

**ANNEXATION FISCAL PLAN
FOR THE
TOWN OF PITTSBORO, INDIANA**

***HILAND DONNER ALEXANDER
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**CONSOLIDATED ANNEXATION AREAS
*SUPER-VOLUNTARY ANNEXATION***

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&
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— CPAS AND CONSULTANTS —

INTRODUCTION

The following fiscal plan (the “Fiscal Plan”) is for the proposed consecutive annexation of four parcels to the north of the existing corporate limits of the Town east of Jeff Gordon Blvd (the “Annexation Areas”). These parcels are being annexed in two consecutive phases, under two consecutive Ordinances and with this single Fiscal Plan which addresses the entire project site for industrial development. The two Annexation Areas amount to 75 acres and 29 acres, respectively. The consolidated Annexation Areas amount to approximately 104 acres. The Annexation Areas are adjacent to the Town of Pittsboro (the “Town”). The requirements of the Indiana Code mandate the development and adoption of a written Fiscal Plan and the establishment of a definite policy by resolution of the Town Council. Pursuant to Indiana Code Section 36-4-3-13(d), the Fiscal Plan will include the following:

1. The cost estimates of planned services to be furnished to the territory to be annexed;
2. The method or methods of financing the planned services;
3. The plan for the organization and extension of services;
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 to the annexed territory 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 to areas within the corporate boundaries regardless of similar topography, patterns of land use, and population density;
5. That services of capital improvement nature, including street construction, 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 for four (4) years after the effective date of the annexation;
7. The estimated effect the proposed annexation will have on municipal finances for four (4) years after the effective date of the annexation; and
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.

INTRODUCTION

(Cont'd)

9. A list of all parcels of property in the annexation territory and the following information regarding each parcel:
- The name of the owner of the parcel;
 - The parcel identification number;
 - The most recent assessed value of the parcel; and
 - The existence of known waiver of the right to remonstrate on the parcel.

This Fiscal Plan may include additional materials in connection with the foregoing. This Fiscal Plan was developed through the cooperative efforts of the Town's administration and O.W. Krohn & Associates LLP. This Fiscal Plan is the result of an analysis of the proposed Annexation Area.

The Annexation Areas are contiguous to the Town for purposes of Indiana Code 36-4-3-1.5, as being adopted in consecutive order, and there is a written Fiscal Plan, herein provided, that has been approved by the Town Council. This Fiscal Plan addresses the ultimate annexation of 104 acres for industrial development.

AREA DESCRIPTION

Location, Area Size and Contiguity

The proposed Annexation Area is located on the north and west sides of the existing corporate boundaries of the Town on the north side of I-74 and east of Jeff Gordon Blvd.. A legal description is included with the Annexation Ordinance. The Annexation Area totals approximately 104 acres. At least 1/8th of the external boundaries of the Annexation Areas are contiguous to the existing corporate boundaries of the Town, as being adopted consecutively. The Annexation Area primarily consists of undeveloped farmland.

Current Land Use

The Annexation Area consists of tillable agricultural land and currently has no occupied residential properties or improvements of any kind.

Zoning

The existing zoning for the parcel is General Farm/Grain. The proposed zoning for the Annexation Area will be zoned Industrial "I-2".

Current Population

The current estimated population of the Annexation Area is zero (0).

Real Property Assessed Valuation

The estimated net assessed valuation for land and improvements in the Annexation Area is \$143,400. This represents the assessed value as of January 1, 2021 for taxes payable in 2022.

Plan for the Area

The plan for the Annexation Area is for the development of Industrial storage buildings. Five buildings are proposed, with a combined square footage of approximately 3,400,000 s.f. The first 2 buildings amount to approximately \$650,000 s.f.

NON-CAPITAL SERVICES

The current standard and scope of non-capital services being delivered within the Town 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 the services that are currently provided within the existing Town's municipal boundary.

The Town will provide all non-capital services to the Annexation Area within one (1) year after the effective date of annexation regardless of topography, patterns of land use, and population density.

Police Protection

The Town operates and maintains a Police Department. The Annexation Area, while served by the County Sheriff Dept., is already served by the Pittsboro Police Department as a first responder. The Town does not anticipate any additional costs due to the annexation.

