

RESOLUTION #13, 2016

**ADOPTING A FISCAL PLAN FOR THE ANNEXATION OF
PROPERTY KNOWN AS THE "HAWTHORNE NORTH", 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. 12, 2016 which would annex territory more commonly referred to as the "HAWTHORNE NORTH ANNEXATION"; and

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

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

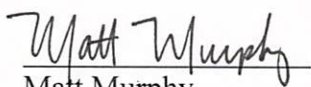
- (i) At least sixty-five percent (65%) of the owners of land in the territory proposed to be annexed.
- (ii) The owners of more than seventy-five percent (75%) in assessed valuation of the land in the territory proposed to be annexed.

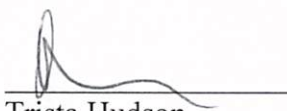
NOW, THEREFORE, BE IT RESOLVED by the governing body of the City of Valparaiso, in Porter County, Indiana.

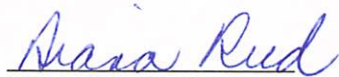
Section One: The City of Valparaiso elects to establish and adopt the written fiscal plan and definite policy before adopting the annexation ordinance for the Hawthorne North Annexation. A copy of the written fiscal plan and definite policy for the Hawthorne North Annexation is attached hereto, incorporated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

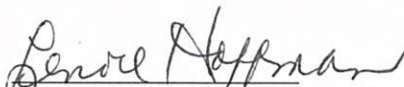
Section Two: This Resolution shall be in full force and effect from date of passage, by the City Council and its publication, as provided by law. All provisions or parts thereof in conflict herewith are hereby repealed.

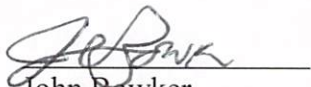
ADOPTED this 13th day of June, 2016 by a 7 vote in favor and 0 vote opposed of all members present and voting.

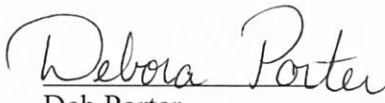

Matt Murphy

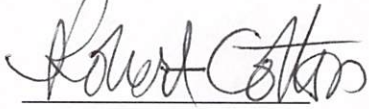

Trista Hudson


Diana Reed


Lenore Hoffman

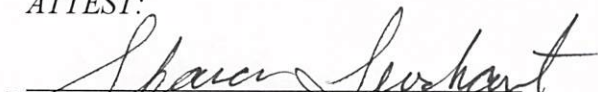

John Bowker


Deb Porter


Robert Cotton


Jon Costas, Mayor

ATTEST:


Sharon Swihart, Clerk-Treasurer

ANNEXATION FISCAL PLAN

FOR THE

CITY OF VALPARAISO, INDIANA

HAWTHORNE NORTH ANNEXATION

AREA

May 10, 2016

Prepared by:

UMBAUGH
Certified Public Accountants, LLP
Indianapolis, Indiana

TABLE OF CONTENTS

	<u>Page(s)</u>
Introduction	1 -2
Section I Area Description	
A. Location, Area Size and Contiguity	3
B. Current Land Use	3
C. Zoning	3
D. Current Population	3
E. Real Property Assessed Valuation	3
Section II Non-Capital Services	
A. Cost of Services	4
B. Police Protection	4
C. Fire Protection.....	4 - 5
D. Emergency Medical Services	5
E. Street Maintenance.....	5
F. Trash Collection and Recycling	5 - 6
G. Storm Drainage	6
H. Parks.....	6
I. Street Lighting.....	7
J. Governmental Administrative Services	7
Section III Capital Improvements	
A. Cost of Services	8
B. Water Service.....	8
C. Wastewater Service.....	8
D. Storm Water and Drainage.....	9
E. Street Construction.....	9
F. Parks.....	9 - 10
G. Sidewalks	10
H. Street Lighting.....	10
Section IV Fiscal Impact	11
Section V Assumed Indebtedness	12
Appendix I Estimated Assessed Value and Tax Rate Impact	13
Summary of Additional Costs Due to Annexation	14
Parcel List	15
Appendix II Map and Legal Description of Annexation Area	

INTRODUCTION

The following fiscal plan (the "Fiscal Plan") is for the proposed annexation of parcels to the north of the existing corporate limits on the northeast side of Valparaiso (the "Annexation Area"). The Annexation Area is adjacent to the City of Valparaiso (the "City"). The requirements of the 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 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 stormwater 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

(Cont'd)

- 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.

