Resolution #5, 2006
ADOPTING A FISCAL PLAN FOR THE ANNEXATION OF PROPERTY KNOWN AS THE WESTSIDE ANNEXATION 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 determined the real estate ("**Westside Annexation**") requesting to be annexed statutorily qualifies for annexation under Indiana Code 36-4-3, with the following statutory requirements:

1) The petition submitted for voluntary annexation represents at least 51% of the owners of the land.

2) For purposes of determining "contiguity", approximately **24.50%** of the Westside Annexation's aggregate external boundaries coincides with the boundaries of the City of Valparaiso.

WHEREAS, the Westside Annexation is needed and will be used by the City of Valparaiso for its development in the reasonably near future; and

WHEREAS, the City Council of the City of Valparaiso is desirous to adopt the written detailed fiscal plan for the Westside Annexation located in unincorporated Porter County; and

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 before adopting the annexation ordinance for the Westside Annexation.

Section Two: The purpose of a written fiscal plan is ensure that the municipality is physically and financially able to provide municipal services to the real estate seeking annexation.

Section Three: After annexation takes effect basic services described in the fiscal plan becomes effective.

Section Five: The City of Valparaiso will provide a copy of the Westside Annexation Fiscal Plan immediately after adoption to any landowner in the annexed territory who requests a copy from the City Planner.

Section Six: 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 All provisions or parts thereof in conflict herewith are hereby repealed.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 27th day of Feb, 2006 by a 7 vote in favor and 0 vote opposed of all members present and voting.

Joe Lair
Ed Howe
John Bowker
Chuck Williams

Al Eisenmenger
Robert McCasland
Jan Dick
Jon Costas, Mayor

ATTEST:
Sharon Swihart, Clerk-Treasurer

Ordinance 7-2006 Exhibit "A"
Plan Commission Case 06-A-01

WESTSIDE ANNEXATION FISCAL PLAN

DRAFT

Prepared by:
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City of Valparaiso
Planning Department
January 2006

WESTSIDE ANNEXATION FISCAL PLAN

SUBJECT: 06-A-01 – City of Valparaiso – Request to annex property known as Westside Annexation, Center Township, T 35N, R6W.

DATE: January 10, 2006

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

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

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

POLICY FOR PROVISION OF CAPITAL AND NON-CAPITAL SERVICES

Non-Capital Services

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

Capital Services

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

GENERAL INFORMATION

Location

The area included in this annexation consists of property located in Center Township west of the current city limits to the north of State Road 130 including areas in the vicinity of Froberg Road, the south side of Ransom Road and the Greenfield Creek and Windsor Park subdivisions, more particularly described as the following:

See attached description

Total Acreage	1,132 Acres (1.77 Sq. Mi.)
Number of Dwelling Units	276 Existing 376 Proposed (Platted) (156 SFR – 220 Duplex) 600 Potential Buildout (500 SFR – 100 Condo)
Number of Non-Residential Units	1 Commercial (Proposed)
Percent Contiguous	24.50%
Existing Zoning (County)	R-1, R-2, R-3, C-2, I-2 (See attached map)

The annexation area consists of a mixture of existing single family residential neighborhoods (Greenfield Creek and Windsor Park – Total 265 Units), and 11 scattered existing single family residences and farmsteads. Three new subdivisions have been platted totaling 266 lots and 376 units include Pepper Creek (39 Single Family Executive Homes – Private Road, approved by Porter County), Beauty Creek Estates at Windsor Park North (117 Lots with Single Family Homes), and Beauty Creek Villa Homes (110 Duplex Lots totaling 220 units).

Future development possibilities include the development of 600 potential units based on development of remaining vacant properties with an average number of units for these large parcels, or prior development proposals that have not been platted. This includes large parcels on the south side of CR 500 N and both sides of CR 150 W/Froberg Road south of 400 N/Vale Park Road. Two additional large parcels located on the south side of Ransom Road may potentially be developed in the future. One remaining section of the Pepper Creek development has been set aside for approximately 100 condominium homes, and one small neighborhood commercial center located at the northwest corner of Froberg and Vale Park Roads.

It is important to note that the annexation area is served by two separate sewer utility systems. The existing Greenfield Creek neighborhood is currently served by the Valparaiso sewer utility, Pepper Creek and a majority of the remaining undeveloped land with the exception of the 80 acres at the southwest corner of CR 500 N and Froberg Road (approximately 80 homes buildout) will be served by Valparaiso. Windsor Park, the two Beauty Creek subdivisions, as well as the above-mentioned 80 acres are currently served by the South Haven Sewer Utility.

CONTIGUITY

The northeast annexation area is 24.50% contiguous to the existing City limits

POPULATION DENSITY

The estimated population density of the annexation area is less than 3.0 persons per acre (0.70) currently, upon buildout as platted (0.91), and upon complete buildout of vacant parcels (2.24)(Current population est. 788 persons, population at platted buildout 1,023, population at potential buildout 2,523 or 2.5 per dwelling unit average)

60% SUBDIVIDED

The annexation area is less than 60% subdivided and urbanized

"Needed & Can Be Used"

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

City Established Planning Jurisdiction/Influence

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

City of Valparaiso Growth Management Plan (2000)

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

Council District

It is recommended that the Greenfield Creek neighborhood and west side of CR 50/Goodrich Road be assigned to the 4th Councilmanic District, and the remainder of the annexation area be part of the 3rd District until the next redistricting.

ESTIMATED ANNUAL REVENUES

The principal source of revenue for the City is through local property tax. True Tax Valuations (TTV) are based on information provided by the Porter County Auditor's Office. The 2004 payable in 2005 City net tax rate of $.658900918/100 TTV will be used for revenue estimates. This net rate is arrived at by taking the total state certified tax rate of .8411 and subtracting the percentage attributed to PTRF% of .216620 (Property Tax Replacement Factor).

Total True Tax Value (AV)**	$59,500,660.00 Existing AV $185,430,660 AV as platted $335,430,660 Buildout AV
City Net Tax Rate	$.658900918/100 TTV
Total property tax revenue **	$392,050.00 Existing AV $1,221,803.00 AV as platted $2,210,153.00 Buildout AV

**Projected revenue based on buildout and estimated value of improvements to be made with the development of the platted Beauty Creek Estates and Beauty Creek Villas property (337 Homes – See below) and Pepper Creek subdivision (39 homes) and are based on expected average value for land and structures. According to the petitioners, the expected buildout of these projects is within five to ten years of commencement.