Fire Protection and Emergency Medical Services

The Annexation Area is currently served by the Pittsboro-Middle Township Fire Department which provides fire protection and emergency medical services. This fire department is a modern, well-equipped department with a variety of special purpose firefighting vehicles and equipment. No incremental costs are anticipated to provide these services to the Annexation Area.

Street Maintenance

All non-capital services of the Pittsboro Street 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 Town.

The Annexation Area is currently four parcels with no road running through the land. The Pittsboro Street Department is currently serving the road adjacent to the annexed property and will continue to serve in the same manner. The annexation should have no impact on street maintenance within the Town's current budget.

Trash Collection and Recycling

The Town of Pittsboro maintains Trash Department for the trash collection and recycling services to residents. The Town does not supply trash services to commercial businesses.

Street Lighting

The Annexation Area does not currently have any streetlights. The Hendricks Power Co. maintains streetlights within that part of the corporate boundaries of the Town. The development plan for the Annexation Area does not include the installation of streetlights. Therefore, there will be no additional costs to the Town for maintaining streetlights after the annexation is completed.

NON-CAPITAL SERVICES

(Continued)

Governmental Administrative Services

The Town does not anticipate that the addition of the Annexation Area will result in a demand for Governmental Administrative Services that cannot fully be met by the existing staffing of the Town's offices and departments. The Town Administration currently includes a five (5) member Town Council, a Clerk-Treasurer, a Building Commissioner, Town Manager and a Town Attorney. All non-capital services of the administration of the Town 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 Town.

CAPITAL IMPROVEMENTS

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

The Town 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 Town regardless of topography, patterns of land use, and population density and in a manner consistent with federal, state, and local laws, procedures and planning criteria. It is currently assumed that the annexation will be effective as soon as practically possible, but no later than January 1st, 2023.

Water Service

The Pittsboro Municipal Water Utility (the "Water Utility") will provide water service to the area and has the capacity and capability to serve the Annexation Area for any additional future connections. For any additional connections, to the extent necessary, all capital services of the Water Utility 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 the areas inside the corporate limits and in a manner consistent with federal, state and local laws, procedures and planning criteria. All new connections will be required to pay tap and availability fees of the Town. The current combined tap and availability fees total \$1,952 per connection, or at cost but not less \$1,952.

Wastewater Service

The Pittsboro Municipal Wastewater Utility (the "Wastewater Utility") will provide wastewater service to the area. For any additional connections, to the extent necessary, all capital services of the Wastewater Utility 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 the areas inside the corporate limits and in a manner consistent with federal, state and local laws, procedures and planning criteria. All new connections will be required to pay tap and availability fees of the Town. The current combined tap and availability fees total \$4,300.

CAPITAL IMPROVEMENTS

(Continued)

Storm Drainage

The Town of Pittsboro maintains a Storm Water Utility. For any additional land within the Town's corporate boundaries, to the extent necessary, all capital services of the Stormwater Utility 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 the areas inside the corporate limits and in a manner consistent with federal, state and local laws, procedures and planning criteria. All new properties will be required to pay the monthly Stormwater fees and a one-time system development charge which are currently \$1,000, plus \$10 per acre.

Street Construction

The Annexation Area does not currently have any streets running through the property. Any additional construction of new streets within the Annexation Area will be the responsibility of the applicable developer in accordance with the applicable Town Code. All capital services of the 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.

FISCAL IMPACT

As a result of this annexation, the assessed value for the Town will increase by \$143,400, initially. As development occurs, the assessed value is anticipated to increase. Property tax controls instituted by the 2002 Indiana General Assembly limit the Town to a property tax levy increase equal to the six-year average non-farm income (4.2% for 2021 budget year) annually for most funds. The net impact of increasing the Town's assessed value could result in additional property tax revenues to the Town and should assist in stabilizing property tax rates for Town residents. Property tax levy increases in excess of the State-wide adjustments could be achieved by the re-establishment of the CCD Fund and through three-year growth appeals. The estimates provided in this report do not account for these adjustments.

It is assumed that the effective date of this annexation will be as soon as practically possible, but no later than January 1, 2023. Based on the assumed effective date, Annexation Area property owners will not pay property taxes to the Town until 2023 payable 2024. However, the Town will begin providing non-capital municipal service 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 this annexation.

The total Town tax rate will not be adversely impacted by the annexation and as such no impact on circuit breaker losses for the Town or the overlapping taxing units is anticipated. The enclosed illustrations (below) show that if the Town's current rate of assessed value growth continues and the max levy is utilized, the tax rates will not materially change and will not be adversely impacted.

