

RESOLUTION #31, 2015

ADOPTING A FISCAL PLAN FOR THE ANNEXATION OF
PROPERTY KNOWN AS THE "THE LAKES OF VALPARAISO OUT LOT 3800 VPR",
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 "The Lakes of Valparaiso Out Lot 3800 VPR"; and

WHEREAS, the City Council of the City of Valparaiso is desirous to adopt the written fiscal plan and definite policy for The Lakes of Valparaiso Out Lot 3800 VPR located in unincorporated Porter County; and

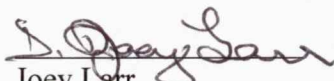
WHEREAS, the document attached hereto as Exhibit A shows the following:
(i) At least sixty-five percent (65%) of the owners of land in the territory proposed to be annexed.
(ii) The owners of more than seventy-five percent (75%) in assessed valuation of the land in the territory proposed to be annexed.

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

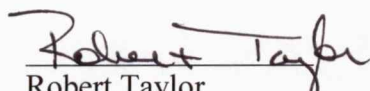
Section One: The City of Valparaiso elects to establish and adopt the written fiscal plan and definite policy before adopting the annexation ordinance for The Lakes of Valparaiso Out Lot 3800 VPR. A copy of the written fiscal plan and definite policy for The Lakes of Valparaiso Out Lot 3800 VPR is attached hereto, incorporated herein and marked as **Exhibit "A"** to this Resolution.

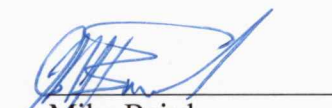
Section Two: This Resolution shall be in full force and effect from date of passage, by the City Council and its publication, as provided by law. All provisions or parts thereof in conflict herewith are hereby repealed.

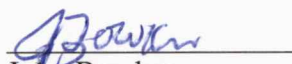
ADOPTED this 14th day of Dec, 2015 by a 7 vote in favor and 0 vote opposed of all members present and voting.

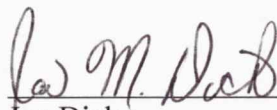

Joey Larr

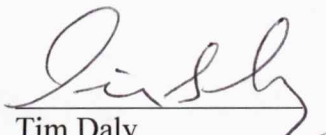

Trista Hudson

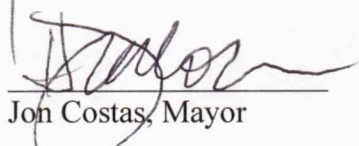

Robert Taylor


Mike Baird

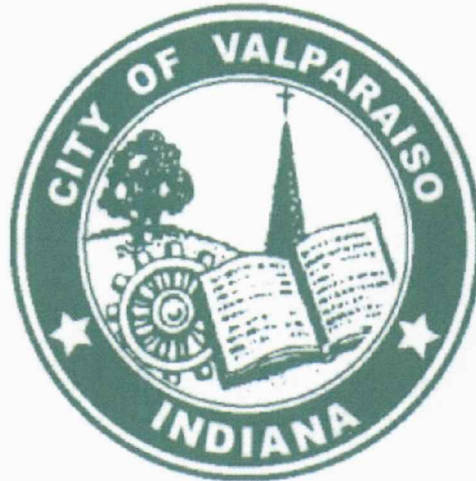

John Bowker


Jan Dick


Tim Daly


Jon Costas, Mayor

ATTEST: 
Sharon Swihart, Clerk-Treasurer



VALPARAISO, INDIANA
CITY OF VALPARAISO

WRITTEN FISCAL PLAN:

SJBZ Porter Holdings, LLC

Petition #: A15-002/R215-002

Current as of
November 16, 2015

Prepared By:

Cender & Company
L.L.C.

233 E. 84th Drive, Suite 103
Merrillville, IN 46410

CITY OF VALPARAISO
VALPARAISO, INDIANA

Written Fiscal Plan

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I. INTRODUCTION

The City of Valparaiso, Porter County, Indiana (the "City") received a petition from SJBZ Holdings LLC. (the "Petitioner") to be annexed by the City. The Petitioner owns the property located at 3380 Vale Park Road (the "Annexation Area").