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

The Annexation Area is contiguous to the City for purposes of Indiana Code 36-4-3-1.5. The Annexation Area is needed and can be used by the municipality for its development in the reasonably near future, 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 north 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 Hawthorne North Annexation Area is approximately 32.8 acres. The perimeter boundary of the Annexation Area totals 5,482.72 lineal feet, 1,583.95 (or 28.9%) of which is contiguous to the existing corporate boundaries of the City.

B. Current Land Use

The Annexation Area primarily consists of vacant agricultural land with two single family residential dwellings.

C. Zoning

The current zoning of the Annexation Area is R1-Low Density Single Family Residential, while the proposed zoning is SR-Suburban Residential.

D. Current Population

The current population of the Annexation Area is estimated at 5. This figure was arrived at by multiplying the estimated number of households in the Annexation Area by the persons per household figure in the 2010 Census for Center Township in Porter County.

Households		2
Population per Household	x	<u>2.38</u>
Estimated Population		<u>5</u>

E. Real Property Assessed Valuation

The estimated net assessed valuation for land and improvements in the Annexation Area is \$397,105. This represents the assessed value as of March 1, 2015 for taxes payable 2016.

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 Porter County Sheriff's Office currently provides police protection and law enforcement services to the Annexation Area. However, all non-capital services of the Valparaiso 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 Valparaiso Police Department's primary purpose is the prevention of crime. The department consists of 4 divisions including administration, community relations, patrol and investigations. The administration division consists of a police chief, assistant police chief and captain of patrol. The investigations division consists of 6 detectives, combining for over 80 years of law enforcement. 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. As the Annexation Area is built out it is anticipated that an increase in materials, including gas, oil, tires and equipment, will be necessary in the amount of approximately \$1,600, but only a minor portion (approximately \$400) is anticipated to occur within the first 4 years following the effective date of annexation. These additional costs will be paid out of the Police Department's budget within the City's General Fund.

C. Fire Protection

The Annexation Area is currently served by the Valparaiso Fire Department ("VFD"). The VFD serves the corporate City limits of Valparaiso and Center Township; approximately 30 square miles of homes and industries and more than 80,000 residents. The VFD has three shifts of 21 firefighters per shift, working 24 hours on duty on 48 hours off-duty. There are three stations, four engines, two aerials, four rescue trucks, and a tanker.

SECTION II

(Cont'd)

NON-CAPITAL SERVICES

C. Fire Protection (Cont'd)

The VFD provides fire protection, emergency medical response, hazardous materials response, technical rescue and fire prevention services to citizens within the City limits and Center Township. Given that service is already provided by VFD to the Annexation Area, there will be no additional costs for the provision of services upon annexation.

D. Emergency Medical Services

Currently, the VFD provides emergency medical services to the Annexation Area. These services include, but are not limited to, emergency medical response. Given that service is already provided by VFD to the Annexation Area, there will be no additional costs for the provision of services upon annexation.

E. Street Maintenance

All dedicated streets and the county roads in the Annexation Area are currently maintained by Porter County. However, all non-capital services of the Street Division of Valparaiso Public Works 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 Street Division of Valparaiso Public Works is responsible for the maintenance of more than 155 miles of streets and 134 cul de sacs, including:

- Patching, resurfacing, and sealing roadways, public parking areas, and alleys
- Plowing snow and providing salt for city streets, parking lots, and alleys
- Maintaining necessary detours and road closures
- Providing any necessary assistance to police, fire, and EMS during emergency calls

The Street Division of Valparaiso Public Works is also responsible for issuing dumpster permits and providing street sweeping through the use of two street sweepers. The Annexation Area currently has approximately .25 miles of roads that the City will be responsible for maintaining. Currently, the City has approximately 155 miles of streets. The City anticipates additional operating costs for supplies and repairs and maintenance of approximately \$600 per year as a result of the annexation. This cost is expected to increase with the addition of approximately .9 miles of streets added within the Annexation Area once it is built out in about 5-7 years. The Local Road and Street and Motor Vehicle Highway Funds will fund these additional costs.