Product Type and Average Value

Single Family – BC Estates – 117 - $425,000 X 117 + open space $30,000 = $49,815,000
Single Family – Pepper Creek – 39 - $1,175,000 X 39 = $45,000,000.00
Duplex Units – BC Villas – 110(220) - $225,000 X 220 + open space $30,000 = $49,590,000
TOTALS 376 Units + Open Space - $144,405,000

Garbage Collection Fee

The current $9.00 per month per property garbage collection fee brings the City $108.00 annually per property. The current 276 residential properties will bring the City a total of $29,700.00, and the additional proposed 337 (minus Pepper Creek – Private Streets) residential units will bring the City a total of $36,396.00 annually, for a total of $66,096.00 as platted. The projected buildout of the remaining undeveloped land (600 units) would yield an annual revenue of $64,800.00 annually for the City, a total of $130,896.00 annually.

Total Estimated Annual Revenues	**$421,750.00 Existing AV** **$1,287,899.00 AV as platted** **$2,341,049.00 Buildout**

Population- Based Tax Revenues

Another method by which various City functions are funded is population-based tax revenues. These revenues are paid in various ways, including through individual paycheck deductions and through the purchase of products such as cigarettes and alcohol. Revenues are also available to the City by State distribution through riverboat gaming revenues in locations throughout Indiana. It is reasonable to assume that as the City's population grows, including by way of annexation, that the City stands to benefit from the additional tax revenue from these sources. It is important to note that these revenues are based on population as certified by a decennial census or special census only, and do not automatically adjust annually. The following describes the population based tax revenues the City may collect. The City is eligible for increases to these funds based on the upcoming 2010 Census, or upon an accepted special census.

CEDIT Funds

CEDIT Funds, or County Economic Development Income Taxes otherwise known as EDIT funds, are collected via individual paycheck deductions or personal income tax, and may be used for funding projects or other activities or programs considered to be related to economic development. The current EDIT tax rate is 0.25% of total personal income. Any increase in population is a direct positive influence on the amount of EDIT funding available for the municipality. The city currently collects $1.4 Million annually in EDIT funds. This annexation will result in the collection of additional EDIT funds distributed to the City based on a rate of $31.00 per capita (City is currently 18.68% of county population), at an annual estimate of $21,390.00 from the addition of the 275 existing homes, $50,530.00 as platted, and $97,030.00 annually upon buildout based on a median family income of $66,457 per household for Center Township Unincorporated from the 2000 Census.

Cigarette Tax and ABC Gallonage Tax Revenues

Like CEDIT funds, cigarette tax and ABC (Alcoholic Beverage Commission) Gallonage Tax revenues are collected and distributed by the State based on city population. These funds are determined by the total cigarette and alcohol sales in the State and the distribution to cities proportionally based on a formula including total population. Based on the population numbers and estimates in this annexation (approximately 690 current and 1,630 total residents upon platted buildout, an additional 1,500 upon total buildout or a total of 3,130), the city should expect to generate an increase in funds in annual cigarette taxes based on a formula of a total $4.43 per capita or an estimated $3,057 increase from the 275 existing homes, $7,221 as platted and $13,866 annually upon buildout. Alcohol tax revenues generated by the annexation based on a formula of $2.01 per capita are estimated to be an additional $1,387 from the existing homes, $3,276 annually as platted and $6,291 annually based on buildout.

Riverboat Gaming Fund revenues

Riverboat gaming money is a method of funding for communities that are located within a county that does not contain a casino, and therefore is less likely to derive direct financial benefit from a casino. This money is distributed to municipalities by the State, and is based on population of the municipality. Communities receiving this money may use it as they wish, and its use is subject to Council appropriation and approval. Currently, the City of Valparaiso receives $172,000.00 in Riverboat gaming money from the State. This annexation and the population increase should result in additional money to the City. It is estimated that this annexation could result in an increase of $4,300.00 for the addition of the 276 existing homes, $10,209.00 potentially as platted, and $19,616.00 based on buildout of the area based on current population ratios.

Vehicle Excise Tax

Based on a formula of $100.00 per new or transfer vehicle registration, this annexation is expected to generate an additional $55,200.00 in revenue to the City based on existing conditions, $130,400.00 as platted, and $250,400.00 upon buildout.

Other Income Tax revenues (future)

Other income tax revenue possibilities exist, including either CAGIT or COIT but not both. These funding mechanisms are also distributed based on population if they are collected. CAGIT stands for County Adjusted Gross Income Tax and is collected through personal paycheck deductions then redistributed by the State, and COIT, or County Option Income Tax is a second option collected in the same manner.

Other State Distributed Revenues

Local Road and Streets
Based on a formula of $2,761.48 per mile (LRS receipts divided by 120 certified lane miles in City), this annexation is expected to generate an additional $22,644.14 in LRS funds based on existing conditions, $31,618.95 as platted, and $59,233.75 upon buildout.

Motor Vehicle Highway
Based on a formula of $7,200.86 per mile (MVH receipts divided by 120 certified lane miles in City), this annexation is expected to generate an additional $59,047.05 in MVH funds due to existing development, $82,449.85 as platted, and $154,458.48 upon buildout.

Total Estimated Annual Revenues (All Sources) **$587,388.00 Existing**
$1,603,604.00 As Platted
$2,941,944.00 Buildout

Utility-Based Revenues

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

Minimum Monthly Water Revenues

$13.02/month minimum per residence – current 276 homes @ $156.24/yr $43,122.24
- Platted 376 Homes @ $156.24/yr $58,746.24
- Buildout – 600 Homes @ $156.24/yr. $93,744.00

Totals - $195,612.48

Minimum Monthly Sewer Revenues

$11.35/month minimum per residence – Current 191 Homes @ $136.20/yr $ 26,014.20
- Platted 39 Homes @ 136.20/yr. $5,311.80
- Buildout – 520 Homes @ 136.20/yr. $70,824.00

Totals - $102,150.00

Total Minimum Annual Utility Revenues **$69,136.44 Existing**
$133,194.48 As platted
$297,762.48 Buildout

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, which is not an immediate requirement as part of this annexation of property into the City for the 10 existing homes not currently connected to the municipal utility system. As a result, the connection to city systems may not occur soon after the annexation becomes effective, and may depend on the functional life of individual water well and septic systems in these locations.

Water - New Service Construction Cost
Minimum $1300.00 per principal structure. This annexation request includes 376 total proposed dwelling units in Beauty Creek and Pepper Creek for total revenue of a minimum of $488,800.00 over time. The total estimated buildout of an additional 600 homes would generate an additional $780,000.00. The total potential revenue based on buildout is $1,268,800.00. The homes will connect upon occupancy of the units as they are developed.

