

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

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

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Prepared by:

**KROHN
&
ASSOCIATES**
— 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.

COST OF SERVICES METHODOLOGY

The cost estimates of planned services to be furnished to the territory to be annexed have been computed based on the 2022 budget, as adjusted for any fixed and known changes. Some services may already be available to the Annexation Area, while others will have to be initiated. In each case, it is shown in this report, that service is being/will be provided to the area to be annexed, in a manner equivalent in standard and scope to the services being provided within the corporate boundaries.

While incremental costs are likely to be negligible, the Town desires to include a portion of its existing fixed operating costs in its cost of service comparison.

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 immediate incremental costs due to the annexation. However, the Town desires to include a portion of its existing fixed operating costs in its cost of service comparison.

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 significant impact on street maintenance within the Town's current budget. However, the cost of service comparisons include an allocation of existing overhead

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.

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 & Gas Service

The Pittsboro Municipal Water & Gas Utilities will provide water & natural gas service to the area. The Town's Utilities 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. Water & gas service is already at the property line.

Wastewater Service

The Pittsboro Municipal Wastewater Utility (the "Wastewater Utility") will provide wastewater service to the area. 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 per EDU (household equivalent). It is understood that the developer will install a lift station and force main to connect to the Town's wastewater collection system as part of their \$15.2 million investment in offsite and onsite infrastructure (see site plans – attached).

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. See offsite and onsite infrastructure / site plan at end of this document.

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

Developer Site Plan with Infrastructure Cost Estimates for Developer

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>Hiiland-Donner-Alexander Property</u></i>						<i><u>No Taxes -</u></i>
32-02-30-100-002.000-018	40.000	\$ 61,200	\$ -	\$ -	\$ 61,200	<i><u>Assessments Only</u></i> \$ 155.40
<i><u>Hiiland-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 significant incremental (marginal) 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. See attached site plan and cost estimates for onsite and offsite infrastructure. However, the Town has allocated its existing overhead and operating costs in the cost of service comparisons displayed in the tables that follow. The Town's cost of service comparisons do include an estimate of Local Income Tax revenues. Other significant variables in the assumptions include the actual timing of when all of the buildings will be constructed, as well as how closely actual assessed values track with the estimates included in the illustration.

Whether looking at the proposed annexation on a marginal cost or fully allocated cost basis, the benefits associated with the increased assessed valuation and the potential for job growth in the community should provide opportunities for orderly growth and promote further economic activity within the Town.

ESTIMATED ASSESSED VALUE AND TAX IMPACT FROM ANNEXATION

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

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

TABLE 1
PROPERTY DESIGNATED AS
"Hiland Donner Alexander"

Computation of Estimated Property Taxes - Per Town Officials

Year	Estimated Assessed Value (1)	Estimated Deductions/ Exemptions (2)	Estimated Net Assessed Value	Estimated Tax Rate (3)	Tax Revenue
1st	\$ 7,957,950	\$ -	\$ 7,957,950	\$ 0.3840	\$ 30,559
2nd	16,402,838	-	16,402,838	0.3840	62,987
3rd	23,061,360	-	23,061,360	0.3840	88,556
4th	42,313,803	-	42,313,803	0.3840	162,485
5th	52,323,012	-	52,323,012	0.3840	200,920

(1) Assumes buildout as proposed by the Developer.

(2) The Town expects the deductions/exemptions to remain unchanged.

