TOWN OF VALPARAISO
ANNEXATION FISCAL PLAN
HAWTHORNE HILLS ANNEXATION

TABLE OF CONTENTS

Based on 92 Units

EXHIBIT C

CITY OF VALPARAISO

ANNEXATION FISCAL PLAN
HAWTHORNE HILLS ANNEXATION

DATED
FEBRUARY 20, 2019

Cender & Company L.L.C.
233 E. 84th Drive, Suite 103 • Merrillville, IN 46410
Phone: 219•736•1800 Fax: 219•736•8465

RESOLUTION NO.: 5-2019

A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF VALPARAISO, PORTER COUNTY, INDIANA, ADOPTING A FISCAL PLAN FOR THE ANNEXATION OF PROPERTY KNOWN AS THE "HAWTHORNE HILLS ANNEXATION"

WHEREAS, the City of Valparaiso, Porter County, Indiana ("City") desires to annex certain parcels identified in Exhibit A and Exhibit B (the "Annexation Area") into the municipality; and

WHEREAS, pursuant to Indiana Code § 36-4-3-3.1 a fiscal plan must be prepared and adopted by resolution prior to such annexation; and

WHEREAS, the required fiscal plan, included as Exhibit C (the "Fiscal Plan") and attached hereto and made a part hereof, has been prepared and presented to the Common Council for consideration; and

WHEREAS, the Fiscal Plan has been reviewed and complies with the requirements of Indiana Code § 36-4-3-13.

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

Section 1. *Incorporation of Recitals.* The foregoing recitals (or "whereas clauses") are findings of fact by the Common Council and are incorporated into this Resolution by reference.

Section 2. *Approval and Adoption of Fiscal Plan.* The Common Council of the City hereby approves and adopts the Fiscal Plan attached hereto, made a part hereof, and marked as Exhibit C to this Resolution for the Hawthorne Hills Annexation.

Section 3. *Effective Date.* This Resolution shall be in full force and effect upon its passage by the Common Council and as provided by Indiana law.

Section 4. *Severability.* The sections, subsections, paragraphs, sentences, clauses, and phrases of this Resolution are severable, and if any section, subsection, paragraph, sentence, clause or phrase of this Resolution shall be declared unconstitutional, invalid or unenforceable by the valid judgment or decree of a court of competent jurisdiction, such unconstitutionality, invalidity, or unenforceability shall not affect any of the remaining sections, subsections, paragraphs, sentence, clauses and phrases of this Resolution.

PASSED by the Common Council of the City of Valparaiso, Indiana, by a 6-1 vote of all members present and voting this 25th day of February, 2019.

Jon Costas, Mayor

ATTEST:

Sharon Swihart, Clerk-Treasurer

Presented by me to the Mayor of the City of Valparaiso, Indiana, this 25th day of February, 2019, at 7:20 o'clock p.m.

Sharon Swihart, Clerk-Treasurer

This Resolution approved and signed by me this 25th day of February, 2019, at 7:20 o'clock p.m.