Annexation of territory by a municipality is authorized pursuant to Indiana Code ("I.C.") 36-4-3 titled Municipal Annexation and Disannexation (the "Act"). Pursuant to Section 3 of the Act, the City Council as the legislative body of the City may, by an ordinance defining the corporation boundaries of the municipality, annex territory that is contiguous¹ to the municipality.

Therefore, this Written Fiscal Plan ("Fiscal Plan") has been prepared for the City Council to provide an assessment of the municipal financial impacts of an anticipated annexation territory, pursuant to the Act, more specifically to be adopted under Section 3.1(b).

II. GENERAL INFORMATION

Annexation Area Boundary Description

The Annexation Area, parcel number 64-10-17-201-002.000-020, is generally located in unincorporated Porter County, Indiana but more specifically, an area adjacent to the City's limits that is not part of the City with County Road 400 N to the north, the City of Valparaiso's corporate boundaries to the west, parcel number 64-10-17-201-007.000-020 to the south and parcel number 64-10-17-201-004.000-020 to the east.

Boundary Description: WASHINGTON MINOR 2231-B-1 NE 17-35-5 LOT 1 1.2A

MAP 1: Zoning Map with Annexation Area can be found on page 2.

Contiguity Requirement Verification

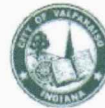
Section 1.5 of the Act states, "For purposes of this chapter, territory sought to be annexed may be considered "contiguous" only if at least one-eighth (1/8) of the aggregate external boundaries of the territory coincides with the boundaries of the annexing municipality. In determining if a territory is contiguous, a strip of land less than one hundred fifty (150) feet wide which connects the annexing municipality to the territory is not considered a part of the boundaries of either the municipality or the territory."

Furthermore, Section 13(a) states that a court upon remonstrance and a hearing shall order a proposed annexation to take place if certain requirements are met, including a territory to be annexed is contiguous to the municipality. Section 13(c)(1) provides for a more demanding contiguity requirement stating "That the territory sought to be annexed is contiguous to the municipality as required by section 1.5 of this chapter, except that at least one-fourth (1/4), instead of one-eighth (1/8), of the aggregate external boundaries of the territory sought to be annexed must coincide with the boundaries of the municipality.

Based upon the Annexation Area Boundary Description provided previously herein, the perimeter (the aggregate external boundary) of the Annexation Area has been calculated² and verified independently to be 902.06 linear feet. The coinciding boundaries or contiguous perimeter of the Annexation Area and the current City corporate limits has been calculated to be 282.7 linear feet.

¹ Reference I.C. 36-4-3-1.5 titled Contiguous Territory; Determination which defines contiguity for annexation.