F. Trash Collection and Recycling

Porter County does not provide solid waste disposal to the Annexation Area. Within 1 year of the effective date of this annexation, the City of Valparaiso will provide garbage, yard refuse and recyclables collection services to all residential properties in the Annexation Area.

SECTION II

(Cont'd)

NON-CAPITAL SERVICES

F. Trash Collection and Recycling (Cont'd)

The City currently pays for trash collection services and recycling through a \$12 monthly fee billed to homeowners. It is anticipated that there will not be any additional costs related to trash service within the first 4 years following the effective date of annexation. Any future additional costs are anticipated to be covered by the additional revenues generated from the monthly trash collection fee.

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 future development in the Annexation Area will have to have their storm water plan approved by the City, and any associated storm water and drainage costs will be borne by the developers, therefore it is not anticipated that there will be any additional cost to the City. Nevertheless, all non-capital services of the Storm Water 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.

H. Parks

There are currently 17 parks within City limits. Amenities found in the parks include baseball diamonds, basketball courts, boats, disc golf courses, picnic areas, play fields, playgrounds, restrooms, skate parks, tennis courts, and pavilions. Rogers-Lakewood Park, one of Valparaiso's premier facilities, is a 122-acre park featuring various outdoor activities such as hayrides, discovery camps, boating, fishing, and hiking as well as 6 shelters for rental. The centerpiece of Downtown Valparaiso, Central Park Plaza, has the outdoor Porter Health Amphitheater for concerts and other special events as well as a splash pad. The William E. Urschel Pavilion, a 135' long by 85' wide open air pavilion, is used year round, hosting a number of events in the summer and transforming into a refrigerated ice rink in the late fall that lasts through early spring. The Indiana Beverage Activity Building houses year round restrooms, a rentable lobby area, conference room, and warming area with a view of the rink.

Upon the effective date of the annexation, residents of the Annexation Area will be eligible for the resident rates for parks and shelter rentals. 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

Porter County does not provide streetlights in the Annexation Area. Typically, within Valparaiso subdivisions all utilities are underground and lighting is provided via individual light posts. These are the responsibility of the individual homeowners. It is anticipated that there will be no additional costs to the City for street lighting.

J. 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:

- | | |
|------------------------------|--|
| - City Administrator | - Clerk-Treasurer's Office |
| - City Council | - Engineering Department |
| - Human Resources Department | - Plan Commission |
| - Planning Department | - Project and Facility Management Department |
| - Building 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 January 1, 2017.

B. Water Service

Most of the Annexation Area is currently not served by any water utility. Valparaiso Municipal Water Utility provides water service in the immediately surrounding area and has the capacity and capability to serve the Annexation Area if and when connection is desired. The cost of these hook-ups will be based on equivalent dwelling unit charges and will be covered by the payment of availability, tap, and/or connection fees. 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 Utility 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

Most of the Annexation Area is currently not being served. Valparaiso Water Reclamation Department provides wastewater service in the immediately surrounding area and has the capacity and capability to serve the Annexation Area if and when connection is desired. The cost of these hook-ups will be based on equivalent dwelling unit charges and will be covered by the payment of availability, tap, and/or connection fees. It is important to note that the Water Reclamation Department 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 Reclamation 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 future development in the Annexation Area will have to have their storm water plan approved by the City, and any associated storm water and drainage costs will be borne by the developers, therefore it is not anticipated that there will be any additional cost to the City. Regardless, all capital services of the Storm 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.