Jon Costas, Mayor

Exhibit A
Hawthorne Hills Annexation Territory

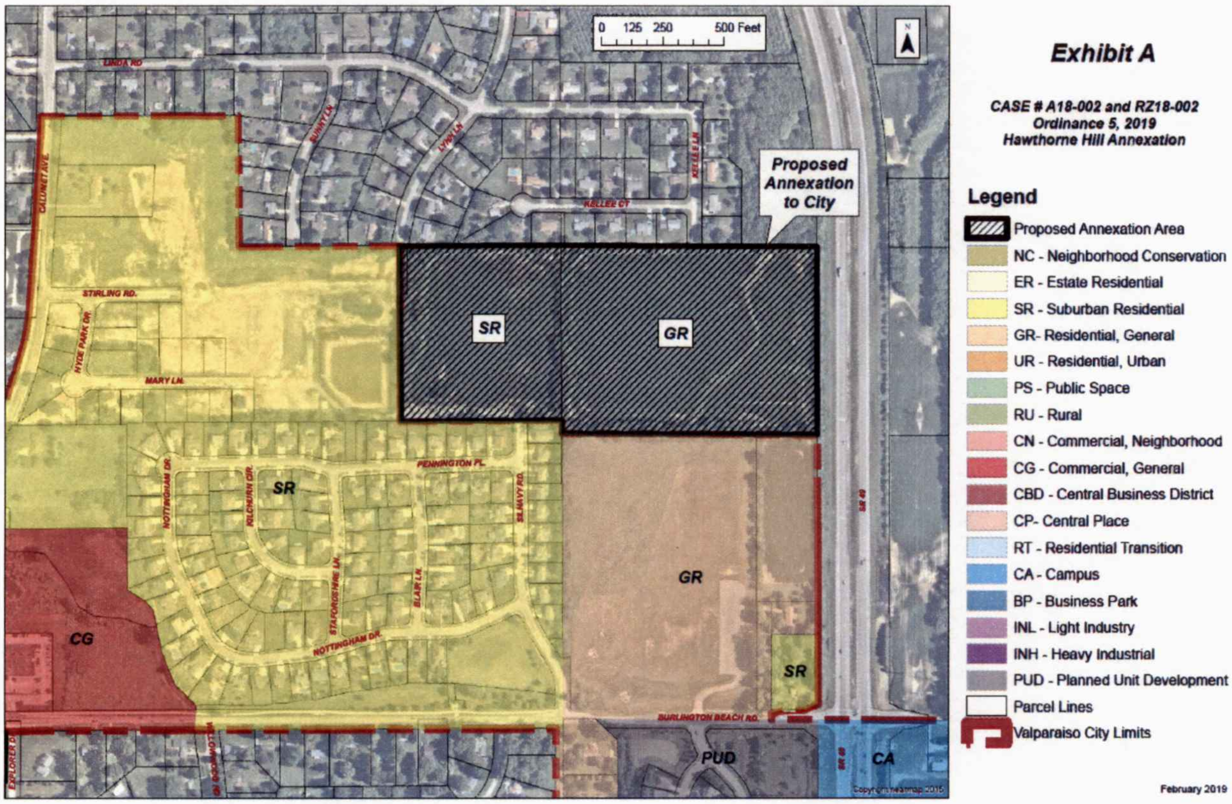


Exhibit B

Legal Description of land to be Annexed

A PARCEL OF LAND IN THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 35 NORTH, RANGE 5 WEST AND 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: BEGINNING 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 660.00 FEET; THENCE NORTH 00 DEGREES, 00 MINUTES, 00 SECONDS WEST A DISTANCE OF 712.03 FEET; THENCE NORTH 89 DEGREES, 54 MINUTES, 30 SECONDS EAST, A DISTANCE OF 660.00 FEET TO THE EAST LINE OF SAID SOUTHEAST QUARTER; THENCE EASTERLY ALONG THE NORTH LINE OF A PARCEL OF LAND DESCRIBED IN DEED RECORD 204, PAGE 462 IN THE RECORDER'S OFFICE OF PORTER COUNTY, INDIANA A DISTANCE OF 1040.31 FEET TO THE WEST RIGHT-OF WAY LINE OF THE STATE ROAD NO. 49 BYPASS; THENCE SOUTH ALONG SAID WESTERLY RIGHT-OF-WAY, A DISTANCE OF 763.60 FEET; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID 204, PAGE 462, A DISTANCE OF 1040.31 FEET TO A POINT ON THE WEST LINE OF SAID SOUTHWEST QUARTER BEING 1151.37 FEET NORTH OF THE SOUTHWEST CORNER OF SAID SOUTHWEST QUARTER; THENCE NORTH ALONG SAID WEST LINE OF THE SOUTHWEST QUARTER (ALSO BEING THE EAST LINE OF THE SOUTHEAST QUARTER OF SECTION 6), A DISTANCE OF 53.13 FEET TO THE POINT OF BEGINNING.

TOWN OF VALPARAISO
ANNEXATION FISCAL PLAN
HAWTHORNE HILLS ANNEXATION

INTRODUCTION

The following fiscal plan (the "Fiscal Plan") is for the proposed annexation of A parcel to the north and east of the existing corporate limits on the north 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;

TOWN OF VALPARAISO
ANNEXATION FISCAL PLAN
HAWTHORNE HILLS ANNEXATION

TABLE OF CONTENTS

Real Property Assessed Valuation

The estimated net assessed valuation for land and improvements in the Annexation Area is $45,800. This represents the assessed value as of January 1, 2018 for taxes payable 2019.

NON-CAPITAL SERVICES

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.

Police Protection

The Porter County Sheriff's Department currently provides police protection and law enforcement services to the Annexation Area. However, all non-capital services of the Valparaiso Police Department ("VPD") will be made available in the Annexation Area within one (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 four (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 six (6) detectives, combining for over 80 years of law enforcement. The VPD patrols within the boundaries of the City on a daily basis and responds to all alarm calls. In addition, the VPD provides other services such as detection and apprehension of offenders, traffic control, and preservation of civil order. The VPD 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 or anticipate an increase in fuel as a result of the annexation. It is anticipated that an increase in fuel will be necessary in an amount expected to grow to approximately $500 per year as a result of the annexation. The Police Department's budget within the City's General Fund will fund any additional costs.

