policy of the Valparaiso City Utilities with respect to sewer service is and shall be to provide areas within the city with access to city sewer. However, this "access" does not include direct connection and/or construction of sewer lines in front of every residential and business parcel. Valparaiso City Utilities will construct sewer lines for new developments at the expense of the

¹ Assessment will include one-half of the cost of the off-site main for the frontage of the connector's frontage. Reimbursement period is limited to 10 years.

developer. In the case of off-site sewer mains for such developments, Valparaiso City Utilities will allow the developer to recoup off-site sewer main expenses from those who directly connect to said off-site sewer main.²

For developed areas, Valparaiso City Utilities will develop a project to serve those property owners who request sewer service, to the extent enough property owners request such service. Typically, fifty-one percent of the property owners must request the service. However, if the cost of the project to serve an developed area is excessively high, such as the need to extend a long length of off-site main, the Board of Directors may require a commitment from a larger percentage of property owners. In each case, the Board of Directors makes the final determination. If the sewer service is requested and the Board directs it, an assessment roll will be created to assess each property owner an equitable share of the project. Valparaiso City Utilities will then use Barrett Law to construct the project and assess each property owner a share the cost. Payment will be made per provisions of Barrett Law.

² A developer may be given a sewer reimbursement district contract in order to recoup the costs of the off-site sewer expenses. The City Engineering Dept. will determine the amount of area, which could reasonably connect directly and/or indirectly into the said off-site sewer and create a district. District fees will be calculated by the Engineering Dept. for said district.

SOUTHEAST ANNEXATION FISCAL PLAN SUMMARY

Location

The area included in this annexation consists of property located in Washington and Morgan Township, North of the Norfolk and Southern Railroad, West of 450 East, East of 400 East and South of US 30 and more particularly described as follows:

See attached description

Total Acreage	160.55 Acres
Number of Dwelling Units	0
Number of Non-Residential Units	0 Existing, 0 Proposed
Percent Contiguous	17%
Existing Zoning (County)	I2 General Industrial (County)
Proposed Zoning	INH, Heavy Industrial

The proposed annexation complies with the following criteria:

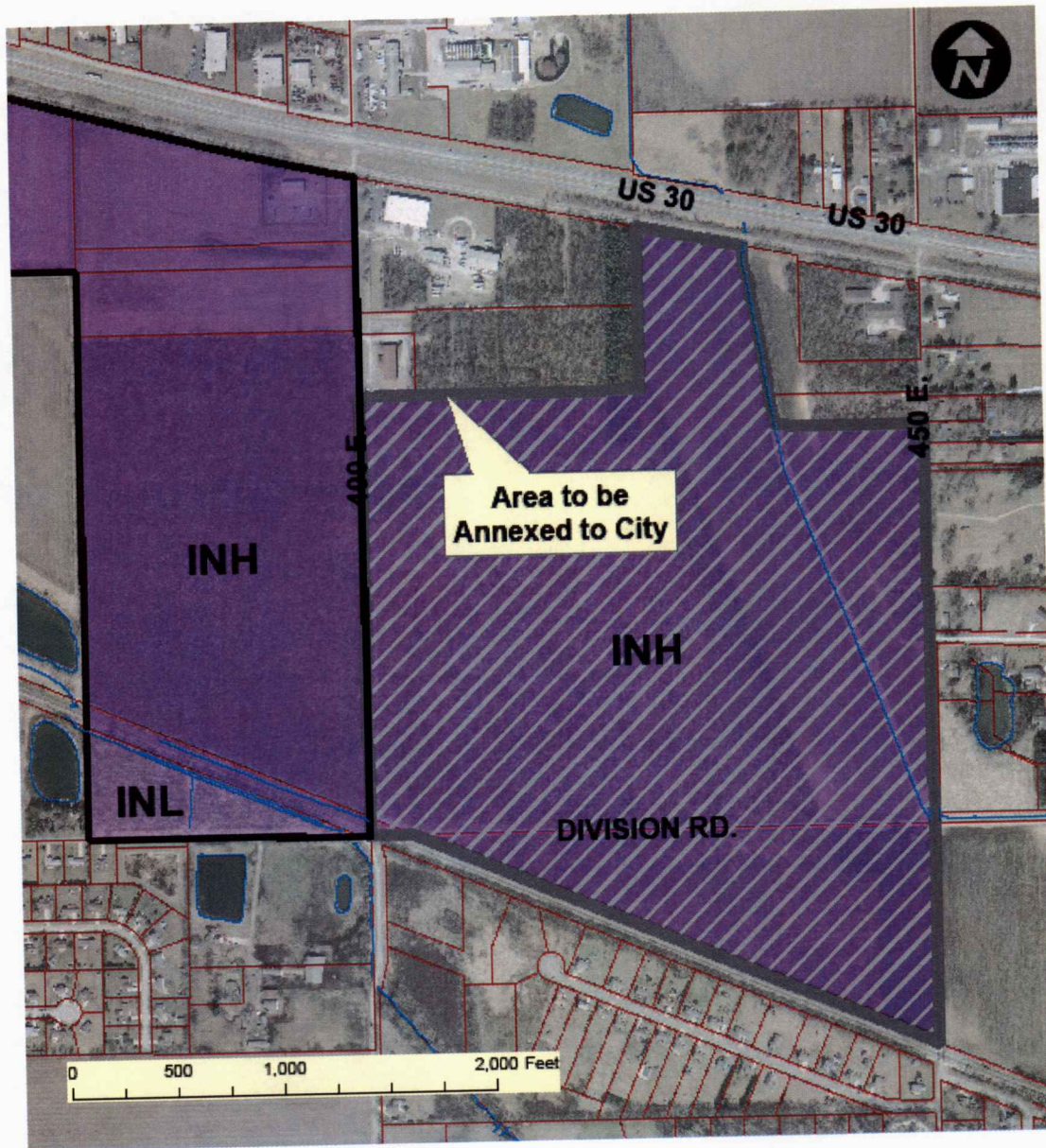
- (1) The area is 17% contiguous to the corporate limits of the City, exceeding the minimum 12.5% contiguity requirement of the State annexation law.
- (3) The extension of utilities will be at the cost of the developer.