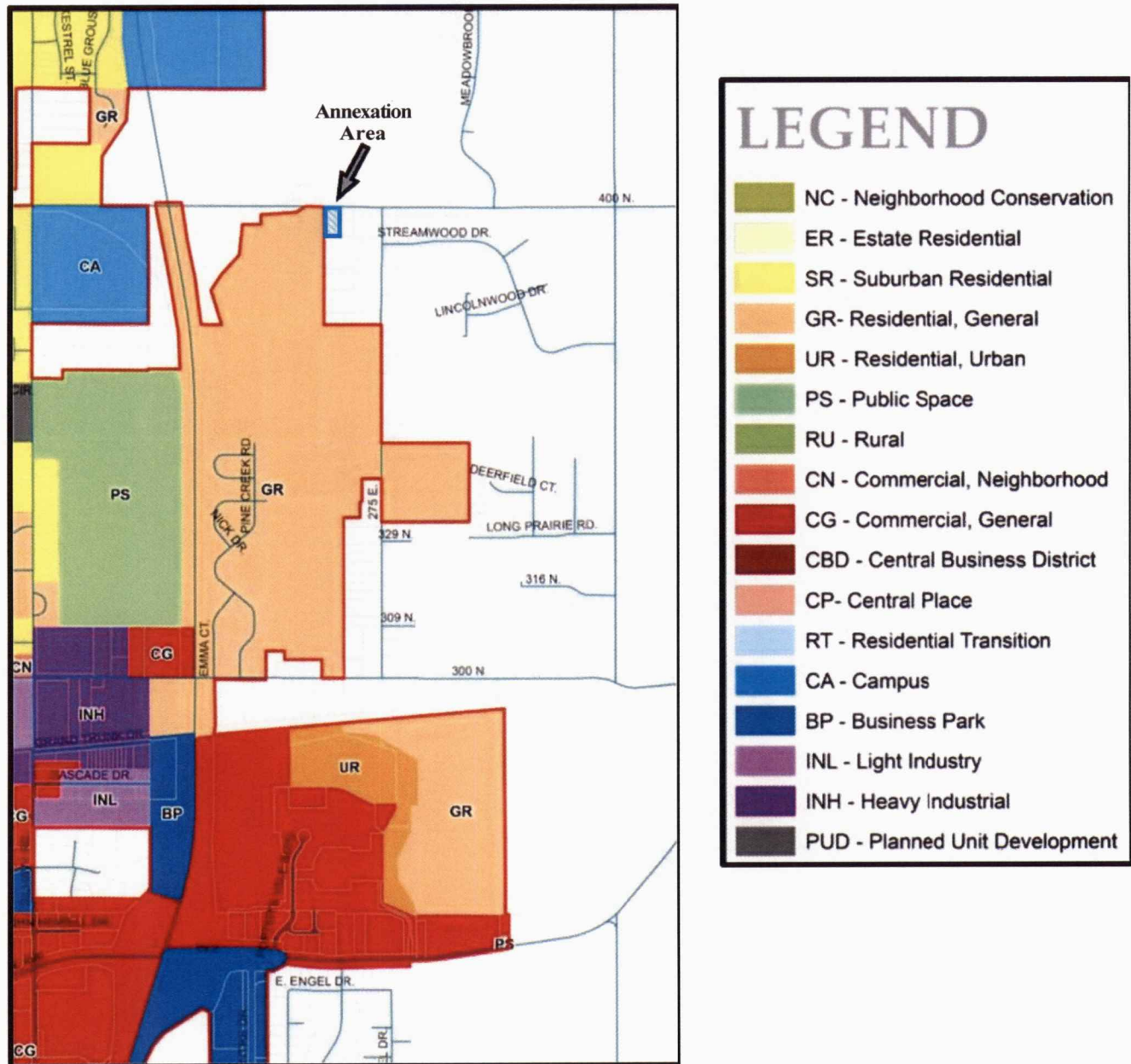
² **Source:** Office of the Porter County, Indiana Surveyor. Porter County Surveyor GIS Website. 2015.



Therefore, upon calculation and verification, the Annexation Area meets the One-Eighth Coinciding Boundary Test criteria requirement pursuant to Section 1.5 of the Act. The Annexation Area also meets the One-Fourth Coinciding Boundary Test criteria requirement pursuant to Section 13(c)(1) of the Act.

Real Property Permanent Parcel Numbers in the Annexation Area

Real property permanent parcel number (key numbers) within the Annexation Area has been identified and is included in **EXHIBIT C**. The real property permanent parcel number within the Annexation Area was identified and collected from the records of the Office of the Porter County, Indiana Auditor³ for the March 1, 2014 assessment date.



MAP 1: Zoning Map with Annexation Area



■ ANNEXATION AREA FISCAL IMPACT

Revenues and costs provide an overview of the fiscal impact of the Annexation Area on the City and the help direct the reader to better understand the fiscal impacts to City administration for services to be provided to the Annexation Area. The summary is further detailed and discussed in the following sections.

TABLE 1: Plan Fiscal Summary

Assessment Date (January 1, ____)	2016	2017	2018	2019	
Collection Year (Fiscal Year)	2017	2018	2019	2020	
	Year 1	Year 2	Year 3	Year 4	Total
Revenues					
Property Tax	\$ 2,348	\$ 2,348	\$ 2,348	\$ 2,348	\$ 9,392
City Utilities	6,832	6,832	6,832	6,832	27,328
One-Time Revenues	16,432	-	-	-	16,432
SubTotal	\$ 25,612	\$ 9,180	\$ 9,180	\$ 9,180	\$ 53,152
Costs					
Non-Capital (Recurring)	\$ -	\$ -	\$ -	\$ -	\$ -
Capital (Non-Recurring)	-	-	-	-	-
SubTotal	\$ -	\$ -	\$ -	\$ -	\$ -
Net Impact (Revenues less Costs)	\$ 25,612	\$ 9,180	\$ 9,180	\$ 9,180	\$ 53,152

REVENUES

Revenues collected by the City will be immaterial due to the size of the Annexation Area. Below is a breakdown of revenues and the annual amount received by the City.