Sewer Connection Fees
$2,024.00 per principal structure, plus an estimated $1,500 Westside Sewer District fee for a total of $3,524.00 per unit. This annexation request includes 39 proposed dwelling units in Pepper Creek for total revenue of $137,436.00. The total estimated buildout of an additional 520 homes would generate an additional $1,832,480.00. The total

potential revenue based on buildout is $1,969,916.00. The homes will connect upon occupancy of the units as they are developed.

Total One Time Utility Revenues - $626,236.00 as platted, $3,238,716.00 Buildout

Recreation Impact Fee

The City currently has a recreation impact fee of $931.00 per new residential unit. The 376 proposed units in this annexation will bring the City $350,056.00 over the course of development of the areas included in the annexation. The 600 additional potential homes based on buildout will generate an additional $558,600.00 based on the current fee level, for a total of $908,656.00 over the course of buildout of the annexation area.

Building and Engineering Permit Fees

The construction of the 376 platted homes will bring the City $306,816.00 revenues based on an average total permit fee of $816.00 for a 3000 SF Average home in the platted subdivisions. The expected revenues derived from building permits for the potential 600 units based on buildout is expected to be a total of $489,600.00 or a total of $796,416.00 over the course of development of the subdivisions in question based on the assumptions listed above in the general background information on the annexation.

Total One Time Revenues **$656,872.00 As platted**
$1,705,072.00 Buildout

ANTICIPATED ANNUAL COSTS AND IMPACT ON CITY SERVICES

Administrative Services:

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

Inspection Services:

Zoning, building, and engineering inspection services within this annexation area as well as other annexation areas are expected to need additional resources based on expected growth in this area over the next five to ten years. It is anticipated that two new part-time building inspectors (one within five years and one within ten years) and one new engineering inspector (within five years) will be needed based on the anticipated growth from this annexation. The part-time building inspectors would require an annual salary of $20,000 each or $40,000 total, and the salary and benefits for a new engineering inspector is expected to be $42,250,00. These services will be provided upon the effective date of annexation. The additional fees generated based on new construction permits will help offset added costs for additional inspections generated. The total resources necessary upon platting is **$20,000.00**, and **$62,250.00** upon buildout.

Refuse Collection:

Trash and recycling pick up for residential properties is the responsibility of the city and will be provided by the City of Valparaiso Solid Waste Department within one year of the effective date of annexation. The current waste collection and recycling cost to the city is $238.10 annually per property. Therefore, with 275 existing homes, the anticipated cost to the city will be **$65,477.50** annually and for the proposed 376 homes **$80,239.70** for a total of **$145,717.20** as platted. The additional 600 homes based on buildout would cost **$142,860.00** resulting in a grand total of **$288,577.00** within ten years of annexation for operational costs based on dividing the 2006 budget of $1,768,856.00 including vehicle maintenance of $216,585.30 by the number of homes serviced (7,429).

Based on a standard of maintaining a current level of service (1 employee per 248 homes) and current service thresholds, it is estimated that this annexation will require the addition of four employees, two truck drivers, and a two laborers at estimated annual salaries of $41,766 and $36,811 respectively for a total cost of $78,577 to the City annually as platted and a total of $157,154.00 upon buildout within ten years of annexation. The current need is one employee – a driver at an annual salary of $41,766.

Based on current levels of service (one truck per 929 homes, one additional garbage or recycling truck will be needed based on this annexation at a cost of $225,000 ($45,000/yr. For a 5-year lease purchase) for a standard garbage truck within two to five years of annexation, and one utility truck at a cost of $125,000.00 ($25,000/yr. For a 5-year lease purchase) within five to ten years of annexation for a total equipment cost of $350,000.00 for equipment.

These costs will be handled by way of additional general fund tax revenues generated by the annexation area with collection anticipated to begin in Spring 2007.

The total annual cost to the City for refuse collection for this annexation is **$107,243.50 existing, $269,293.60 as platted, and $515,730.60 upon buildout**

Police Protection:

Police protection will be furnished by the Valparaiso Police Department within one year of the effective date of annexation as required by law. The property in question is partially developed with 275 existing homes to service. For the purposes of estimating the number of calls expected in the annexation area, the number of calls to the neighborhood included in the annexation will be used. In 2004 Greenfield Creek received 50 calls, and Windsor Park received 9 calls, for an anticipated cost to the city of approximately **$7,461.00** per year for existing areas, a cost of **$17,662.82** per year based as platted, and **$33,941.91** per year based on buildout. This figure is calculated by dividing the total 2005 Police Department Budget of $2,920,579.00 by the number of calls in 2004 (23,486), for a value of $124.35 per call.

In order to maintain high levels of service, it will be necessary to add staffing and equipment to cover the proposed growth in the Westside area over the next ten years. Based on recommended FBI and Criminal Justice Department staffing levels of 2.1 officers per 1000 persons and to begin to provide for staffing needs based on a current deficit based on this standard, it will be necessary to add a total of eight officers to the Valparaiso Police Force over that period. The projected population upon buildout for this area is 3,128 persons. The existing 275 homes warrants the addition of an officer immediately. Once platted buildout is achieved, the need is more evident another officer will need to be added. Finally, upon total buildout of the potential 600 housing units, it will be necessary to add another 2 officers, for a total of 4 officers hired over the course of the buildout. The current total salary, benefits, and equipment (including vehicle lease based on 5 year payout) package per non-probationary officer is $61,046.00 per year, or $48,836.80 per year based on addition of 8 officers over 10 years.

The ultimate cost for providing police service to this area within ten years is **$68,507.00** annually based on existing development, **$139,754.82** as platted, and **$278,125.91** upon buildout.

Fire Protection Services:

The Valparaiso Fire Department currently provides fire protection service to the area included in the annexation. The area is estimated to produce approximately five (5) calls per year based on calls received to Greenfield Creek – 4 calls, and Windsor Park - 0 calls –base 1 minimum. The annexation area will be served by proposed Station No. 3., to be located on Tower Road/CR 250 W between US 30 and Joliet Road. The annual cost is anticipated to be **$6,551.65** per year for current service, **$13,104,67** per year based as platted, and **$25,182.70** per year based on buildout. This figure is calculated by dividing the total 2005 Fire Department Budget of $2,568,243.00 by the number of calls in 2004 (1,960), for a value of $1,310.33 per call.

In order to maintain high levels of service, it will be necessary to add staffing and equipment to cover the proposed growth in the Westside area over the next ten years. Based on the need to cover all three work shifts and have four men per fire truck, it will be necessary to add a total of three additional firefighters to the Valparaiso Fire Department staff over that period. In order to achieve this, one firefighter will be added approximately every year beginning in 2008. The current total salary, benefits, and equipment package for a firefighter is $61,986.00 per year, or $18,595.80 per year average for ten years.