Fire Protection

The Annexation Area is currently served by the Valparaiso Fire Protection Territory ("VFPT"). The VFPT 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 VFPT has three shifts of 21 firefighters per shift, working 24 hours on duty and 48 hours off-duty. There are three stations, four engines, two aerials, four rescue trucks, and a tanker.

The VFPT provides fire protection, emergency medical response, hazardous materials response, technical rescue and fire prevention services to citizens within the City limits and

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

9. A list of all parcels of property in the annexation territory and the following information regarding each parcel:

   A. The name of the owner of the parcel.

   B. The parcel identification number.

   C. The most recent assessed value of the parcel.

   D. The existence of a known waiver of the right to remonstrate on the parcel.

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

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

AREA DESCRIPTION

Location, Area Size and Contiguity

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

The Annexation Area is approximately 28.985 acres. The perimeter boundary of the Annexation Area totals 4,926.42 lineal feet, 2,463.07 (or 49.99%) of which is contiguous to the existing corporate boundaries of the City.

Current Land Use

The Annexation Area consists of vacant, unplatted land.

Zoning

Existing Zoning: R1- Low Density Single-Family Residential, RR- Rural Residential
Proposed Zoning: Suburban Residential (SR) District and General Residential (GR) District

Current Population

The current population of the Annexation Area is estimated at zero (0), as there does not appear to be any primary residences within the Annexation Area.

Center Township. Given that service is already provided by VFPT to the Annexation Area, there will be no additional costs for the provision of services upon annexation.

Emergency Medical Services

Currently, the VFPT 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 VFPT to the Annexation Area, there will be no additional costs for the provision of services upon annexation.

Street Maintenance

Any dedicated streets and 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 one (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 156 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 (2) street sweepers. The Annexation Area has no streets. Currently, the City has approximately 159.25 miles of streets. The City anticipates additional operating costs for supplies, repairs and maintenance, snowplowing and salting in an amount expected to grow to approximately $1,500 per year as a result of the annexation. The Local Road and Street and Motor Vehicle Highway Funds will fund any additional costs.

Trash Collection and Recycling

Porter County does not provide solid waste disposal to the Annexation Area. Within one (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. The City anticipates additional operating costs for trash collection services and recycling of approximately $4,433 per year and growing to approximately $11,864 per year upon full build-out of the development. Trash services are funded through a $12.00 monthly fee billed to homeowners. It is anticipated that as the Annexation Area is built-out, the future additional costs will be covered by the additional revenues generated from the monthly trash collection fee. In addition, each household within the Annexation Area will be provided with two trash toters at an estimated cost to the City of $60 each.

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. Nevertheless, all non-capital services of the Storm Water Department will be made available in the Annexation Area within one (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. Any additional stormwater costs will be funded by the monthly stormwater fee, which is currently $12.50 in 2019.

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 six 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 the annexation, therefore there will be no additional costs to the City. Nevertheless, all non-capital services of the Valparaiso Parks and Recreation 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.

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.

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

CAPITAL IMPROVEMENTS

Cost of Services

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

The City will provide the following capital services to the Annexation Area no later than three (3) years after the effective date of the annexation in the same manner as those capital services provided to areas within the City regardless of topography, patterns of land use, and population density and in a manner consistent with federal, state and local laws, procedures and planning criteria. It is currently assumed that the annexation will be effective as soon as practically possible, but no later than December 31, 2020.

Water Service

The Annexation Area is currently served by the Valparaiso Water department, which will continue to serve the Annexation Area after annexation. Any extensions in service are anticipated to be borne by the respective property owner or developer. It is anticipated that the City will not incur any additional costs related to the provision of water service in the Annexation Area.

Wastewater Service

The Annexation Area is currently served by the Valparaiso Wastewater Department, which will continue to serve the Annexation Area after annexation. Any extensions in service are anticipated to be borne by the respective property owner or developer. It is anticipated that the City will not incur any additional costs related to the provision of wastewater service in the Annexation Area.

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 storm water services of the City will be extended to the Annexation Area within three

(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. Any additional storm water costs will be funded by the monthly stormwater fee, which is currently $12.50 in 2019.

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. There are currently no existing streets within the Annexation Area; therefore, it is not anticipated that there will be any additional cost to the City. Regardless, all capital services of the Valparaiso Street Department, including evaluation and construction services, will be extended to the Annexation Area within three (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.

Sidewalks

In general, construction and reconstruction of sidewalks is not the responsibility of the City. Sidewalks 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. The developer will be responsible for sidewalks within the Annexation Area. Regardless, all capital services of the City will be extended to the Annexation Area within three (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.

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.

FISCAL IMPACT

As a result of this annexation, the assessed value for the City will increase by approximately $13,812,344 to $1,762,413,400. This represents an increase of approximately 0.78%. 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 December 31, 2020. Based on the assumed effective date, Annexation Area property owners will not pay property taxes to the City until 2020 payable 2021. 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, the Street Department and trash services. The causes of the anticipated increased costs are discussed on the prior pages, and a summary of the costs is demonstrated in APPENDIX A.