Real Property Taxes

Based upon the March 1, 2014 assessment date assessed valuations for collected for each individual component within the Annexation Area, it is anticipated that the real property taxes due and payable for distribution to the City from the City's corporation tax rate is **\$2,348**.

Sewer (Sanitary) Utility

The Annexation Area is not currently serviced by the City's sanitary sewer utility. As a residential area, the flat rate is \$4.19 per 100 cubic feet. Assuming the Annexation Area uses a 3" pipe at 100 cubic feet/month, the monthly fee would be \$364.30, or **\$4,422** annually (\$4.19 plus \$ 364.30 equals \$368.49 multiplied by 12 months equals \$4,421.88).

Water Utility

The Annexation Area is not currently serviced by the City's water utility. As a non-residential area, the flat rate is \$3.09 per 100 cubic feet for the first 2,000 cubic feet for usage. Assuming the Annexation Area uses a 1/2" or 3/4" pipe, the monthly fee would be \$21.72. The total annual storm water utility fee is estimated to be **\$298** annually (\$3.09 plus \$ 21.72 equals \$24.81 multiplied by 12 months equals \$297.72).

Storm Water Utility

The Annexation Area will have to pay storm water fees to the City. Non-residential monthly fees are \$176 (square footage of the Annexation Area roughly 46,000) or **\$2,112** annually.

Population-Based Tax Revenues

The Annexation Area will not be generating a large enough population to calculate population-based tax revenues. Any revenues collected here will be immaterial to the City.

State Distributed Revenues

The Annexation Area will not be encompassing a large enough area to calculate any new state distributed (Local Road and Streets & Motor Vehicle Highway) tax revenues. Any revenues collected here will be immaterial to the City.

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 Connection Fees:

New service construction cost for 2" service: Minimum **\$7,500.00**.

Sewer Connection Fees:

Minimum of **\$8,932.00** per principal structure.

COSTS

Capital and non-capital costs to the City will be immaterial as the Annexation Area is not large enough to have a significant impact on costs to the City.

Pursuant to I.C. 36-4-3-13(d), non-capital, including police protection, fire protection, street and road maintenance, and other noncapital services normally provided within the corporate boundaries, will be provided to the Annexation Area 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 noncapital services provided to areas within the City regardless of similar topography, patterns of land use, and population density.

Capital costs, including street construction, street lighting, sewer facilities, water facilities, and storm water drainage facilities, will be provided to the Annexation Area within three (3) years after the effective date of the annexation in the same manner as those services are provided to areas within the City, 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.

Indebtedness

Pursuant to I.C. 36-4-3-10(a), if the township from which a municipality annexes territory is indebted or has outstanding unpaid bonds or other obligations at the time of the annexation, the municipality is liable for and shall pay that indebtedness in the same ratio as the assessed valuation of the property in the annexed territory bears to the assessed valuation of all property in the township, as shown by the most recent assessment for taxation before the annexation, unless the assessed property within the municipality is already liable for the indebtedness.

Township Debt	March 1, 2014 Assessment			Outstanding Debt (11/1/15)	Municipal Obligation
	Township NAV	Annexation Area NAV	Percentage		
Fire Debt Fund					
\$ 344,515	\$ 399,843,582	\$ 184,890	0.05%	\$ 114,435	\$ 57.22



School Corporation District Identification

The Annexation Area is located in the East Porter County School Corporation school district boundaries.

Proposed Zoning (Valparaiso, Indiana)

The Annexation Area in accordance with the current Zoning Ordinance of Porter County, Indiana is zoned RR (Rural Residential). Adjacent property zoning district classifications to the Annexation Area on the:

North is RR (Rural Residential);
South is RR (Rural Residential); and
East is RR (Rural Residential).

The adjacent real property to the west of the Annexation Area in accordance with the current Zoning Ordinance of City of Valparaiso, Indiana is zoned GR (General Residential).