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 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.

F. Parks

There are currently 17 parks within City limits. Amenities found in the parks include baseball diamonds, basketball courts, boats, disc golf courses, picnic areas, play fields, playgrounds, restrooms, skate parks, tennis courts, and pavilions. Rogers-Lakewood Park, one of Valparaiso's premier facilities, is a 122-acre park featuring various outdoor activities such as hayrides, discovery camps, boating, fishing, and hiking as well as 6 shelters for rental. The centerpiece of Downtown Valparaiso, Central Park Plaza, has the outdoor Porter Health Amphitheater for concerts and other special events as well as a splash pad. The William E. Urschel Pavilion, a 135' long by 85' wide open air pavilion, is used year round, hosting a number of events in the summer and transforming into a refrigerated ice rink in the late fall that lasts through early spring. The Indiana Beverage Activity Building houses year round restrooms, a rentable lobby area, conference room, and warming area with a view of the rink.

Upon the effective date of the annexation, residents of the Annexation Area will be eligible for the resident rates for parks and shelter rentals. 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 III

(Cont'd)

CAPITAL IMPROVEMENTS

F. Parks (Cont'd)

Regardless, all capital services of the Parks 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.

G. Sidewalks

In general, construction and reconstruction of sidewalks is not the responsibility of the City. Sidewalks are the responsibility of property owners and are typically initially installed by developers as part of a subdivision. Currently, there is a mix of areas within the City with and without sidewalks. There are currently no plans or requirements of the City to provide additional sidewalks in the Annexation Area. The developer will be responsible for sidewalks in any new developments within the Annexation Area. Regardless, all capital services of the City 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.

H. Street Lighting

Porter County does not provide streetlights in the Annexation Area. Typically, within Valparaiso subdivisions all utilities are underground and lighting is provided via individual light posts. These are the responsibility of the individual homeowners. It is anticipated that there will be no additional costs to the City for street lighting.

SECTION IV

FISCAL IMPACT

As a result of this annexation, the assessed value for the City will increase by \$397,105, to \$1,580,331,356. This represents an increase of approximately 0.03%. Property tax controls instituted by the 2002 Indiana General Assembly limit the City to a property tax increase equal to the six-year average non-farm income (2.6% for 2016 budget year) annually for most funds. The net impact of increasing the City's assessed value will result in additional property tax revenues to the City, and may assist in stabilizing property tax rates for City residents.

It is assumed that the effective date of this annexation will be as soon as practically possible, but no later than January 1, 2017. Based on the assumed effective date, Annexation Area property owners will not pay property taxes to the City until 2017 payable 2018. 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 the Street Department. The causes of the anticipated increased costs are discussed above, 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 \$3,657 as a result of the annexation. This levy increase net of anticipated circuit breaker losses is estimated to be \$2,228. 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 factor noted on page 13, the additional levy will be approximately \$3,792 in year 2 (\$2,363 net of circuit breaker), \$3,917 in year 3 (\$2,488 net of circuit breaker), and \$4,035 in year 4 (\$2,606 net of circuit breaker). Also, due to the minimal amount of assessed value in the Annexation Area, the impacts on other taxing units will be negligible.

SECTION V

ASSUMED INDEBTEDNESS

As required by Indiana Code 36-4-3-10, upon request of the Center Township Trustee, the City will assume and pay any unpaid bonds or other obligations of Center 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 Center Township, as shown on the most recent assessment for taxation prior to the effective date of the annexation, unless the assessed property within the City is already liable for the indebtedness.

There is no debt currently outstanding for Center Township.