It is anticipated that the City will realize an increase in its levy of approximately $658,993 ($639,993 net of circuit breaker) as a result of the annexation. However, the percentage increase in the levy will not exceed the percentage increase in the City's assessed value; therefore, there is not anticipated to be a tax rate increase as a direct result of this annexation. If there is a shortfall in revenue from the annexation, the services described in this plan can be provided using funds on hand.

ASSUMED INDEBTEDNESS

As required by Indiana Code 36-4-3-10, 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 by the most recent assessment for taxation before the annexation, unless the assessed property within the City is already liable for the indebtedness.

There is no debt currently outstanding for Center Township.

EXHIBIT A

CITY OF VALPARAISO, INDIANA
Hawthorne Hills Annexation

ESTIMATED ASSESSED VALUE AND TAX RATE IMPACT
(Assumes first year of tax collections from Annexation Area is 2019 pay 2020)

Assessment Year	Estimated Net Assessed Value of Annex. Area (1)	Estimated Net Assessed Value of City (2)	Total Est. Net Assessed Value of City (3)	Est. Property Tax Levy of City (4),(5)	Sub-total: Est. Property Tax Rate (6)	Estimated Net Assessed Value of Fire Territory (2)	Estimated Fire Territory Tax levy (4)	Sub-total: Est. Property Tax Rate (7)	Total Est. Property Tax Rate
2018 Pay 2019	$ 45,800	$1,748,601,056	$1,748,601,056	$ 16,989,408	$ 0.9716	$ 2,585,258,911	$ 7,013,807	$ 0.2713	$ 1.2429
2019 Pay 2020	45,800	1,748,601,056	1,748,601,056	16,989,408	0.9716	2,585,258,911	7,013,807	0.2713	1.2429
2020 Pay 2021	2,734,750	1,751,335,806	1,751,335,806	17,015,979	0.9716	2,585,275,811	7,013,853	0.2713	1.2429
2021 Pay 2022	5,569,925	1,756,905,731	1,756,905,731	17,070,096	0.9716	2,585,275,811	7,013,853	0.2713	1.2429
2022 Pay 2023	8,683,163	1,765,588,894	1,765,588,894	17,154,462	0.9716	2,585,275,811	7,013,853	0.2713	1.2429
2023 Pay 2024	10,281,663	1,775,870,557	1,775,870,557	17,254,358	0.9716	2,585,275,811	7,013,853	0.2713	1.2429
2024 Pay 2025	11,938,760	1,787,809,317	1,787,809,317	17,370,355	0.9716	2,585,275,811	7,013,853	0.2713	1.2429
2025 Pay 2026	13,812,344	1,801,621,661	1,801,621,661	17,504,556	0.9716	2,585,275,811	7,013,853	0.2713	1.2429

(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. Per information provided by the developer, we have assumed all development within the Annexation Area will be built-out in six years beginning in 2020 and first assessed in 2021. The increase in assessed value is assumed at $13,812,344 for 2025 pay 2026.

(2) Represents the assessed value for the City of Valparaiso and the Fire Territory, including the Annexation Area.

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

(4) Represents the estimated property tax levy of the City and Fire Territory.

(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 Estimated Property Tax Levy of the City divided by the Total Estimated Net Assessed Value of the City.

(7) Based on the Estimated Fire Territory Tax Levy divided by the Estimated Net Assessed Value of the Fire Territory.

Prepared by
Umbaugh

CITY OF VALPARAISO, INDIANA
Hawthorne Hills Annexation

PARCEL LIST

Parcel ID	Owner	2018 Pay 2019 Net Assessed Value	Remonstrance Waiver
64-10-05-305-001.000-020	Golub, John J	$ 28,900	No
64-10-06-431-002.000-003	Golub, John J	16,900	No
	Total	$ 45,800	

CITY OF VALPARAISO, INDIANA
Hawthorne Hills Annexation

Current and Estimated Assessed Valuation of the Annexation Area

			Gross Assessed Valuation: Real Property			
		Additional		Estimated		
		Dwelling		Residential Development		
Assessment Date	Year	Units	Pre-Annexation	Vacant Land	Land & Improvements	Total
January 1, 2018 Pay 2019			45,800			
January 1, 2019 Pay 2020			45,800			
January 1, 2020 Pay 2021	1	19		$ 41,021	$ 5,150,000	$ 5,191,021
January 1, 2021 Pay 2022	2	19		36,442	5,304,500	5,340,942
January 1, 2022 Pay 2023	3	20		31,551	5,781,905	5,813,456
January 1, 2023 Pay 2024	4	11		21,292	3,004,999	3,026,291
January 1, 2024 Pay 2025	5	11		10,965	3,095,149	3,106,114
January 1, 2025 Pay 2026	6	12		-	3,477,822	3,477,822
TOTAL		92				