The proposed zoning to be requested of the City of Valparaiso Plan Commission for recommendation to and approval by ordinance of the City Council for the Annexation Area is PUD (Planned Unit Development Zoning District) pursuant to Petition A15-002/R215-002 filed on October 16, 2015.

Proposed Municipal Legislative District (City of Valparaiso, IN)

The Annexation Area is proposed to be assigned to City Council District 5 pursuant to Ordinance No. 32 dated December 17, 2012 which states future annexations will be added to the City Council Districts based upon the below township precincts:

C.D. #1: C-16, C-17, C-31 and W-2;
C.D. #2: Not Applicable;
C.D. #3: C-15 (South of R.R.), C-19, C-24, C-29 and C-32;
C.D. #4: C-11, C-15 (North of R.R.), C-18, C-20 and C-25; and
C.D. #5: C-34, C-35, W-1 and W-3.

Precinct boundaries based on the Porter County Surveyor's Office Maps prepared for the Porter County Voter Registration Office, Precinct lines are based on the 2010 U.S. Census Data provided by the Indiana Election Division and County Election officials.

"Needed and Can Be Used" Determination

In accordance with I.C. 36-4-3-13(c), the requirements of the subsection are met if the evidence establishes that: (1) the Annexation Area is contiguous (as made a part of a larger petition for annexation to the City) and (2) that the territory sought to be annexed is needed and can be used by the municipality for its development in the reasonably near future. The issue of *need* with respect to the City is interpreted broadly as it relates to a proposed annexation action. There are several factors which affirm the City's need and use for the Annexation Area which are stated as follows:

1. The Annexation Area is "needed and can be used" by the City for its general land use development at this time. The City has taken steps to demonstrate this need and the intent to annex the Annexation Area in the form of adopted City planning documents such as the Growth Management Plan and the 2030 Envision Valparaiso Comprehensive Plan. As the plans indicate, the Annexation Area is of vital importance to the positive development of the City as it continues to grow in the future. The inclusion of the Annexation Area with the City is crucial to protection the character of the City, including existing land use development standards, requirements and regulations.



2. The Growth Management Plan is a component of the 2030 Envision Valparaiso Comprehensive Plan. The plan identifies the future land use goals for City annexation and area growth, including the Annexation Area. The Plan includes and envisions certain tangential areas of adjacent land currently unincorporated (under the jurisdiction of the Porter County land use development regulations and standards) as within its sphere of influence for anticipated annexation action by the City. Furthermore, the areas identified in the Plan are closely tied to the City's corporate boundaries, and thus more accurately describe the limits of the City of Valparaiso's "community." The Plan (i) details future land use goals and development potential, which includes the Annexation Area and (ii) indicates that the Annexation Area is within the 5-year annexation action period or boundary of the City.

Therefore, this Fiscal Plan makes a determination that the Annexation Area is "needed and can be used by the municipality (the City) for its development in the reasonably near future" and for the long-term development and viability of the City for the following reasons.

1. The annexation action as initiated by the City Council is consistent with the Growth Management Plan and the 2030 Envision Valparaiso Comprehensive Plan as official plans of the City of Valparaiso, Porter County, Indiana.
2. As a result of the proximity and location of the Annexation Area to the City, if the Annexation Area continued to remain unincorporated with land use development dependent Porter County governance and public services as provided by Porter County, Washington Township; its land use development, transportation planning and circulation patterns; public safety impacts and potential to influence future development would impact and pre-determine future City growth without direct representation or deference of City growth and land use development policies.
3. An annexation action of the City Council for the Annexation Area would allow for the City to regulate, monitor and control development of land use development consistent with current comprehensive planning, proposed zoning and building standards, regulations and requirements as well as other official planning and development documents and ordinances of the City.