The ultimate cost for providing fire service to this area within ten years is **$68,537.65** annually based on existing development, **$199,062.67** as platted, and **$211,140.70** upon buildout.

Street and Road Maintenance:

Street maintenance, street reconstruction, snowplowing, and similar services will be provided by the Street Department. The annexation will result in the addition of 8.2 centerline miles to the City street system as currently developed, and another 3.25 centerline miles upon completion of construction of the roads in the two Beauty Creek subdivisions. Currently there are 120 State certified centerline miles in the city. The annual maintenance cost per mile is $14,288.00. This will result in the expenditure of approximately **$117,876.00** annually for road maintenance for this annexation based on existing roads and those expected to be constructed by the effective date of annexation. The remaining undeveloped land may add 10 miles to the system by applying development patterns and assumptions based on predominant road patterns and platted subdivisions in the area This will result in an additional annual maintenance cost of $142,880.00, or a total of **$307,192.00** total annual cost upon buildout. This value is based on a formula in which the 2005 Motor Vehicle Highway Budget of $1,497,983.00 plus $216,585.00 in annual maintenance costs or a total of $1,714,568.00 is divided by the 120 existing certified miles in the City.

The annual cost of road surface replacement based on a 15-year resurfacing schedule is $100,188.00 per centerline mile per year. With 11.45 initial centerline miles included at a total of $1,147,152.60 divided by a 15-year replacement schedule, the road replacement cost is **$76,476.84** annually for existing roads at time of annexation, and a cost of $66,792.00 additional cost or a total of **$143,268.84** annually upon buildout based on resurfacing an additional 10 centerline miles potentially added to the system through the development of the remaining vacant parcels.

Finally, the yearly cost of salt for 11.75 centerline miles is based on a cost of $41.62 per ton, and requiring 41.66 tons per mile, and would be **$20,373.20** based on this formula. Salt for the roads in the buildout areas at 10 centerline miles, and would require $26,008.34 in additional City funds based on the above formula or **$37,712.09** annually upon buildout.

In total, the overall cost for streets and roads is **$214,726.04** annually based on existing road network at time of annexation and **$488,172.93** annually based on addition of road centerline miles based on buildout.

Based on a standard of maintaining a current level of service (1 employee per 7.1 Centerline miles) and current service thresholds, it is estimated that this annexation will require the addition of 1.6 (2) employees, a truck driver and a laborer, at estimated annual salaries of $42,448.00 and $36,640.00 respectively for the maintenance of roadways in existence at the time of annexation. The additional potential 10 lane miles would also require 1 additional employee, a truck driver, at annual salary and benefits of $42,488.00. When broken down over a ten-year period, the cost per employee is $12,157.60 per year.

Based on current levels of service, one (1) additional street department truck will be needed based on this annexation at a cost of $138,000.00 or ($27,600.00 per year for a

5-year lease purchase) for a 5-ton dump truck. These costs will be handled by way of additional general fund tax revenues generated by the annexation area with collection anticipated to begin in Spring 2008.

The total annual cost to the City for street maintenance and construction for this annexation is **$257,174.00** annually based on existing development, and **$637,308.40** upon buildout.

Parks and Recreation:

In order to provide services and equipment necessary due to the increased growth from the annexation it is necessary to provide resources for anticipated needs for parks and recreation. It is anticipated that the annexation will result in the need for the following resources. – 1 Staff Person - $45,500 Salary and benefits, Supplies - $10,000, Other Services - $15,000, Equipment - $100,000 ($20,000 - 5 year avg.) – Total Operations - $90,500 annually

Total Annual Costs to City and Services	**$578,962.15**	**Existing**
	$962,785.09	**As Platted**
	$1,782,055.61	**Buildout**

<u>ANTICIPATED ONE-TIME COSTS (Infrastructure Improvements)</u>

Water Utility Service:

Municipal water service is available to the annexation area at this time via an 8-inch water main along as well as a 12-inch water main located within the Windsor Park Subdivision, and an 8 to 12-inch line located within the Greenfield Creek Subdivision via Candlewood Subdivision. An additional 12-inch line exists at the western edge of Keystone Commons Subdivision in the Vale Park Road right of way. The developers of future subdivisions will provide water infrastructure throughout the subdivisions at their cost. This annexation does not require immediate connection to the municipal water utility, but connections are expected as homes are built. The city cost of providing water service to this area is **$0**

Sewer Utility Service:

Municipal sanitary sewer service is available at this time to the site via a 21 to 24-inch main known as the Westside sewer, located within the right-of-way of Froberg Road from Pepper Creek Bridge Parkway to State Road 130. The developers of future subdivisions will provide extension of the sewer utility to the remaining undeveloped properties, and throughout the developments at their cost. This annexation does not require immediate connection to the municipal sewer utility. Connections are expected as homes are built. Total cost to the City is **$0**.

Total One Time Costs to Utilities **$0**

Water Service Extensions

The Valparaiso City Utilities owns and operates the water department that will serve this area with potable water. The policy of the Valparaiso City Utilities with respect to water service is and shall be to provide areas within the city with access to city potable water. However, this "access" does not include direct connection and/or construction of water lines in front of every residential and business. Valparaiso City Utilities will construct water lines for new developments at the expense of the developer. In the case of off site water mains for such developments, Valparaiso City Utilities will allow the developer to recoup off site water main expenses from those who directly connect to said off site water main[1].

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

Sewer Service Extensions

The Valparaiso City Utilities owns and operates the water reclamation department that will serve this area with sanitary sewers. The policy of the Valparaiso City Utilities with respect to sewer service is and shall be to provide areas within the city with access to city sewer. However, this "access" does not include direct connection and/or construction of sewer lines in front of every residential and business parcel. Valparaiso City Utilities will construct sewer lines for new developments at the expense of the developer. In the case of off-site sewer mains for such developments, Valparaiso City Utilities will allow the developer to recoup off-site sewer main expenses from those who directly connect to said off site sewer main.[2]

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

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

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

Parks and Recreation:

The proposed annexation will result in the need for additions to existing City recreation facilities and will necessitate the addition of a new City parks and additional links to the city pathway system. Based on accepted community standards from the recreation impact fee process, expected needs for this area are as follows:

Land Needs – 24 AC/1000 persons – Existing 690 Persons = 16.5 Acres **($495,000.00),** As Platted = 1,628 persons = 39.06 Acres **($1,171,800.00)**, 3,128 Persons = 75.1 Acres =**$2,253,000.00**.