Anticipated Site Plan Phasing for the Annexation Area

	Number of Dwelling Units (By Year-First Assessed)						
Dwelling Sales Price	01/01/20	01/01/21	01/01/22	01/01/23	01/01/24	01/01/25	Total
$250,000	11	11	11	11	11	12	67
$300,000	8	8	9	0	0	0	25
Totals	19	19	20	11	11	12	92

Estimated Market Value of Site Plan Residential Improvement Phasing for the Annexation Area

	Market Value (Assumes 3% Increase from Prior Year)					
Dwelling Sales Price	01/01/20	01/01/21	01/01/22	01/01/23	01/01/24	01/01/25
$250,000	$ 250,000	$ 257,500	$ 265,225	$ 273,182	$ 281,377	$ 289,819
$300,000	300,000	309,000	318,270	327,818	337,653	347,782

CITY OF VALPARAISO, INDIANA
Hawthorne Hills Annexation

Anticipated Standard and Supplemental Homestead Deduction and Mortgage Deduction Applicable

		Applicable Deductions			
Assessment Date	Year	(Standard) Homestead	Supplemental Deduction	Mortgage	Total of Deductions
Jan 1, 2020 Pay 2021	1	$ 855,000	$ 1,503,250	$ 57,000	$ 2,415,250
Jan 1, 2021 Pay 2022	2	1,710,000	3,060,575	114,000	4,884,575
Jan 1, 2022 Pay 2023	3	2,610,000	4,769,242	174,000	7,553,242
Jan 1, 2023 Pay 2024	4	3,105,000	5,647,741	207,000	8,959,741
Jan 1, 2024 Pay 2025	5	3,600,000	6,557,794	240,000	10,397,794
Jan 1, 2025 Pay 2026	6	4,140,000	7,586,031	276,000	12,002,031

Estimated Gross Assessed Value of the Site Plan Phasing for the Annexation Area

	Estimated Gross Assessed Value (Assumes 3% Increase from Prior Year)					
Dwelling Sales Price	01/01/20	01/01/21	01/01/22	01/01/23	01/01/24	01/01/25
$250,000	$ 2,750,000	$ 5,582,500	$ 8,499,975	$ 11,504,974	$ 14,600,123	$ 18,077,946
$300,000	2,400,000	4,872,000	7,736,430	7,736,430	7,736,430	7,736,430
Totals	$ 5,150,000	$ 10,454,500	$ 16,236,405	$ 19,241,404	$ 22,336,553	$ 25,814,376

Estimated Net Assessed Value of the Site Plan Phasing for the Annexation Area

	Estimated Net Assessed Value (Assumes 3% Increase from Prior Year)					
Dwelling Sales Price	01/01/20	01/01/21	01/01/22	01/01/23	01/01/24	01/01/25
$250,000	$ 1,432,750	$ 2,919,125	$ 4,460,734	$ 6,059,233	$ 7,716,330	$ 9,589,915
$300,000	1,302,000	2,650,800	4,222,430	4,222,430	4,222,430	4,222,430
Totals	$ 2,734,750	$ 5,569,925	$ 8,683,163	$ 10,281,663	$ 11,938,760	$ 13,812,344

Estimated Real Property Tax Revenues from the Annexation Area

						City of Valparaiso-Center Twp
Assessment Date	Year	Additional Dwelling Units	Gross AV	Total of Deductions	Net AV	Property Taxes Due As Phased
January 1, 2020 Pay 2021	1	19	5,150,000	2,415,250	2,734,750	33,990
January 1, 2021 Pay 2022	2	19	10,454,500	4,884,575	5,569,925	69,229
January 1, 2022 Pay 2023	3	20	16,236,405	7,553,242	8,683,163	107,923
January 1, 2023 Pay 2024	4	11	19,241,404	8,959,741	10,281,663	127,791
January 1, 2024 Pay 2025	5	11	22,336,553	10,397,794	11,938,760	148,387
January 1, 2025 Pay 2026	6	12	25,814,376	12,002,031	13,812,344	171,674
TOTALS		92	Net Real Property Taxes over 6-year Project Phase:			$ 658,993