**VALPARAISO, INDIANA
CITY OF VALPARAISO**

Schedule of Tax Rate:
Washington Township - 020
2014 Pay 2015

Assessment Year (March 1, ____): Collection Year: Porter County	2014 Pay 2015	Percentage of Gross Rate	Certified Assessment	Certified Levy
General	\$ 0.3703	22.87%	\$ 8,659,657,430	\$ 32,066,711
2015 Property Reassessment	0.0046	0.28%	8,659,657,430	398,344
(1a) Cumulative Bridge	0.0050	0.31%	8,659,657,430	432,983
Health	0.0127	0.78%	8,659,657,430	1,099,776
Jail Lease Rental	0.0337	2.08%	8,659,657,430	2,918,305
(1) Cumulative Capital Development	0.0233	1.44%	8,659,657,430	2,017,700
Total County Rate	\$ 0.4496	27.77%		
Porter County Airport Authority				
Special Airport General	\$ 0.0062	0.38%	\$ 8,659,657,430	\$ 536,899
(1) Special Airport Cumulative Building	0.0019	0.12%	8,659,657,430	164,533
Total Airport Rate	\$ 0.0081	0.50%		
Washington Township				
General	\$ 0.0144	0.89%	\$ 399,843,582	\$ 57,577
Township Assistance (Poor Relief)	0.0026	0.16%	399,843,582	10,396
Fire	0.0392	2.42%	239,397,593	93,844
(1) Cumulative Fire	0.0097	0.60%	239,397,593	23,222
Recreation	0.0035	0.22%	399,843,582	13,995
Total Township Rate	\$ 0.0694	4.29%		
East Porter County School Corporation				
Debt Service	\$ 0.5889	36.37%	\$ 864,483,832	\$ 5,090,945
School Pension Debt	0.0364	2.25%	864,483,832	314,672
(1) Capital Projects	0.2385	14.73%	864,483,832	2,061,794
Transportation	0.1208	7.46%	864,483,832	1,044,296
Bus Replacement	0.0345	2.13%	864,483,832	298,247
Total School Rate	\$ 1.0191	62.94%		
Porter County Public Library				
General	0.0681	4.21%	\$ 7,122,710,389	\$ 4,850,566
Debt Service	0.0049	0.30%	7,122,710,389	349,013
Total Library Rate	\$ 0.0730	4.51%		
Total Gross Tax Rate	\$ 1.6192			

NOTE:

(1) Funds controlled by a State statute maximum tax rate or are cumulative funds.
(1a) Cumulative fund not controlled, which is sensitive to the tax rate. A taxing unit may only have one controlled fund.

**VALPARAISO, INDIANA
CITY OF VALPARAISO**

Schedule of Tax Rate:
Valparaiso-Washington Township - 029
2014 Pay 2015

Assessment Year (March 1, ____): Collection Year: Porter County	2014 Pay 2015	Percentage of Gross Rate	Certified Assessment	Certified Levy
General	\$ 0.3703	13.04%	\$ 8,659,657,430	\$ 32,066,711
2015 Property Reassessment	0.0046	0.16%	8,659,657,430	398,344
(1a) Cumulative Bridge	0.0050	0.18%	8,659,657,430	432,983
Health	0.0127	0.45%	8,659,657,430	1,099,776
Jail Lease Rental	0.0337	1.19%	8,659,657,430	2,918,305
(1) Cumulative Capital Development	0.0233	0.82%	8,659,657,430	2,017,700
Total County Rate	\$ 0.4496	15.83%		
Porter County Airport Authority				
Special Airport General	\$ 0.0062	0.22%	\$ 8,659,657,430	\$ 536,899
(1) Special Airport Cumulative Building	0.0019	0.07%	8,659,657,430	164,533
Total Airport Rate	\$ 0.0081	0.29%		
Washington Township				
General	\$ 0.0144	0.51%	\$ 399,843,582	\$ 57,577
Township Assistance (Poor Relief)	0.0026	0.09%	399,843,582	10,396
Fire	0.0392	1.38%	239,397,593	93,844
(1) Cumulative Fire	0.0097	0.34%	239,397,593	23,222
Recreation	0.0035	0.12%	399,843,582	13,995
Total Township Rate	\$ 0.0205	0.72%		
City of Valparaiso Corporation				
General	\$ 0.6847	24.11%	\$ 1,501,137,423	\$ 10,278,288
Debt Service	0.0589	2.07%	1,501,137,423	884,170
MVH	0.0681	2.40%	1,501,137,423	1,022,275
Park	0.1554	5.47%	1,501,137,423	2,332,768
(1) Cumulative Capital Development	0.0162	0.57%	1,501,137,423	243,184
Fire Territory General	0.2667	9.39%	1,501,137,423	4,003,534
Fire Territory Equipment	0.0200	0.70%	1,501,137,423	300,227
Total Corporation Rate	\$ 1.2700	44.71%		
East Porter County School Corporation				
Debt Service	\$ 0.5889	20.73%	\$ 864,483,832	\$ 5,090,945
School Pension Debt	0.0364	1.28%	864,483,832	314,672
(1) Capital Projects	0.2385	8.40%	864,483,832	2,061,794
Transportation	0.1208	4.25%	864,483,832	1,044,296
Bus Replacement	0.0345	1.21%	864,483,832	298,247
Total School Rate	\$ 1.0191	35.88%		
Porter County Public Library				
General	0.0681	2.40%	\$ 7,122,710,389	\$ 4,850,566
Debt Service	0.0049	0.17%	7,122,710,389	349,013
Total Library Rate	\$ 0.0730	2.57%		
Total Gross Tax Rate	\$ 2.8403			

