

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

**ARK PARK PROPERTY
ANNEXATION AREA**

March 9, 2021

Prepared by:

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INTRODUCTION

The following fiscal plan (the “Fiscal Plan”) is for the proposed annexation of one parcel to the east of the existing corporate limits of the Town along the north side of East Wall Street (the “Annexation Area”). The Annexation Area is 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 various administration and O.W. Krohn & Associates LLP. This Fiscal Plan is the result of an analysis of the proposed Annexation Area.

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

AREA DESCRIPTION

Location, Area Size and Contiguity

The proposed Annexation Area is located on the east side of the existing corporate boundaries of the Town on the north side of East Wall Street. A legal description is included with the Annexation Ordinance. The Annexation Area totals approximately 6.38 acres. At least 1/8th of the external boundaries of the Annexation Area are contiguous to the existing corporate boundaries of the Town. The Annexation Area primarily consists of undeveloped farmland.

Current Land Use

The Annexation Area consists of agricultural land and currently has no occupied residential properties.

Zoning

The existing zoning for the parcel is General Farm/Grain. The proposed zoning for the Annexation Area will be zoned HB (Highway Business).

Current Population

The current estimated population of the Annexation Area is estimated at zero (0) as there are currently no residential properties.

Real Property Assessed Valuation

The estimated net assessed valuation for land and improvements in the Annexation Area is estimated at \$10,500 according to the Hendricks County Assessor. 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 current landowner to have available access to Town services.

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 is already served by the Pittsboro Police Department. 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.

NON-CAPITAL SERVICES

(Continued)

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 one parcel 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 additional costs to providing services to the Annexation Area are anticipated to be covered by the monthly trash fees.

Street Lighting

The Annexation Area does not currently have any streetlights. The Town of Pittsboro maintains streetlights within 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 March 31, 2021.

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.

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.

Storm Drainage

The Town of Pittsboro maintains a Storm Water Utility. For any additional connections, 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 connections will be required to pay the monthly Stormwater fees and a one-time system development charge which are currently \$250.

CAPITAL IMPROVEMENTS

(Continued)

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 \$10,500, initially. 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 March 31, 2021. Based on the assumed effective date, Annexation Area property owners will not pay property taxes to the Town until 2022 payable 2023. 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 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 illustration on page 11 shows 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.

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 Area consists of the following parcel.

<u>Parcel ID</u>	<u>Owner</u>	<u>Net Assessed Value</u>	<u>Remonstrance Waiver</u>
32-02-31-100-002.000-018	ARK PARK LLC	\$ 10,500	Yes

LEGAL DESCRIPTION

A part of the west half of the Northwest quarter of Section 31, Township 17 North, Range 1 East of the Second Principal Meridian in Hendricks County, Indiana, also being a portion of land contained in a survey by the Schneider Corporation recorded as instrument number 201203913 in the office of the recorder of Hendricks County, Indiana, described as follows:

Commencing at a stone marking the Southeast corner of said west half; thence North 01 degree 11 minutes 52 seconds west (assumed bearing from said survey), along the east line of said west half, a distance of 1,137.40 feet to a south line of land contained in said survey; thence South 88 degrees 37 minutes 45 seconds west, along said south line, a distance of 612.69 feet to the approximate centerline of the Thompson Shultz legal drain and the point of beginning, the next four (4) calls being along said centerline; thence (1) South 14 degrees 58 minutes 29 seconds west a distance of 260.24 feet; thence (2) south 35 degrees 49 minutes 41 seconds west a distance of 187.19 feet; thence (3) south 72 degrees 32 minutes 21 seconds west a distance of 256.23 feet; thence (4) south 80 degrees 33 minutes 31 seconds west a distance of 260.74 feet to an east line of land contained in said survey; thence north 00 degrees 59 minutes 39 seconds west, along said east line, a distance of 506.45 feet to a south line of land contained in said survey; thence north 88 degrees 37 minutes 45 seconds, along said south line, a distance of 687.43 feet to the point of beginning. Containing 6.38 acres, more or less.

SUMMARY OF ADDITIONAL COSTS DUE TO ANNEXATION

The Town does not anticipate any incremental operating costs to provide comparable services to the Annexation Area.

ESTIMATED ASSESSED VALUE AND TAX IMPACT FROM ANNEXATION

Town of Pittsboro											
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 Levy	CCD Levy	Park District Levy	Total Town Levy	Estimated Corporate Tax Rate	Estimated CCD Tax Rate	Estimated Park Tax Rate	Estimated Total Corporate Tax Rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(6)	(5)	(6)	(7)
2020 Pay 2021	\$ -	\$ 188,483,026	\$ 188,483,026	\$ 591,271	\$ 75,959	\$ 176,215	\$ 843,445	\$ 0.3137	\$ 0.0403	\$ 0.0446	\$ 0.3986
2021 Pay 2022	\$ -	\$ 192,252,687	\$ 192,252,687	\$ 609,009	\$ 77,478	\$ 183,616	\$ 870,103	\$ 0.3168	\$ 0.0403	\$ 0.0451	\$ 0.4022
2022 Pay 2023	\$ 10,500	\$ 196,097,740	\$ 196,108,240	\$ 627,279	\$ 79,032	\$ 189,125	\$ 895,436	\$ 0.3199	\$ 0.0403	\$ 0.0451	\$ 0.4053
2023 Pay 2024	\$ -	\$ 200,030,405	\$ 200,030,405	\$ 646,098	\$ 80,612	\$ 194,799	\$ 921,509	\$ 0.3230	\$ 0.0403	\$ 0.0451	\$ 0.4084
2024 Pay 2025	\$ -	\$ 204,031,013	\$ 204,031,013	\$ 665,481	\$ 82,224	\$ 200,643	\$ 948,348	\$ 0.3262	\$ 0.0403	\$ 0.0451	\$ 0.4116
<p>(1) We added the existing assessed value of the Annexation Area in Pay 2023.</p> <p>(2) Annual growth rate of 2% for the existing assessed value of the Town.</p> <p>(3) Represents estimated net assessed value of the Town including development in the Annexation Area. Used to calculate estimated tax rates.</p> <p>(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.</p> <p>(5) Cumulative fund levies are not subject to levy control. Amount represents current tax rate of \$0.0403 times the estimated assessed value of the Town including increases in the Annexed Area. The maximum allowed rate for the CCD fund by statute is \$0.05 and the rate can be maintained at this level by annual action of the Town Council. It is assumed that the Town Council will continue to re-establish the fund annually and maintain the same rate as in 2021.</p> <p>(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.</p> <p>(7) Total of Town tax rate which includes the General Fund, MVH Fund and CCD. Illustration demonstrates that the Corporate tax rate will not materially increase compared to the current rates with growth in the Annexation Area.</p>											