APPENDIX I

Parcel Information

Legal Description

Summary of Estimated Costs Due to Annexation

Estimated Assessed Value and Tax Rate Impact from Annexation

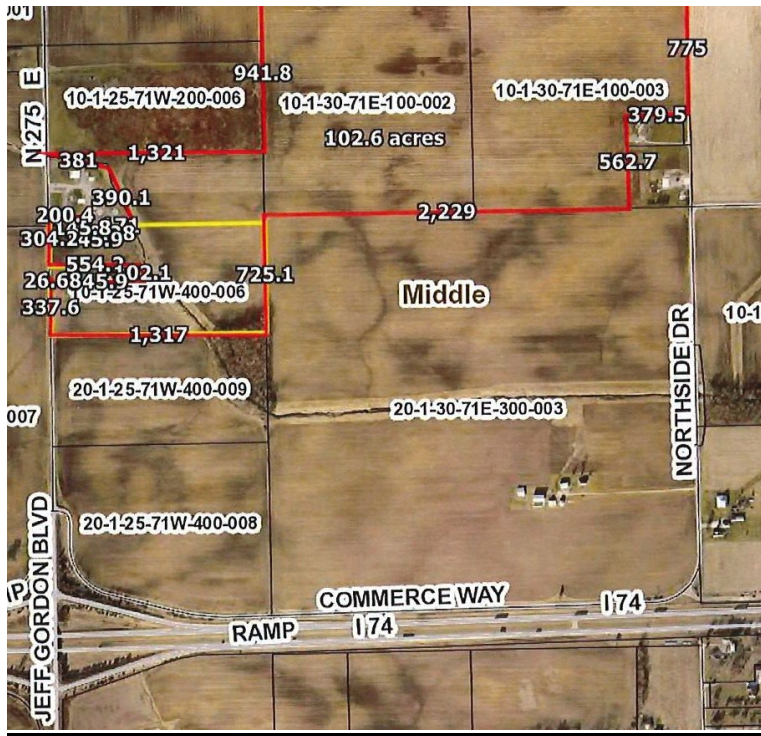
PARCEL INFORMATION

The Annexation Areas consists of the following parcels.

<u>Parcel Number</u>	<u>Acerage</u>	<u>2021 Pay 2022</u>				<u>Taxes Due</u>
		<u>Land</u>	<u>Improvement</u>	<u>Deductions</u>	<u>Total</u>	
<i><u>Hiland-Donner-Alexander Property</u></i>						<i><u>No Taxes - Assessments Only</u></i>
32-02-30-100-002.000-018	40.000	\$ 61,200	\$ -	\$ -	\$ 61,200	\$ 155.40
<i><u>Hiland-Donner-Alexander Property</u></i>						
32-02-30-100-003.000-018	35.000	48,500	-	-	48,500	140.00
<i><u>Highland - Donner Property</u></i>						
32-03-25-200-003.000-018	9.000	11,000	-	-	11,000	100.00
<i><u>Highland - Donner Property</u></i>						
32-03-25-400-006.000-018	18.744	22,700	-	-	22,700	-
	102.744	\$ 143,400	\$ -	\$ -	\$ 143,400	\$ 395.40

LEGAL DESCRIPTION / SITE MAP

The Legal Description is attached to the Annexation Ordinance. Maps of the Consolidated Annexation Areas are displayed below:



SUMMARY OF ADDITIONAL COSTS DUE TO ANNEXATION

The Town does not anticipate any incremental operating and / or capital costs to provide comparable services to the Annexation Area. The developer will be responsible for all off-site and on-site infrastructure extensions to serve the proposed development.