Prepared by
Crowe & Company

CITY OF VALPARAISO, INDIANA
Hawthorne Hills Annexation

ESTIMATED ANNUAL (RECURRING) AND NON-RECURRING (ONE-TIME) REVENUES: BY COLLECTION YEAR

Construction Year	2019	2020	2021	2022	2023	2024	
Assessment Date (January 1, _____)	2020	2021	2022	2023	2024	2025	
Collection Year (Fiscal Year)	2021	2022	2023	2024	2025	2026	Total
Dwelling Unit First Assessed (Estimated):	19	19	20	11	11	12	92
Dwelling Unit First Assessed: Phased-IN (Estimated):	19	38	58	69	80	92	
Population (Annual Increases):	57	57	60	33	33	36	276
Population (Phased-In):	57	114	174	207	240	276	

	5-Year Phase Period						Upon
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Build-Out
Annual (Recurring) Revenues							
Property Tax Revenue	$ 33,990	$ 103,219	$ 211,142	$ 338,933	$ 487,319	$ 658,993	$ 658,993
LIT Revenues for Economic Development	881	1,761	2,688	3,198	3,708	4,264	4,264
Dog & Cat (Pet) Tax License Revenues	-	-	-	-	-	-	-
Cigarette Tax Revenue	32	64	97	116	134	155	155
ABC Gallonage Tax Revenue	130	260	397	472	547	629	629
Vehicle Excise Tax Revenue	2,850	5,700	8,700	10,350	12,000	13,800	13,800
Cable Television Franchise Fee	371	741	1,131	1,346	1,560	1,794	1,794
Local Road and Street ("LRS") Revenue	4,024	4,024	4,024	4,024	4,024	4,024	4,024
Motor Vehicle Highway ("MVH") Revenue	11,553	11,553	11,553	11,553	11,553	11,553	11,553
Water Revenue	7,766	15,531	23,706	28,202	32,698	37,602	37,602
Sewer Revenue	10,896	21,792	33,262	39,570	45,878	52,760	52,760
Stormwater Revenue	2,850	5,700	8,700	10,350	12,000	13,800	13,800
Garbage Collection Fee Revenue	2,736	5,472	8,352	9,936	11,520	13,248	13,248
Sub-Total Recurring (Annual) Revenue	$ 78,078	$ 175,818	$ 313,752	$ 458,049	$ 622,943	$ 812,623	$ 812,623
Non-Recurring (One-Time) Revenues							
Building and Inspection Permit Fees	$ 95,000	$ 95,000	$ 100,000	$ 55,000	$ 55,000	$ 60,000	$ 460,000
Sub-Total Non-Recurring (One-Time) Revenue	$ 95,000	$ 95,000	$ 100,000	$ 55,000	$ 55,000	$ 60,000	$ 460,000
TOTAL	$ 173,078	$ 270,818	$ 413,752	$ 513,049	$ 677,943	$ 872,623	$ 1,272,623

CITY OF VALPARAISO, INDIANA
Hawthorne Hills Annexation

ESTIMATED NON-CAPITAL (RECURRING) AND CAPITAL (NON-RECURRING) COSTS: BY FISCAL YEAR

Fiscal Year (January 1 to December 31):	2019	2020	2021	2022	2023	2024	Total
Dwelling Units First Assessed (Estimated):	19	19	20	11	11	12	92
Population (Annual Increases):	57	57	60	33	33	36	276

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Upon Build-out
Non-Capital (Recurring) Costs							
Administrative Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Building and Planning Services	-	-	-	-	-	-	-
Garbage Collection Services	4,433	6,585	8,971	9,138	10,384	11,864	11,864
Police Protection (1)	500	515	530	546	563	580	580
Fire Protection and Emergency Services	-	-	-	-	-	-	-
Street and Road Maintenance (1)	1,000	1,030	1,061	1,093	1,126	1,159	1,159
Snowplowing and Salting	500	515	530	546	563	580	580
Street Lights	-	-	-	-	-	-	-
Sub-Total: Non-Capital (Recurring) Costs	$ 6,433	$ 8,645	$ 11,093	$ 11,323	$ 12,635	$ 14,182	$ 14,182
Capital (Non-Recurring) Costs							
Administrative Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Building and Planning Services	-	-	-	-	-	-	-
Garbage Collection Services	-	-	-	-	-	-	-
Police Protection	-	-	-	-	-	-	-
Fire Protection and Emergency Services	-	-	-	-	-	-	-
Street and Road Maintenance	-	-	-	-	-	-	-
Sub-Total: Capital (Non-Recurring) Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL	$ 6,433	$ 8,645	$ 11,093	$ 11,323	$ 12,635	$ 14,182	$ 14,182

(1) Assumes a 3% inflationary adjustment for years 2 through 6.