(3) Actual Pay 2022 tax rate

TABLE 2
PROPERTY DESIGNATED AS
"Hiland Donner Alexander"

Estimated Revenue to be Generated - Per Town Officials

	<u>1st Year</u>	<u>2nd Year</u>	<u>3rd Year</u>	<u>4th Year</u>	<u>5th Year</u>
Net Assessed Value	\$ 7,957,950	\$ 16,402,838	\$ 23,061,360	\$ 42,313,803	\$ 52,323,012
Property Tax Revenue	30,559	62,987	88,556	162,485	200,920
Circuit Breaker Reduction	-	-	-	-	-
Income Tax - CAGIT		27,017	37,984	69,694	86,180
Income Tax - EDIT		9,899	13,918	25,537	31,577
Excise Tax/CVET	1,201	2,475	3,480	6,386	7,896
Motor Vehicle Highway	2,296	2,296	2,296	2,296	2,296
Local Roads & Street	<u>1,058</u>	<u>1,058</u>	<u>1,058</u>	<u>1,058</u>	<u>1,058</u>
Total Revenue	<u>\$ 35,114</u>	<u>\$ 105,732</u>	<u>\$ 147,292</u>	<u>\$ 267,455</u>	<u>\$ 329,927</u>

General Notes

- Five years is considered a standard planning period for this annexation analysis.
- Population based revenue will not go up unless a Census occurs or a special census is prepared.

TABLE 3

**PROPERTY DESIGNATED AS
"Hiland Donner Alexander"**

Estimated Non-Capital Costs

	<u>1st Year</u>	<u>2nd Year</u>	<u>3rd Year</u>	<u>4th Year</u>	<u>5th Year</u>
Police (1)	\$ 45,646	\$ 63,904	\$ 70,295	\$ 77,324	\$ 85,056
Fire (3)	-	-	-	-	-
EMS (3)	-	-	-	-	-
Lighting (2)	-	-	-	-	-
Fire Hydrants (2)	-	-	-	-	-
Streets & Road Maint. (1)	5,000	10,000	11,000	12,100	13,310
Park (1)	4,564	6,846	10,269	10,782	11,321
<u>Admin. & General Dpts. (1)</u>					
Town Manager	-	-	-	-	-
Clerk-Treasurer	6,497	9,746	14,619	15,350	16,118
Planning & Building	11,670	17,506	26,259	27,572	28,950
Other	3,004	4,506	6,760	7,098	7,453
Attorney	4,441	6,661	9,992	10,491	11,016
Total Non-Capital Costs	\$ 80,823	\$ 119,169	\$ 149,192	\$ 160,717	\$ 173,224

(1) Assumes an allocation of the specific budget; in the event further information is needed, please contact the Town to speak with the Consultant.

(2) No additional cost is estimated to be incurred.

(3) Service provided by others.

General Note

- Five years is considered a standard planning period for this annexation analysis.

TABLE 4
PROPERTY DESIGNATED AS
"Hiland Donner Alexander"