CITY OF VALPARAISO, INDIANA

HAWTHORNE NORTH ANNEXATION AREA

ESTIMATED ASSESSED VALUE AND TAX RATE IMPACT

(Assumes first year of tax collections from Annexation Area is 2017 pay 2018)

<u>Assessment Year</u>	<u>Estimated Net Assessed Value of Annex. Area</u> (1)	<u>Estimated Net Assessed Value of City</u> (2)	<u>Total Est. Net Assessed Value of City</u> (3)	<u>Est. Property Tax Levy of City</u> (4),(5)	<u>Sub-total: Est. Property Tax Rate</u> (6)	<u>Estimated Net Assessed Value of Fire Territory</u> (2)	<u>Estimated Fire Territory Tax Levy</u> (4)	<u>Sub-total: Est. Property Tax Rate</u> (7)	<u>Total Est. Property Tax Rate</u>
2015 pay 2016	N/A	\$1,579,934,251	\$1,579,934,251	\$15,326,941	\$0.9701	\$2,370,590,374	\$6,298,659	\$0.2657	\$1.2358
2016 pay 2017	N/A	1,627,332,279	1,627,332,279	15,827,275	0.9726	2,441,708,085	6,504,509	0.2664	1.2390
2017 pay 2018	\$397,105	1,676,152,247	1,676,549,352	16,378,368	0.9769	2,514,959,328	6,729,739	0.2676	1.2445
2018 pay 2019	397,105	1,726,436,814	1,726,833,919	16,884,822	0.9778	2,590,408,108	6,938,052	0.2678	1.2456
2019 pay 2020	397,105	1,778,229,918	1,778,627,023	17,360,427	0.9761	2,668,120,351	7,133,677	0.2674	1.2435
2020 pay 2021	397,105	1,831,576,816	1,831,973,921	17,850,289	0.9744	2,748,163,962	7,335,171	0.2669	1.2413

- (1) Based on the current net assessed value of the real property in the Annexation Area as gathered from the Porter County Assessor's office. Assumes no growth, as the area is not anticipated to be built out until 5-7 years after annexation.
- (2) Assumes the assessed value for the City of Valparaiso and the Fire Territory, excluding the Annexation Area, grows at a rate of 3%.
- (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 at an annual growth factor of 3.5% for 2017, 3.7% for 2018, 3.3% for 2019, and 3.0% for 2020 and 2021. Assumes that the debt service and fire equipment levies remain constant.
- (5) 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.
- (6) Based on the Est. Property Tax Levy of City divided by the Total Est. Net Assessed Value of City.
- (7) Based on the Estimated Fire Territory Tax Levy divided by the Estimated Net Assessed Value of Fire Territory.

Note: The annexation has little to no impact on the estimated future property tax rates of the City, as the percentage increase in levy as a result of the annexation is miniscule.

CITY OF VALPARAISO, INDIANA

SUMMARY OF ADDITIONAL COSTS DUE TO ANNEXATION

(Non-Capital Services)

<u>Department</u>	<u>Description of Costs</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Ref.</u>
Street	Materials, supplies, repairs and fuel	\$400	\$412	\$424	\$437	(1)
Police	Materials, supplies, repairs and fuel	600	618	637	656	(1)
	Totals	<u>\$1,000</u>	<u>\$1,030</u>	<u>\$1,061</u>	<u>\$1,093</u>	

