

**RESOLUTION #11, 2012**

**ADOPTING A FISCAL PLAN FOR THE ANNEXATION OF  
PROPERTY KNOWN AS THE FETLA'S 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 ("**Fetla's 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 100% of the owners of the land.
- 2) For purposes of determining "contiguity", approximately **32.0%** of the Fetla's Annexation's aggregate external boundaries coincide with the boundaries of the City of Valparaiso.

**WHEREAS**, the Fetla's 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 Good 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 Fetla's Annexation. A copy of the written fiscal plan for the Fetla's annexation is attached hereto, incorporated herein and marked as **Exhibit "A"** to this Resolution.

**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 become effective.

**Section Five:** The City of Valparaiso will provide a copy of the Fetla's Annexation Fiscal Plan immediately after adoption to any landowner in the annexed territory who requests a copy from the City Planning Director.

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 All provisions or parts thereof in conflict herewith are hereby repealed.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 23<sup>rd</sup> day of July, 2012 by a 6 vote in favor and 0 vote opposed of all members present and voting!

absent  
Joey Larr

Deb Butterfield  
Deb Butterfield

Robert Taylor  
Robert Taylor

Mike Baird  
Mike Baird

John Bowker  
John Bowker

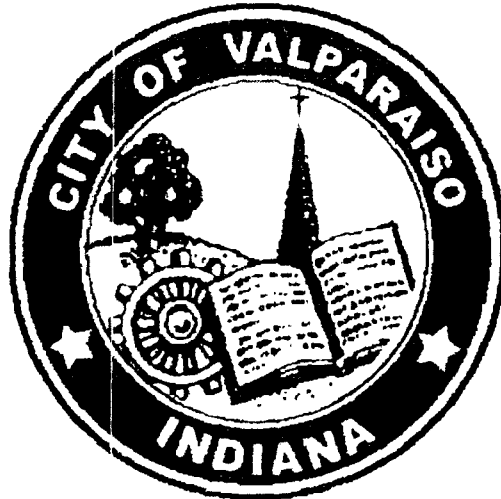
Jan Dick  
Jan Dick

Tim Daly  
Tim Daly

Jon Costas, Mayor  
Jon Costas, Mayor

ATTEST:  
Sharon Swihart  
Sharon Swihart, Clerk-Treasurer

**Ordinance 17-2012 Exhibit "A"**  
**Plan Commission Case A12-001/RZ12-001**



**FETLA ANNEXATION**  
**FISCAL PLAN**

Prepared by:  
Tyler Kent  
City of Valparaiso  
Planning Department  
April 2012

## **FETLA ANNEXATION FISCAL PLAN**

**SUBJECT:** A12-001/RZ12-001 – Lisa M. Brinckley– Request to annex property known as Fetla Annexation, Center Township, T 35N, R6W.

**DATE:** April 30, 2012

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 south of the current city limits at 1457 South State Road 2, 1451 South State Road 2 and 1457-1 State Road 2, on the east side of South State Road 2 between Horseparrie Road/Smoke Road and County Road 50 west near the southeast corner of Horseparrie Road/Smoke Road more particularly described as follows:

See attached description

Total Acreage	5.73 Acres
Number of Dwelling Units	1 Existing
Number of Non-Residential Units	2 Existing
Percent Contiguous	32.0%
Existing Zoning (County)	CH High Intensity Commercial (County)
Proposed Zoning	CG Comm. General

The annexation area consists of two existing commercial buildings structures and one single family residential building. The land included in the annexation petition is under a multiple ownerships, 1457 South State Road 2, owner Opportunity Enterprises Inc, (petitioner Lisa M. Brinkley), 1451 South State Road 2, owner Burton Langer and 1457 - 1 State Road 2, owner Roger Gengo. The existing commercial buildings consist of one 31,147 SF commercial building, one 2,000 SF building, totaling 33,147 SF and one single family home.

**CONTIGUITY**

The southeast annexation area is 32.0% contiguous to the existing City limits.

**“Needed & Can Be Used”**

The FETLA 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/DAC process. In this case however, the developer wishes to

## **ESTIMATED ANNUAL REVENUES**

The principal source of revenue for the City is through local property tax. Assessed Valuations (AV) are based on information provided by the Porter County Auditor's Office. The 2011 payable in 2012 City tax rate of \$0.9399/100 TTV will be used for revenue estimates. This rate is now subject to a tax cap known as a circuit breaker. In the case of Commercial property, the cap is 3.0%, or the maximum tax that is paid on the property is 3.0% of the Assessed Value (AV).

Total True Tax Value (AV)**	\$1,475,600.00 Existing AV \$1,475,600.00 AV as proposed actual
Total Tax Rate (Center-Valpo)	\$2.6165/100 AV
City Net Tax Rate	\$1.1545 (w/o HC) /100 AV
City % of total tax	44.12%
Total Tax before cap	\$38,609.07
City portion of total tax before cap	\$17,035.80
Maximum Tax Rate (Circuit Breaker)	3.0% Commercial 1.0% Residential
Maximum tax after circuit breaker	\$ 44,268 > \$38,609.07 \$ 44,268 > \$38,609.07
City portion of Max. tax after cap	\$ 19,531.04 > \$17,035.80 \$19,531.04 > \$17,035.80
Total property tax revenue **	\$ 17,035.80 Existing AV  17,034.32 As Proposed with 9 Taxable Properties, Currently 2 Properties Are Taxable
<b>Total Estimated Annual Revenues (Tax)</b>	<b>\$17,034.32. Existing AV At This Time No Changes As Proposed</b>

### **Other State Distributed Revenues**

#### Local Road and Streets

The State of Indiana maintains State Route 2. No additional revenue is expected with this annexation.