CITY OF VALPARAISO, INDIANA
Hawthorne Hills Annexation

ESTIMATED REVENUES AND COSTS: BY FISCAL YEAR

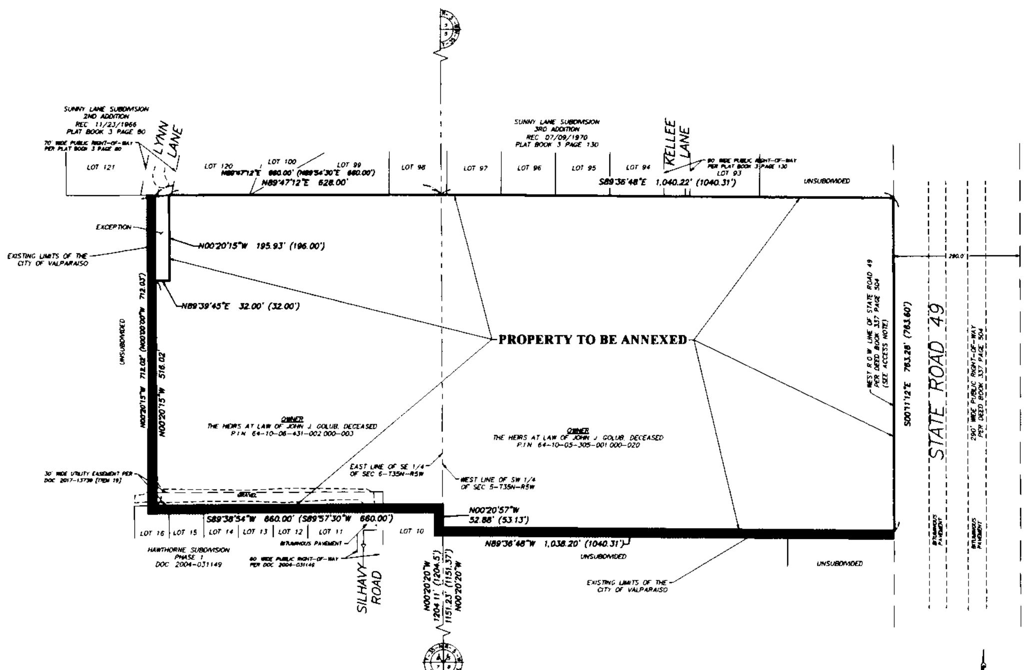
Construction Year:	2019	2020	2021	2022	2023	2024	
Assessment Date (January 1, _____):	2020	2021	2022	2023	2024	2025	
Collection Year (Fiscal Year):	2021	2022	2023	2024	2025	2026	**Total**
	Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**(Upon Build Out)**
Revenues							
Annual (Recurring)	$ 78,078	$ 175,818	$ 313,752	$ 458,049	$ 622,943	$ 812,623	$ 812,623
Non-Recurring (One-Time)	95,000	95,000	100,000	55,000	55,000	60,000	460,000
Subtotal	$ 173,078	$ 270,818	$ 413,752	$ 513,049	$ 677,943	$ 872,623	$ 1,272,623
Costs							
Non-Capital (Recurring)	$ 6,433	$ 8,645	$ 11,093	$ 11,323	$ 12,635	$ 14,182	$ 14,182
Capital (Non-Recurring)	-	-	-	-	-	-	-
Subtotal	$ 6,433	$ 8,645	$ 11,093	$ 11,323	$ 12,635	$ 14,182	$ 14,182
Net Impact (Revenues less Costs)	**$ 166,646**	**$ 262,172**	**$ 402,659**	**$ 501,726**	**$ 665,308**	**$ 858,441**	**$ 1,258,441**
Revenue to Cost Ratio:	26.91	31.33	37.30	45.31	53.66	61.53	89.73

APPENDIX B

PARCEL 1:

A PARCEL OF LAND IN THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 35 NORTH, RANGE 5 WEST AND THE SOUTHEAST QUARTER OF SECTIION 6, TOWNSHIP 35 NORTH, RANGE 5 WEST OF THE SECOND PRINCIPAL MERIDIAN IN CENTER TOWNSHIP, PORTER COUNTY, INDIANA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING 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 660.00 FEET; THENCE NORTH 00 DEGREES, 00 MINUTES, 00 SECONDS WEST A DISTANCE OF 712.03 FEET; THENCE NORTH 89 DEGREES, 54 MINUTES, 30 SECONDS EAST, A DISTANCE OF 660.00 FEET TO THE EAST LINE OF SAID SOUTHEAST QUARTER; THENCE EASTERLY ALONG THE NORTH LINE OF A PARCEL OF LAND DESCRIBED IN DEED RECORD 204, PAGE 462 IN THE RECORDER'S OFFICE OF PORTER COUNTY, INDIANA A DISTANCE OF 1040.31 FEET TO THE WEST RIGHT-OF WAY LINE OF THE STATE ROAD NO. 49 BYPASS; THENCE SOUTH ALONG SAID WESTERLY RIGHT-OF-WAY, A DISTANCE OF 763.60 FEET; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID 204, PAGE 462, A DISTANCE OF 1040.31 FEET TO A POINT ON THE WEST LINE OF SAID SOUTHWEST QUARTER BEING 1151.37 FEET NORTH OF THE SOUTHWEST CORNER OF SAID SOUTHWEST QUARTER; THENCE NORTH ALONG SAID WEST LINE OF THE SOUTHWEST QUARTER (ALSO BEING THE EAST LINE OF THE SOUTHEAST QUARTER OF SECTION 6), A DISTANCE OF 53.13 FEET TO THE POINT OF BEGINNING.