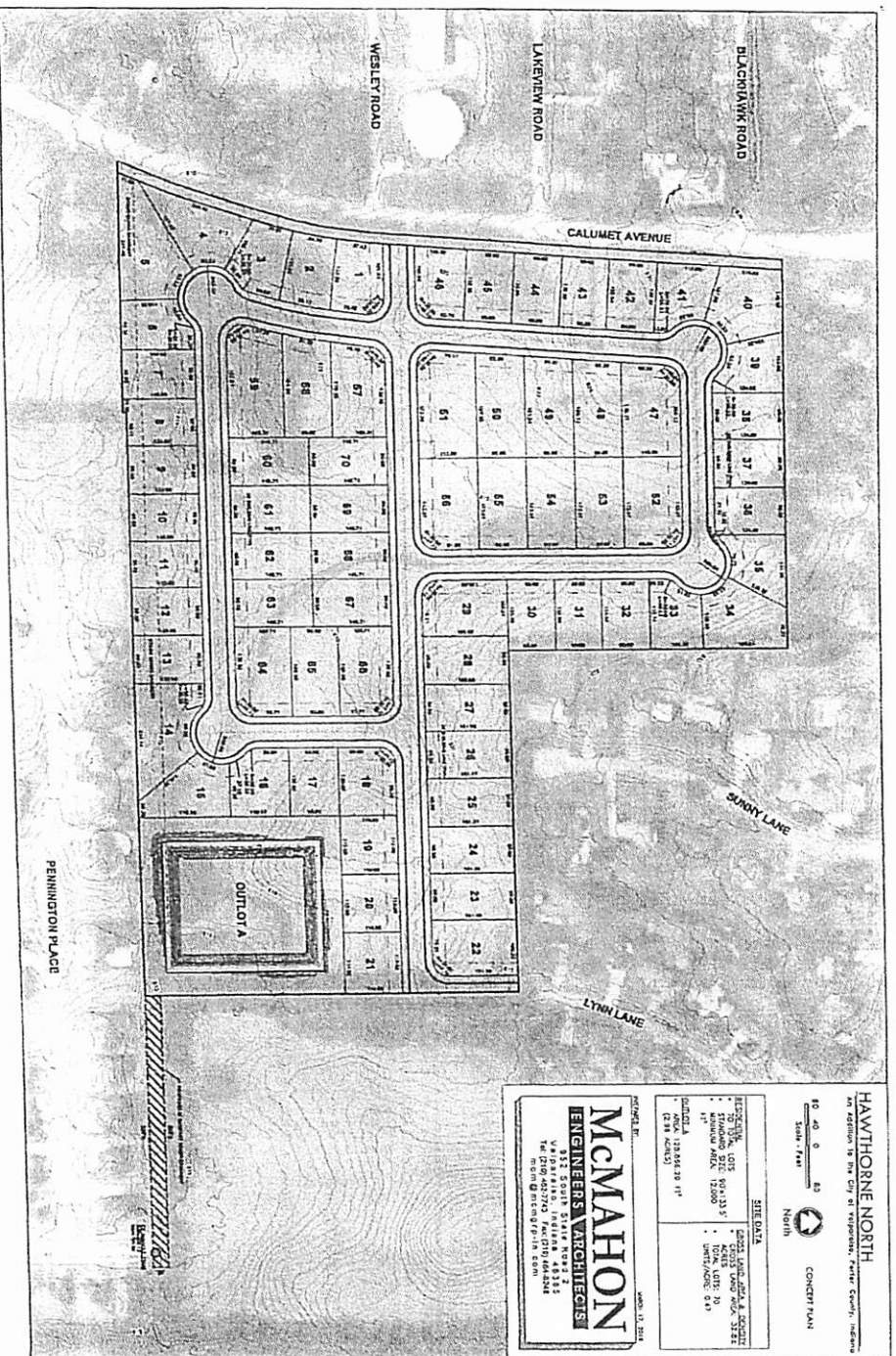
(1) Assumes a 3% inflationary adjustment for years 2 through 4.

CITY OF VALPARAISO, INDIANA

HAWTHORNE NORTH ANNEXATION AREA

PARCEL LIST

<u>Parcel ID</u>	<u>Owner</u>	<u>'15 Pay '16 Net Assessed Value</u>	<u>Remonstrance Waiver</u>
64-10-06-406-007.000-003	Michael & Mary Golub	\$175,505	N
64-10-06-406-009.000-003	Michael & Mary Golub	58,900	N
64-10-06-406-008.000-003	Michael & Mary Golub	162,700	N
	Total	<u>\$397,105</u>	



720160063

EXHIBIT A

Parcel 1: A parcel of land located in the Northwest 1/4 of the Southeast 1/4 of Section 6, Township 35 North, Range 5 West of the 2nd P.M., Porter County, Indiana, described as follows:

Commencing at the Southeast corner of Lot 17 in Sunny Lane Subdivision; thence West along the South line of said Sunny Lane Subdivision, 720 feet to the East right-of-way line of State Road No. 49; thence Southerly along said East right-of-way line, 200 feet to the TRUE POINT OF BEGINNING for said parcel; thence continuing Southerly along said East right-of-way line of State Road No. 49, 210 feet; thence East 414.86 feet; thence Northerly 210 feet; thence West 414.86 feet to the True Point of Beginning.