Fiscal Plan Summary

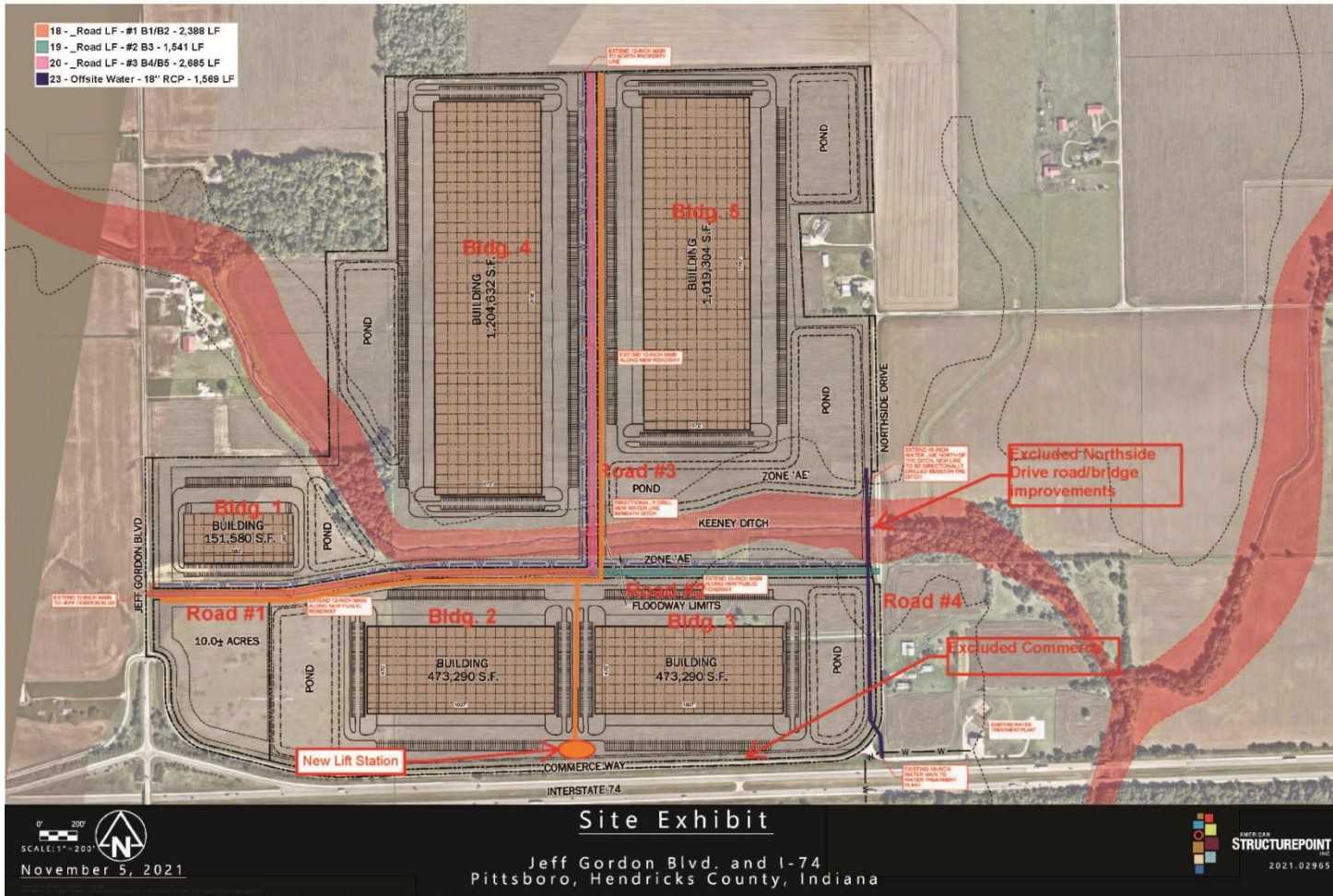
	<u>1st Year</u>	<u>2nd Year</u>	<u>3rd Year</u>	<u>4th Year</u>	<u>5th Year</u>	<u>Total</u>
Estimated Revenue	\$ 35,114	\$ 105,732	\$ 147,292	\$ 267,455	\$ 329,927	\$ 885,520
Estimated Non-Capital Costs (1)	80,823	119,169	149,192	160,717	173,224	683,125
Estimated Capital Costs	-	-	-	-	-	-
Estimated Net	<u>\$ (45,709)</u>	<u>\$ (13,437)</u>	<u>\$ (1,900)</u>	<u>\$ 106,738</u>	<u>\$ 156,703</u>	<u>\$ 202,395</u>
Estimated Percentage (2)	<u>-130.2%</u>	<u>-12.7%</u>	<u>-1.3%</u>	<u>39.9%</u>	<u>47.5%</u>	<u>22.9%</u>

NOTES

- Five years is considered a standard planning period for this annexation analysis.
- The Fiscal Plan will be funded from the Operating Fund balances (as shown on APPENDIX A) and is also based on the Town's Sustainability/Revenue and Spending Plan.

(1) Fully allocated cost concept was used here.

(2) The actual percentage will vary once the area is annexed.