Total Estimated Annual Revenues (All Sources) \$8,466.76 as proposed

vs.

Total Annual Costs to City and Services \$28,073.00 as proposed

	Existing	As proposed
Annual City Revenues	\$0	\$8,466.76
Annual Utility Revenues	\$0	\$0
Annual City Costs	\$0	\$28,073.00
One Time City Revenues	\$0	\$0
One Time Utility Revenues	\$0	\$36,000.00
One Time Utility Costs To City	\$0	\$0



CASE # A14-002 and RZ14-007
Southeast Annexation - Phase 2

25 North, 400 East

LEGEND

NC - Neighborhood Conservation	CG - Commercial, General
ER - Estate Residential	CBD - Central Business District
SR - Suburban Residential	CP - Central Place
GR - Residential, General	RT - Residential Transition
UR - Residential, Urban	CA - Campus
PS - Public Space	BP - Business Park
RJ - Rural	IL - Light Industry
CH - Commercial, Neighborhood	HI - Heavy Industrial
	PUD - Planned Unit Development



ParcelPoly

CityLimits

August 2014

DESCRIPTION
PROPOSED SOUTHEAST ANNEXATION – PHASE II

PARCEL 1: All that part of the North $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of Section 3, Township 34 North, Range 5 West in Morgan Township, Porter County, Indiana, lying north of the Northerly Right-of-way of the Nickel Plate Railroad.

AND

PARCEL 2: All that part of the West $\frac{1}{2}$ of Section 34, Township 35 North, Range 5 West in Washington Township, Porter County, Indiana, lying South of the Southerly Right of Way line of the Pennsylvania Railroad,

EXCEPTING THEREFROM the following described parcel; Commencing at the intersection of the Pennsylvania Railroad and the West line of said West $\frac{1}{2}$, thence South along said West Line 1030.00 feet, thence East 90 degrees to said West line 1320.00 feet, thence North parallel to said West line 764.21 feet to the Southerly Right of Way line of said Railroad, thence Northwesterly along said Railroad 1346.49 feet to the Point of Commencement of said exception.

ALSO EXCEPTING THEREFROM the following described parcel:

A parcel of land in the Southwest $\frac{1}{4}$ of Section 34, Township 35 North, Range 5 West of the Second Principal Meridian, Porter County, Indiana, more particularly described as follows: Beginning at the intersection of the East line of said Southwest $\frac{1}{4}$ and the Southerly right-of-way line of the Pennsylvania Railroad (said point of intersection being 2,564.36 feet North of the Southeast corner of said Southwest $\frac{1}{4}$ as measured along the said East line of the Southwest $\frac{1}{4}$ of said Section 34); thence South 0 degrees 39 minutes 54 seconds East 325.0 feet along the East line of said Southwest $\frac{1}{4}$; thence South 89 degrees 20 minutes 06 seconds West 700.0 feet; thence North 10 degrees 32 minutes 35 seconds West, 493.71 feet to the Southerly right-of-way line of the Pennsylvania Railroad; thence South 79 degrees 02 minutes 35 seconds East, 801.12 feet along said Southerly right-of-way line of the Pennsylvania Railroad to the point of beginning.

Said Southeast Annexation – Phase 2 is contiguous to the existing corporate limits of the City of Valparaiso lands previously annexed by said City per Ordinance 16, 2014, being that part of the West line of the Southwest Quarter of Section 34-35-5 within Parcel 2 described above.

All land within PARCEL 1 and PARCEL 2 of said Southeast Annexation – Phase 2 will be zoned INH, Heavy Industrial Zoning, containing 160.55 Acres more or less.