The City currently has a recreation impact fee of $931.00 per new residential unit. The 376 proposed units in this annexation will bring the City $350,056.00 over the course of development of the areas included in the annexation. The 600 additional potential homes based on buildout will generate an additional $558,600.00 based on the current fee level, for a total of $908,656.00 over the course of buildout of the annexation area. It is anticipated that the impact fees will pay for 40% of the land needs due to growth and annexation based on impact fee ordinance standards and the remaining 60% of land costs will be covered by a combination of the Valparaiso Parks Foundation and other benefactors.

Capital Outlay Needs – Softball Diamond = $22,000 – 1/3,000, Soccer Field = $30,000 – 1/2,000, Tennis Court = $28,000 – 1/2,000, 2 Basketball Courts @ $8,000 ea. = $16,000 – 1/1,500, (2) Shelters @ $30,000 ea. = $60,000 – 1/1,500, Restrooms = $40,000 – 1/2,000 Playground = $85,000 – 1/3,000, 1 Mile of Pathway = $200,000 – 1 mile/2,000 - Total Capital Outlay Needs - $481,000 **- $281,000 minus pathways**

The projected construction of these facilities will take place over a period of ten years at an average investment of $27,300 paid by existing parks capital outlays funds. It is also anticipated that the pathways needs for the annexation (one mile) will be paid by developers as part of development agreements or via foundation sources or other benefactors.

Total One Time City Costs (Parks)** **$495,000.00 Existing**
$1,171,800 As Platted
$2,734,000 Buildout

WESTSIDE ANNEXATION FISCAL PLAN SUMMARY

Location

The area included in this annexation consists of property located in Center Township west of the current city limits to the north of State Road 130 including areas in the vicinity of Froberg Road, the south side of Ransom Road and the Greenfield Creek and Windsor Park subdivisions more particularly described as the following:

See attached description:

Total Acreage	1,132 Acres (1.77 Sq. Mi.)
Number of Dwelling Units	276 existing 266 proposed 600 potential buildout
Number of Non-Residential Units	1 Proposed
Percent Contiguous	24.50%
Existing Zoning (County)	R-1, R-2, R-3, C-2, I-2 (See attached map)

The proposed annexation complies with the following criteria:

(1) The area is 24.5% contiguous to the corporate limits of the City, exceeding the minimum 12.5% contiguity requirement of the State annexation law.

(2) The site lies within a Priority Annexation Area as outlined in the City of Valparaiso Annexation Policy.

(3) The area does has an acceptable cost/benefit ratio over the short term, and is more favorable over the long term due to the potential for buildout of the subdivision within five to ten years as proposed by the various petitioners

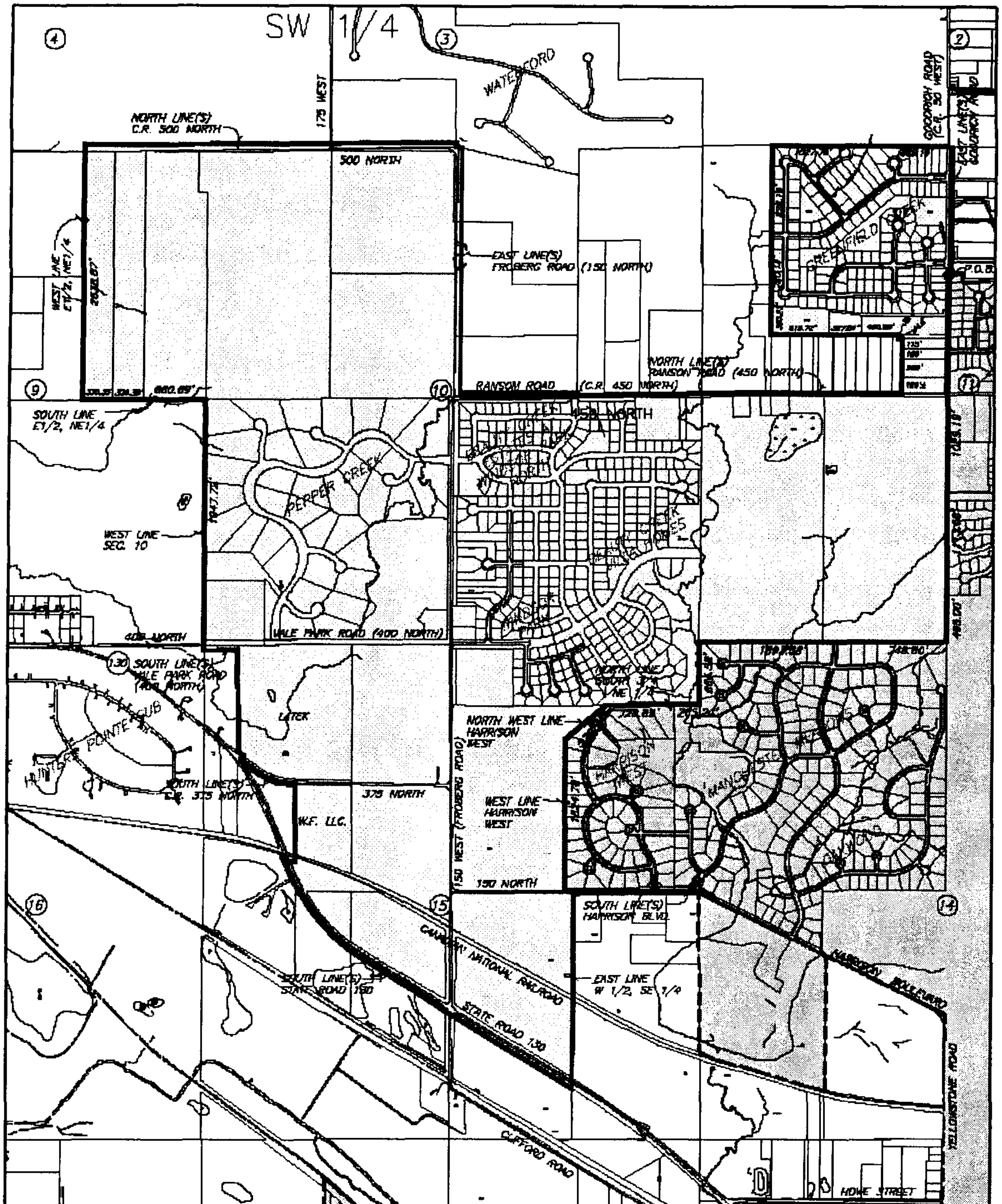
$587,388.00 Existing Revenues
$1,603,604.00 As Platted Revenues
$2,941,944.00 Buildout Revenues

vs.