Parcel 2: A parcel of land located in the Southeast Quarter of Section 6, township 35 North, Range 5 West of the 2nd P.M., Porter County, Indiana, more particularly described as follows: Commencing at an iron pipe on the East line of said Section 6 which is 1204.5 feet North of the Southeast corner of said Southeast Quarter Section; thence South 89 degrees 57 minutes 30 seconds West parallel to the South line of said Southeast Quarter Section 660.00 feet to the TRUE POINT OF BEGINNING for said parcel; thence continuing South 89 degrees 57 minutes 30 seconds West 1105.50 feet; thence South 00 degrees 00 minutes 00 seconds West 7.00 feet; thence South 89 degrees 57 minutes 30 seconds West 311.45 feet; thence North 05 degrees 43 minutes 00 seconds East 330.00 feet; thence South 89 degrees 57 minutes 30 seconds West 79.9 feet to an iron pipe which is 30.0 feet East by rectangular measurement from the centerline of State Road 49 (said point being on the East Right-of-way line of State Road #49); thence Northeasterly along said East Right-of-way line 925 feet, more or less, to an iron pipe; thence South 89 degrees 54 minutes 10 seconds East 737.50 feet; thence South 00 degrees 01 minutes 30 seconds East 528.38 feet; thence South 89 degrees 54 minutes 30 seconds East 648.56 feet; thence South 00 degrees 00 minutes 00 seconds West 712.03 feet to the True Point of Beginning for said parcel, EXCEPTING THEREFROM A parcel of land located in the Northwest 1/4 of the Southeast 1/4 of Section 6, Township 35 North, Range 5 West of the 2nd P.M., Porter County, Indiana, described as follows: Commencing at the Southeast corner of Lot 17 in Sunny Lane Subdivision; thence West along the South line of said Sunny Lane Subdivision, 720 feet to the East right-of-way line of State Road No. 49; thence Southerly along said East right-of-way line, 200 feet to the TRUE POINT OF BEGINNING for said parcel; thence continuing

Southerly along said East right-of-way line of State Road No. 49, 210 feet; thence East 414.86 feet; thence Northerly 210 feet; thence West 414.86 feet to the True Point of Beginning.

Parcel 3: A parcel of land in the Southeast Quarter of Section 6, Township 35 North, Range 5 West of the Second Principal Meridian, in Center Township, Porter County, Indiana, being more particularly described as follows: Commencing at an iron pipe on the East line of said Section 6 which is 1204.5 feet North of the Southeast corner of said Southeast Quarter; thence South 89 degrees 57 minutes 30 seconds West parallel with the South line of said Southeast quarter, a distance of 1765.50 feet; thence South 00 degrees 00 minutes 00 seconds West, a distance of 7.00 feet; thence South 89 degrees 57 minutes 30 seconds West parallel with said South line, a distance of 311.45 feet to the POINT OF BEGINNING; thence North 05 degrees 43 minutes 00 seconds East, a distance of 330.00 feet; thence South 89 degrees 57 minutes 30 seconds West parallel with said South line a distance of 79.9 feet to an iron pipe which is 30.0 feet by rectangular measurement from the centerline of State Road No. 49 (said point being on the East Right-of-Way line of State Road No. 49); thence Southwesterly along said Right-of-Way on a chord bearing of South 18 degrees, 58 minutes, 57 seconds West, a distance of 347.30 feet, more or less, to an iron pipe being 30.0 feet East of the centerline of said State Road No. 49 by rectangular measurement; thence North 89 degrees 57 minutes 30 seconds East parallel with said South line, a distance of 160.00 feet to the Point of Beginning.