2021.03193.Pittsboro Water Improvements Map.pdf (45% of Scale), Takeoff in Active Area. All Areas: Jones - North Pittsboro B1 B2 INF Bridge, 2021_EG; 2/28/2022 01:18 PM

North Pittsboro - Budget for Pittsboro Road / Utility Improvements

Description	Unit Qty	Unit	Cost / Unit	Subtotal Cost	Cost Per Division	TOTAL COST	Notes
Water Offsite - 18" RCP Northside Drive.	1,600	LF	\$300.00	\$480,000	\$1,785,000		From existing water treatment at SE corner, ran north across Ditch
Water Offsite - Directional Drill Water Across Ditch	1	Is	\$75,000.00	\$75,000	-		Drill Water across ditch
Water Road #1 - Jeff Gordon Blvd. to center between Bldg. 2 and 3	2,500	LF	\$300.00	\$750,000	-		Includes 12" Water PVC, 10" Sanitary PVC
Water Road #2 - Northside Dr. to center between Bldg. 2 and 3)	1,600	LF	\$300.00	\$480,000	-		Includes 12" Water PVC, 10" Sanitary PVC
Sanitary Offsite - New Sanitary Lift Station (south of B2/B3)	1	Is	\$800,000.00	\$800,000	\$3,552,500		Budgetary, size/details TBD
Sanitary Offsite - I-74 Sanitary Crossing	1	LS	\$420,000.00	\$420,000	-		Budgetary for approx. 350' crossing , final details/engineering TBD
Sanitary Offsite - Force Main line from new lift station to NW Lift Station	6,100	LF	\$300.00	\$1,830,000	-		Includes 8" PVC, from new lift station, across I-74, to the west and then south Jeff Gordon to existing Northwest Lift Station
Sanitary Onsite - From new lift station North-South to Access Rd. ran between Bldg. 1 and 2	850	LF	\$150.00	\$127,500	-		Includes 10" PVC from new lift station at South property, extends Sanitary up between Bldg. 2 and 3 to access road
Sanitary Onsite - From Jeff Gordon Blvd. ran to center between Bldg. 1 and 2	2,500	LF	\$150.00	\$375,000	-		Includes 12" Water PVC, 10" Sanitary PVC
Road #1 B1/B2- HD Paving/Curbs/Storm	2,500	LF	\$1,200.00	\$3,000,000	\$3,000,000		Storm piping/structures tied into adjacent pond/detention. Assumes HD paving and curb/gutter based on Private Road (not public)
Offsite Infrastructure - Building 1 and 2						\$8,337,500	Offsite Infrastructure for Building #1 and Building #2
Road #2 B3 - HD Paving/Curbs/Storm	1,600	LF	\$1,200.00	\$1,920,000	\$1,920,000		From Northside Dr. to center between Bldg. 2 and 3. Storm piping/structures tied into adjacent pond/detention
Road #3 B4/B5 - HD Paving/Curbs/Storm	2,700	LF	\$1,200.00	\$3,240,000	\$4,995,000		Storm piping/structures tied into adjacent pond/detention
Road #3 B4/B5 - Sanitary/Water	2,700	LF	\$450.00	\$1,215,000	-		Includes 12" Water PVC, 10" Sanitary PVC
Directional Drill Sanitary & Water Across Ditch	1	Is	\$150,000.00	\$150,000	-		Drill Sanitary/Water across ditch
Box Culvert - Keeney Ditch Crossing (20'wide x 8' tall x 100' long with wingwalls)	1	EA	\$350,000.00	\$350,000	-		Budgetary, size/details TBD
Commerce Way Road Improvements	-	LF	\$0.00	\$0	\$0		Excluded road improvements south of property
Northside Drive/Bridge Road Improvements	-	LF	\$0.00	\$0	\$0		Excluded road improvements east of property
			TOTAL	\$15,212,500	\$15,212,500		
Alternate Add - Traffic Signal Jeff Gordon (if required)	1	Is	\$300,000.00	\$300,000			Budget ROM if traffic signal is needed
Alternate Deduct - Leave Sanitary/Water 1/2 the distance Mid Point of Road #3	(1,350)	LF	\$450.00	-\$607,500			Mid point Sanitary/Water extension 1/2 way of Bldg. 4 1.2M SF