ESTIMATED ASSESSED VALUE AND TAX IMPACT FROM ANNEXATION

Town of Pittsboro			Schedule of Town Tax Rates and Overlapping Units	
<u>History of Net Assessed Value</u>				
<u>Year</u>	<u>NAV</u>	<u>Percent Increase/ (Decrease)</u>		
2018	\$ 148,395,918			
2019	162,784,060	9.70%		
2020	164,515,727	1.06%		
2021	188,483,026	14.57%		
2022	322,563,777	71.14%		
			Town of Pittsboro	
			General	\$ 0.1830
			Debt Service	0.1219
			Park	0.0388
			CCD	0.0403
				<u>\$ 0.3840</u>
			Pittsboro Corp. Rate	
			Hendricks County	\$ 0.3121
			Middle Township	0.2948
			Pittsboro Town	0.3840 15.2%
			NW Hendricks School	1.5346
				<u>\$ 2.5255</u>

<u>Parcel Number</u>	<u>Acerage</u>	<u>2021 Pay 2022</u>					<u>Taxes Due</u>
		<u>Land</u>	<u>Improvement</u>	<u>Deductions</u>	<u>Total</u>	<i>No Taxes - Assessments Only</i>	
<i>Hiland-Donner-Alexander Property</i>							
32-02-30-100-002.000-018	40.000	\$ 61,200	\$ -	\$ -	\$ 61,200	\$ 155.40	
<i>Hiland-Donner-Alexander Property</i>							
32-02-30-100-003.000-018	35.000	48,500	-	-	48,500	140.00	
<i>Highland - Donner Property</i>							
32-03-25-200-003.000-018	9.000	11,000	-	-	11,000	100.00	
<i>Highland - Donner Property</i>							
32-03-25-400-006.000-018	18.744	22,700	-	-	22,700	-	
	102.744	\$ 143,400	\$ -	\$ -	\$ 143,400	\$ 395.40	

Town of Pittsboro (Hendricks County) Indiana

Estimated Assessed Value and Tax Rate Impact from Annexation
 (Assumes first year tax collection from Annexation Area is 2022 payable in 2023)

Assessment Year	Estimated Net Assessed Value Annexation Area	Estimated Town Net Assessed Value	Total Net Assessed Value	Town & CCD Levy	Debt Levy	Park District Levy	Total Town Levy	Estimated Town & CCD Tax Rate	Estimated Debt Tax Rate	Estimated Park Tax Rate	Estimated Total Corporate Tax Rate
	(1)	(2)	(3)	(4)	(5)			(6)	(5)	(6)	(7)
2020 Pay 2021	\$ -	\$ 188,483,026	\$ 188,483,026	\$ 667,230		\$ 176,215	\$ 843,445	\$ 0.3540	\$ -	\$ 0.0446	\$ 0.3986
2021 Pay 2022	\$ -	322,563,777	322,563,777	720,285	393,205	210,582	1,324,072	0.2233	0.1219	0.0388	0.3840
2022 Pay 2023	\$ 143,300	332,240,690	332,240,690	741,894	393,205	216,899	1,351,998	0.2233	0.1183	0.0388	0.3804
2023 Pay 2024	\$ 13,000,000	355,207,911	368,207,911	764,150	393,205	223,406	1,380,761	0.2075	0.1068	0.0388	0.3531
2024 Pay 2025	\$ 10,000,000	375,864,148	385,864,148	787,075	393,205	230,108	1,410,388	0.2040	0.1019	0.0380	0.3438
2025 Pay 2026		387,140,073	387,140,073	810,687	393,205	237,011	1,440,903	0.2094	0.1016	0.0374	0.3483

(1) We added the existing assessed value of the Annexation Area in Pay 2024.

(2) Annual growth rate of 3% for the existing assessed value of the Town, plus the assumed development of approximately 1.1M s.f. of storage buildings.

(3) Represents estimated net assessed value of the Town including development in the Annexation Area. Used to calculate estimated tax rates.

(4) Assumes that controlled property tax levy increases to an annual factor of 3.0%. This is the basis for the allowed increases to the controlled property fund levy which includes General and MVH Funds.

(5) Debt fund levies are not subject to levy control, nor will said levy increase without the issuance of additional bonds. No additional tax-supported bonds are anticipated due to the proposed annexation.

(6) Represents the tax rate which produces the Town Levy with an estimate tax base shown under Total Net Assessed Value. The park rate is calculated using the Net Assessed Value of the Town of Pittsboro and Middle Township. This levy is not anticipated to change as a result of annexation. It is assumed that annual levy increases will not exceed growth in assessed valuation.

(7) Total of Town tax rate which includes the General Fund, Debt Fund, Park and CCD. Illustration demonstrates that the Corporate tax rate will not materially increase compared to the current rates with growth in the Annexation Area. Additional Net Assessed Value should have a favorable impact on property tax rates for the Town and for the overlapping taxing units.