NOTE:

(1) Funds controlled by a State statute maximum tax rate or are cumulative funds.
(1a) Cumulative fund not controlled, which is sensitive to the tax rate. A taxing unit may only have one controlled fund.

Valparaiso, INDIANA
CITY OF Valparaiso

Parcel Tax Impact of Annexation by the City of Valparaiso⁽¹⁾

Parcel Number: 64-10-17-201-002.000-020
Owner: SJBZ Holdings LLC

Taxes Due Calculations			
	(Tax Unit 020)	(Tax Unit 029)	
	Washington Township	Annexed in 2015	
	(Actual) Pay 2015 Taxes Due	Estimated Pay 2015 Taxes Due	
Assessed Valuation			
GAV of Homestead (1%)	\$ 258,700	\$ 258,700	
GAV of Residential and Farm (2%)		-	
GAV of Other and Personal (3%)	38,600	38,600	
Deductions, Exemptions & Credits:	112,410	112,410	
Net Assessment:	\$ 184,890	\$ 184,890	

Pay 2015 Property Taxes Due

Gross Tax Rate (per \$100 of NAV):	\$ 1.6192	\$ 2.8403
Gross Tax Due:	2,993.74	5,251.43
Homestead Credit PTRC (9.8133%)	(232.45)	(407.75)
Total Net Property Tax Liability⁽²⁾:	\$ 2,761.29	\$ 4,843.68

Pay 2015 Tax Unit Detail

Porter County	\$ 831.27	\$ 831.27	(1)
Porter County Airport	14.98	14.98	(1)
Washington Township	128.31	37.90	(1)
City of Valparaiso	-	2,348.10	(1)
East Porter County School Corp.	1,884.21	1,884.21	(1)
Porter County Public Library	134.97	134.97	(1)
Total Property Tax Detailed:	\$ 2,993.74	\$ 5,251.43	

Circuit Breaker Tax Credit Calculation

1.00 Percent of Gross AV:	\$ 2,587.00	\$ 2,587.00
2.00 Percent of Gross AV:	-	-
3.00 Percent of Gross AV:	1,158.00	1,158.00
Maximum Taxes Under Cap:	\$ 3,745.00	\$ 3,745.00

Unit 029 Percent of Tax Rate	Impact of Circuit Breaker Tax Credit to Levy
15.83%	\$ 238.46
0.29%	4.30
0.72%	10.87
44.71%	673.58
35.88%	540.51
2.57%	38.72
	\$ 1,506.43

Pay 2015 Taxes Due:	\$ 2,993.74	\$ 3,745.00
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Change (Variance) in Pay 2015 Taxes Due: \$ 751.26

Percent Change: N/A

Circuit Breaker Tax Credit Applied: \$ - \$ 1,506.43

Note:

(1) This analysis did not calculate or quantify the impact of increase certified Net Assessed Value (NAV) to the City as a result of annexation, which may decrease tax rates, assuming levies remain constant.

(2) The total net property tax liability is a calculation only. It has been calculated as an information tool to show how much in taxes could be collected if the parcel was not fully exempt.

(3) No taxes will be collected due to the net assessed value of the property being zero.