ANNEXATION EXHIBIT



PROPERTY LEGAL DESCRIPTION / AREA TO BE ANNEXED PER TITLE COMMITMENT FNW1809817

A PARCEL OF LAND IN THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 35 NORTH, RANGE 5 WEST AND 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: BEGINNING 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 660.00 FEET; THENCE NORTH 00 DEGREES, 00 MINUTES, 00 SECONDS WEST A DISTANCE OF 712.03 FEET; THENCE NORTH 89 DEGREES, 54 MINUTES, 30 SECONDS EAST, A DISTANCE OF 660.00 FEET TO THE EAST LINE OF SAID SOUTHEAST QUARTER; THENCE EASTERLY ALONG THE NORTH LINE OF A PARCEL OF LAND DESCRIBED IN DEED RECORD 204, PAGE 462 IN THE RECORDER'S OFFICE OF PORTER COUNTY, INDIANA A DISTANCE OF 1040.31 FEET TO THE WEST RIGHT-OF-WAY LINE OF THE STATE ROAD NO. 49 BYPASS; THENCE SOUTH ALONG SAID WESTERLY RIGHT-OF-WAY, A DISTANCE OF 783.60 FEET; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID 204, PAGE 462, A DISTANCE OF 1040.31 FEET TO A POINT ON THE WEST LINE OF SAID SOUTHWEST QUARTER BEING 1151.37 FEET NORTH OF THE SOUTHWEST CORNER OF SAID SOUTHWEST QUARTER; THENCE NORTH ALONG SAID WEST LINE OF THE SOUTHWEST QUARTER (ALSO BEING THE EAST LINE OF THE SOUTHEAST QUARTER OF SECTION 6), A DISTANCE OF 53.13 FEET TO THE POINT OF BEGINNING, EXCEPTING THEREFROM THAT PART CONVEYED TO VON TOBEL CORPORATION IN A PERSONAL REPRESENTATIVE'S DEED RECORDED JUNE 15, 2017 AS DOCUMENT NO. 2017-013740 AND DESCRIBED AS FOLLOWS:
THE WEST 32.00 FEET OF THE NORTH 196.00 FEET OF THE FOLLOWING DESCRIBED PARCEL: THE EAST 660.00 FEET OF THE NORTH 712.03 FEET OF THE SOUTH 1916.53 FEET OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 35 NORTH, RANGE 5 WEST OF THE 2ND PRINCIPAL MERIDIAN, IN PORTER COUNTY, INDIANA.

AREA TO BE ANNEXED

SUBJECT PROPERTY: 1,256,308± SQ.FT. OR 28.841± ACRES

ADDITIONAL NOTES

1. ALL BEARINGS SHOWN HEREON REFERENCE THE INDIANA STATE PLANE COORDINATE SYSTEM – WEST ZONE (NAD83-2011)
2. THE SUBJECT PROPERTY TAX IDENTIFICATION NUMBERS ARE SHOWN HEREON
3. OWNERS' NAMES AND ADDRESSES OF THE SUBJECT AND ADJOINING PROPERTIES SHOWN BASED UPON DEEDS PROVIDED BY THE CLIENT AND/OR PORTER COUNTY TAX RECORDS.
4. BOUNDARY HAS BEEN SHOWN HEREON BASED ON ALTA SURVEY PREPARED BY HR GREEN, INC. DATED 08/01/2018

NO.	DATE	BY	REVISION DESCRIPTION

HRGreen
323 Alana Drive
New Lenox, Illinois 60451
1.815.462.9324 | 1.815.462.9328
www.hrgreen.com

ANNEXATION EXHIBIT
PART OF SW 1/4 OF SEC 5, T 35 N, R 5 W
&
PART OF SE 1/4 OF SEC 6, T 35 N, R 5 W
PORTER COUNTY, INDIANA

BAR IS ONE INCH ON OFFICIAL DRAWINGS
IF NOT ONE INCH ADJUST SCALE ACCORDINGLY

DRAWN BY: MRS
APPROVED: MJ
JOB DATE: 11/26/2018
JOB NO: 181044

SHEET
1 OF 1