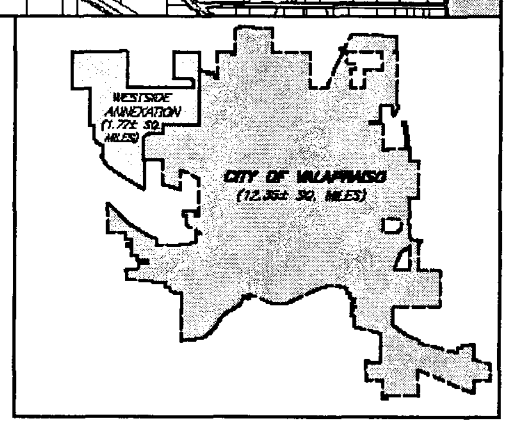
$578,962.15 Existing Development Expenses
$962,785.09 As Platted expenses
$1,782,055.61 Buildout expenses

	Existing	As Platted	Buildout
Annual City Revenues**	$587,388.00	$1,603,604.00	$2,941,944.00
Annual Utility Revenues	$69136.44	$133,194.48	$297,762.48
Annual City Costs	$578,962.15	$975,785.09	$1,795,055.61
One Time City Revenues	$0	$656,872.00	$1,705,072.00
One Time Utility Revenues	$0	$567,736.00	$2,400,216.00
One Time City Costs*Parks	$495,000.00	$1,171,800.00	$2,734,000.00
One Time Utility Costs	$0	$0	$0

*Parks Costs – See details in plan



2006 WESTSIDE ANNEXATION



NOTE: 24.5± OF THE PROPOSED ANNEXATION'S PERIMETER IS CONTIGUOUS WITH VALPARAISO'S CURRENT CORPORATE LIMITS

NOT TO SCALE
FEB. 2006

DESCRIPTION

PROPOSED WEST SIDE ANNEXATION

City of Valparaiso
2005/2006

Note: In several locations the following description is written along the rights-of-way line(s) of existing roads on the side opposite the lands to be annexed. In these instances, it is the intent to include the interest in the road in the annexation without impacting or affecting the underlying interests of property owners on that opposite side of the road.

An irregularly shaped parcel of land in Sections 3, 4, 9, 10, 11, and 15 of Township 35 North, Range 6 West of the Second Principal Meridian, the parcel in Porter County, Indiana and more particularly described as:

BEGINNING in the northeast quarter (NE ¼) of said Section 11 at the northwest (NW) corner of Harvest Country, a subdivision as shown on the recorded plat filed in plat file 17-B-2A in the Porter County Recorder's Office, said corner also being the NW corner of a tract annexed into the City of Valparaiso per Ordinance 5, 1989, said Ordinance recorded as instrument number 89-04308 in Book 120, Page136 in said Recorder's Office; thence east along the north line of said Harvest Country to the east line of the existing right-of-way (ROW) of County Road 50 West, also known as Goodrich Road, as it runs to the north; thence north along said east ROW line(s) to the north line of said NE ¼ of Section 11; thence west along said north line to the NW corner of said NE ¼, the NE corner of the NW ¼ of said Section 11 and the NE corner of Greenfield Creek, Phase Two, Unit C, a subdivision as shown on the recorded plat filed in Plat File 20-D-1C in said Recorder's Office; thence west along the north line of said NW ¼ the following two courses:

1. 869.16 feet along the north line of said Unit C, and
2. 1027.79 feet along the north line of Greenfield Creek, Phase Two, Unit D, a subdivision as shown on the recorded plat filed in Plat File 20-D-1D in said Recorder's Office to the NW corner of said Unit D and the west line of the east 115 acres of said NW 1/4 of said Section 11;

thence south along said west line of the east 115 acres the following three courses:

1. 928.15 feet along the west line of said Unit D;
2. 780.12 feet along the west line of Greenfield Creek, Phase Two, Unit B, a subdivision as shown on the recorded plat filed in Plat File 20-D-1B in said Recorder's Office;
3. 303.23 feet along the west line of a tract owned by Donald V. Nelson, said tract described in a Quit Claim Deed recorded as instrument number 98-09786 in Deed Record 488, Page 98 in said Recorder's Office, to the SW corner of said Nelson tract;

thence east, parallel with the south line of said NW ¼, the following three courses:

1. 619.72 feet along the south line of said Nelson tract;
2. 337.54 feet along the south line of a second tract owned by Donald V. Nelson, said second tract described in a Quit Claim Deed recorded as instrument number 98-09785 in Deed Record 488, Page 97 in said Recorder's Office;

3. 400.00 feet along a south line of a tract of land owned by Dennis L. Lewerke and Joann Lewerke, said tract described in a Warranty Deed recorded as instrument number 2004-037686 in said Recorder's Office;

thence continuing along the boundary of said Lewerke tract the following two courses:

1. south, 38.4 feet;
2. east, 44.8 feet, more-or-less, to the NW corner of a lot owned by James H. and Diana L. Overland, said lot described in a Warranty Deed recorded as instrument number 94-04538 in Deed Record 445, Page 98 in said Recorder's office, said NW corner on the west line of the east 490.2 feet of said NW 1/4 of Section 11;

thence south along said west line of the east 490.2 feet the following four courses:

1. 115 feet along the west line of said Overland lot;
2. 100 feet along the west line of a lot owned by Vui Van Tran and Hai Thi Tran, said lot described in a Warranty Deed recorded as instrument number 91-19754 in Deed Record 421, Page 83 in said Recorder's Office;
3. 200 feet along the west line of a lot owned by Chris Jordan and Kathleen R. Paterson, said lot described in a Warranty Deed recorded as instrument number 97-21294 in Deed Record 482, Page 116 in said Recorder's Office;
4. 180 feet, more-or-less, along the west line of a lot owned by Gregory E. and Julia G. Kunz, said lot described in a Warranty Deed recorded as instrument number 2001-025749 in said Recorder's Office, to the north ROW line of County Road 450 North, also known as Ransom Road;

thence west along said north ROW line(s) in both the NW ¼ of said Section 11 and the NE ¼ of said Section 10 to the east ROW line of County Road 150 West, also known as Froberg Road; thence north along said east ROW line(s) intro said Section 3 to the north ROW line of County Road 500 North; thence west along said north ROW line(s) through the SW ¼ of said Section 3 into Section 4 to an intersection with the northerly prolongation of the west line of a tract owned by Jennifer Betensley pursuant to a Warranty Deed recorded in Deed Record 357, Page 462 in said Recorder's Office; thence south along said prolongation to the

1. south line of said Section 4,
2. northwest corner of the E ½, NE ¼ of said Section 9, and
3. northwest corner of said J. Betensley tract;

thence south 2638.87 feet (deed) along the west line of said E ½, NE ¼ and the west line of said J. Betensley tract to the south line of said NE ¼ and the southwest corner of said J. Betensley tract; thence east along said south line E ½, NE ¼ the following three courses:

1. 330.35 feet along the south line of said J. Betensley tract;
2. 330.35 feet along the south line of a tract owned by Alan Betensley pursuant to a Warranty Deed recorded in Deed Record 357, Page 464 in said recorder's Office;
3. 660.69 feet along the south line of a tract owned by Rael Betensley and his successors in trust, as trustee of the Rael Betensley Revocable Trust, pursuant to a document recorded in Deed Record 485, Page 551 in said recorder's Office

to the

1. southeast corner of said NE ¼, Section 9,
2. northwest corner of the SW ¼ of said Section 10, and
3. northwest corner of Pepper Creek, a recorded subdivision as shown on the Secondary Plat filed in Plat File 49-A-2 in said recorder's Office;

thence south along the west line of said SW ¼, Section 10 the following two courses:

1. 1947.72 feet along the west line of said Pepper Creek to the southwest corner of said Pepper Creek and the northwest corner of a tract owned by V. Jacob Wagner and

Rebecca S. Wagner pursuant to a Warranty Deed recorded as instrument number 2003-038933 in said Recorder's Office;
2. 690.01 feet along the west line of said Wagner tract

to the
1. southwest corner of said Section 10 and
2. northwest corner of said Section 15;

thence south along the west line of said Section 15 to the south ROW of County Road 400 North, also known as Vale Park Road; thence east along said ROW line(s) to the west line of a 38.99 acre tract owned by Florian T. Latek pursuant to a Porter Superior Court Order regarding cause number 64D01-0401-ES-80, said Order recorded as instrument number 2005-013068 in said Recorder's Office; thence south along said west line to the northerly ROW line of County Road 375 North; thence southeasterly along said northerly ROW to a point that is opposite, radial to the centerline of the centerline of said County Road 375 North, the intersection of the south ROW of said County Road 375 North with the north ROW line of State Road 130; thence southwesterly across said County Road along said radial line to said point of intersection; thence southeasterly and east along said south ROW of County Road 375 North to the west line of a tract owned by West Farm, LLC of Porter County, pursuant to Trustee's Deeds recorded as instrument numbers 1999-039497 and 1999-039499 in said Recorder's Office; thence south along said west line to the north line of the Grand Trunk, now Canadian National, Railroad; thence south on the prolongation of the preceding course to the south line of said railroad; thence northwesterly along said south line to the southwesterly ROW line of said State Road 130; thence southeasterly along said ROW line(s) through the SW ¼ of said Section 15 and into the SE ¼ of said Section 15 to the east line of the W ½ of said SE ¼ ; thence north along said east line to the south ROW line of County Road 150 North, also known as Harrison Blvd.; thence east along said south ROW line(s) to the east line of the SE ¼ of said Section 15, said east line being on the westerly corporate limits of the City of Valparaiso;

thence along said corporate limits to the Point of Beginning by way of the following courses:

thence north along said east line of said SE ¼ to the NE corner of said SE ¼; thence west along the north line of said SE ¼ the following two courses:
1. 265.46 feet along the south line of Manchester Meadows a subdivision as shown on the recorded plat filed in Plat File 18-F-1 in said Recorder's Office;
2. 1170.65 feet along the south line of Harrison West, a subdivision as shown on the recorded plat filed in Plat File 38-D-6 in said Recorder's Office, to the SW corner of said Harrison West;

thence along the west and northerly boundaries of said Harrison West the following three courses:
1. north, 1624.78 feet;
2. northeasterly, 575.32 feet to the north line of the S ¾ of said NE ¼ of said Section 15;
3. east, 728.89 feet to a NW corner of said Manchester Meadows;

thence continuing east along said north line of the S ¾ and the north line of said Manchester Meadows 265.24 feet to the east line of said NE ¼ and the west line of Manchester Meadows First Addition, a subdivision as per the recorded plat filed in Plat File 18-F-1A in said Recorder's Office; thence north along said east line, NE ¼ and said west line of said First Addition, 664.58 feet to the NE corner of said NE ¼, Section 15 and the SW corner of the SW ¼ of said Section 11; thence east along the south line of said SW ¼ the following two courses:
1. 1893.58 feet along the north line of said First Addition;

2. 748.80 feet along the north line of said Manchester Meadows to the SE corner of said SW ¼;

thence north along the east line of said SW ¼ the following three courses:

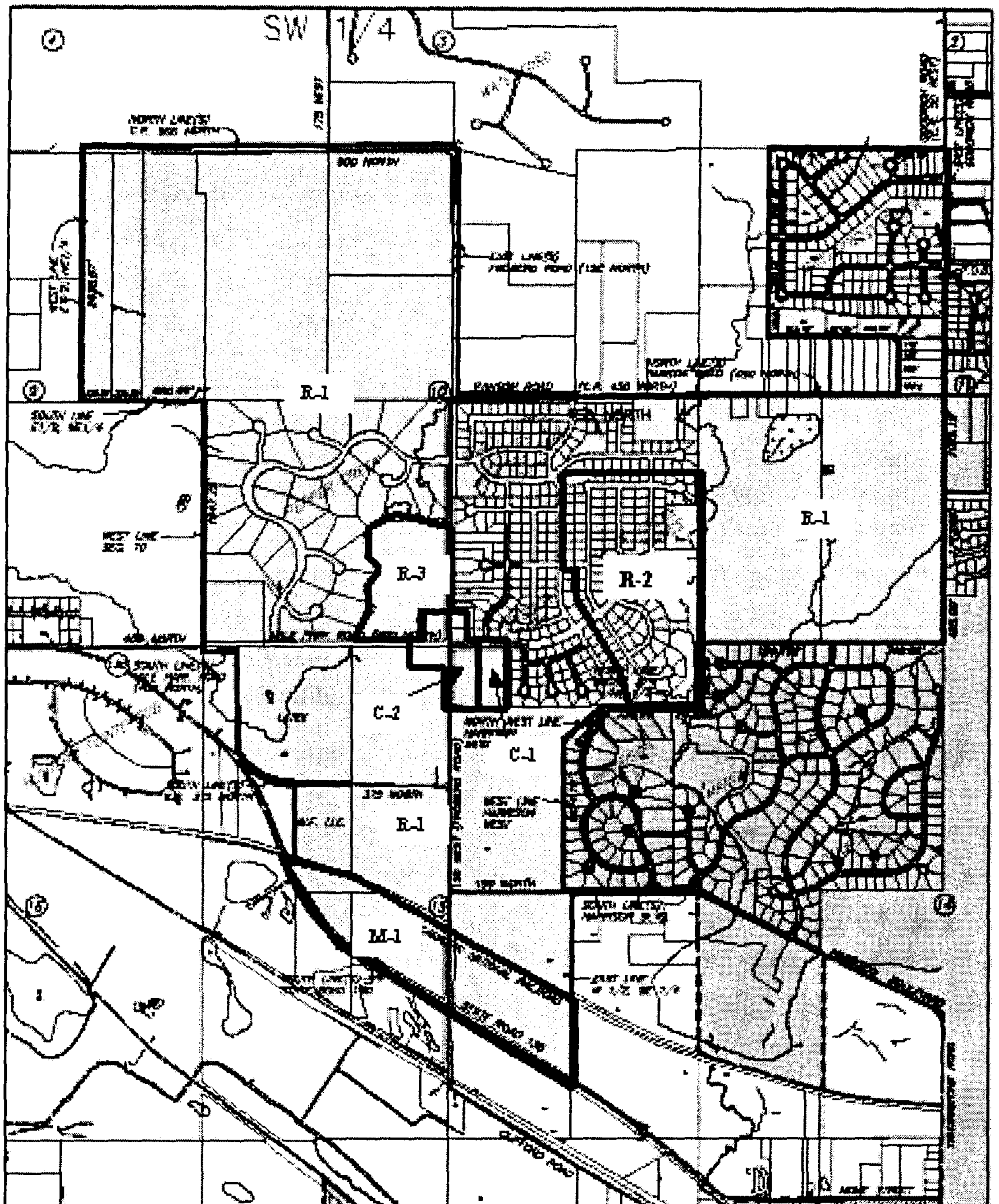
1. 495.00 feet along the west line of a tract owned by the Valparaiso Multi-Schools Building Corporation, said tract as described in Corporate Deeds recorded as instrument numbers 92-11624 in Deed Record 426, Page 194, and, 92-11625 in Deed Record 426, Page 195, in said Recorder's Office,
2. 1,113.50 feet along the west line of Keystone Commons a subdivision as shown on the plat of "The Replat of Coachman Trail Unit – 2, Carriage Crossing Unit – 2 and carriage Crossing Unit – 3 in Keystone Commons" in Plat File 20-F-5A in said Recorder's Office,
3. 1029.19 feet along the west line of a tract owned by Steve S. Vitoux, said tract described in a Warranty Deed recorded as instrument number 2000-008822 in said Recorder's Office, to the center of said Section 11 and the approximate centerline of said County Roads 450 North and 50 West;

thence north along the east line of said NW ¼ of Section 11, and the west line of said NE ¼, Section 11 the following two courses:

1. 707.30 feet along the west boundary of Candlewood Trace, Unit 1, a subdivision as per recorded plat filed in Plat File 17-B-2 in said Recorder's office;
2. 584.50 feet along the west boundary of said Harvest Country to the point of beginning,

the parcel subject to field survey and all existing easements and rights-of-way.

Description prepared by:
David L. Pilz, P.L.S.
Engineering Director
City of Valparaiso
166 Lincolnway
Valparaiso, IN 46383
219-462-1161

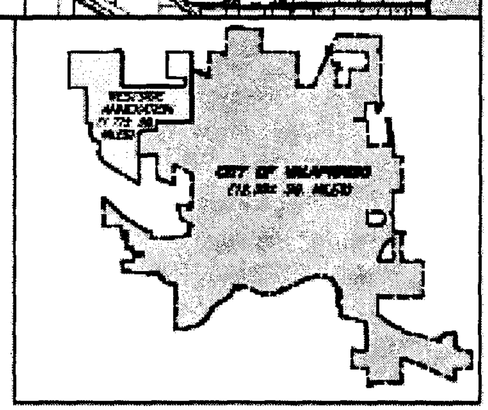


2006 WESTSIDE ANNEXATION

PROPOSED ZONING

NOTE: 24.5% OF THE PROPOSED ANNEXATION'S PERIMETER IS CONTIGUOUS WITH VALPARAISO'S CURRENT CORPORATE LIMITS

NOT TO SCALE
FEB. 2006



WESTSIDE ANNEXATION REZONING DESCRIPTIONS

PROPERTY REQUESTED BY CITY TO BE REZONED TO M-1 LIGHT INDUSTRIAL DISTRICT:

1. All that part of the West ½ of Section 15; AND All that part of the West ½ of the Southeast ¼ of Section 15, in T 35 N, R 6 W of the Second Principal Meridian, which lies South of the South right-of-way line of the Grand Trunk Railroad, and North of the Centerline of State Road No. 130 in Center Township, in Porter County, Indiana.

PROPERTY REQUESTED BY CITY TO BE REZONED TO R-1 SINGLE FAMILY RESIDENTIAL DISTRICT:

1. The Southwest ¼ of Section 11, T 35 N, R 6 W of the Second Principal Meridian in Center Township, Porter County, Indiana

2. A parcel of real estate in the West ½ of Section 15, T 35 N, R 6 W of the Second Principal Meridian, in Center Township, in Porter County, Indiana, described as follows:

   Beginning at a point on the Old Chicago Road which is 1048 feet West of the North and South centerline of said Section 15; thence West to a North and South line running through a point located 20 and ¾ Rods West of the Southwest corner of the Northeast ¼ of the Northwest ¼ of said Section 15; thence South on said North and South line, to the North line of the right-of-way of the Grand Trunk Railroad; thence Southeasterly along the north line of said railroad to the North and South centerline of said Section 15; thence North along said Centerline to the North line of said Section 15; thence West along said North line, 1048 feet; thence South to the Place of Beginning.

   Excepting therefrom the aforementioned parcel all that real estate lying north of the centerline of County Road 375 North.

PROPERTY REQUESTED BY CITY TO BE REZONED TO C-1 NEIGHBORHOOD COMMERCIAL DISTRICT:

1. The West 660.00 feet of the North 614.00 feet of the Northwest ¼ of the Northeast ¼ of Section 15, T 35 N, R 6 W of the Second Principal Meridian, in Center Township, in Porter County, Indiana, excepting therefrom the following:

   The West 330 Feet of the aforementioned real estate.

PROPERTY REQUESTED BY PROPERTY OWNER TO BE REZONED C-2 COMMUNITY COMMERCIAL DISTRICT:

1. A parcel of land in the Northwest ¼ of Section 15, T 35 N, R 6 W of the Second Principal Meridian in Center Township, Porter County, Indiana, more particularly described as follows:

   The east 435.00 feet of the north 250.00 feet of said Northwest ¼

   Containing 2.5 Acres, more or less, and subject to all legal highways and easements.