#### Motor Vehicle Highway

The State of Indiana maintains State Route 2. No additional revenue is expected with this annexation.

<b>Total Estimated Annual Revenues (All Sources)</b>	<b>\$0 Existing \$0 as proposed</b>
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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**

\$23.92/month minimum per meter– 2 commercial buildings and one residential building w/ one ¾" meter = \$287.92/yr X 3 Buildings = \$861.12.

The Fetla's building has an 8" fire service for fire protection only, at \$1,041.50 per year.

**Minimum Monthly Sewer Revenues**

\$16.47/month minimum per meter – 2 commercial buildings and 1 residential building w/ one ¾" meter = \$197.64/yr X 3 buildings = \$592.92

**Stormwater Fees**

The proposed development will require the assessment of the property based on 1 Class 1 Single Family building at \$11.00 per month x 12 months = \$132, 1 Class 4 building at \$44.00 per month x 12 = \$528 and 1 Class 5 building at \$176.00 per month x 12 = \$2,112.

<b>Total Minimum Annual Utility Revenues</b>	<b>\$1,041.50</b>
	<b>\$4,226.04 as proposed</b>

**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.

**Water - New Service Construction Cost**

Minimum \$4,500.00 per principal structure. Plus \$3,000.00 for a new fire hydrant. This annexation request includes two commercial buildings and one residential building for a total revenue of \$16,500.00.

**Sewer Connection Fees**

Minimum of \$2,676 per single family structure. Minimum of \$2,676 per commercial principal structure with a ¾"meter. The annexation request includes two commercial buildings and one residential structure for a total revenue of \$8,028.00.

**Total One Time Utility Revenues - \$24,528.00**

**Building and Engineering Permit Fees**

Building and Engineering related fees will be captured by the City when the property owners make site improvements to the proposed annexed parcels. Based on \$100,000 of improvements to the property the building department permit fee would be roughly \$352.00.

**Total One Time CITY Revenues \$352.00**

**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 not expected to require additional resources based on expected growth in this area over the next five to ten years.

**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 \$214.05 annually per property based on dividing the 2012 budget of \$1,886,254 including vehicle maintenance of \$175,200 by the number of homes serviced (8,853). Therefore, the anticipated cost to the city will be **\$214.05** annually within ten years of annexation for operational costs.

**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. For the purposes of estimating the number of calls expected in the annexation area, the number of calls to a comparison development will be used. The similar use received 10 calls, for an anticipated cost to the city of approximately **\$1,247.57** per year as proposed. This figure is calculated by dividing the total 2012 department budget of \$3,701,402.00 by the number of calls in 2011 (29,669), for a value of \$124.76 per call.



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 one (1) call per year based on a similar use located within the City limits. The annexation area will be served by Station No. 1, located at 205 Indiana Avenue. The annual cost is anticipated to be **\$1,168.02** per year for the proposed development based on the assumption of a minimum of one call per year. This figure is calculated by dividing the total 2012 Fire/EMS Department Budget of \$4,300,657.00 by the number of calls in 2011 (3,682), for a value of \$1,168.02 per call.

Street and Road Maintenance:

The State of Indiana maintains State Route 2. No additional expenses for maintaining State Route 2 will be incurred by the City.

**Total Annual Costs to City and Services**                      **\$ 2,629.64 as proposed**

**ANTICIPATED ONE-TIME COSTS (Infrastructure Improvements)**

Water Utility Service:

Municipal water service is available to the annexation area at this time via water mains located on the west side of State Route 2. This annexation does not require immediate connection to the municipal water utility, but connections are expected as site improvements are made. 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 main located on the west side of State Route 2. The developer/property owner will provide extension of the sewer utility to the property, 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<sup>1</sup>.

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.<sup>2</sup>

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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<sup>1</sup> 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.

<sup>2</sup> 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.

**FETLA ANNEXATION FISCAL PLAN SUMMARY**

Location

The area included in this annexation consists of property located in Center Township south of the current city limits at 1457 South State Road 2, on the east side of South State Road 2 between Horseprarie Road/Smoke Road and County Road 50 west near the southeast corner of Horseprarie Road/Smoke Road more particularly described as follows:

See attached description

Total Acreage	5.73 Acres
Number of Dwelling Units	1
Number of Non-Residential Units	2 Proposed
Percent Contiguous	32.0%
Existing Zoning (County)	CH High Intensity Commercial (County)
Proposed Zoning	CG Comm. General

The proposed annexation complies with the following criteria:

- (1) The area is 32 .0% 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 not have an acceptable cost/benefit ratio over the short term, but is more favorable over the long term.

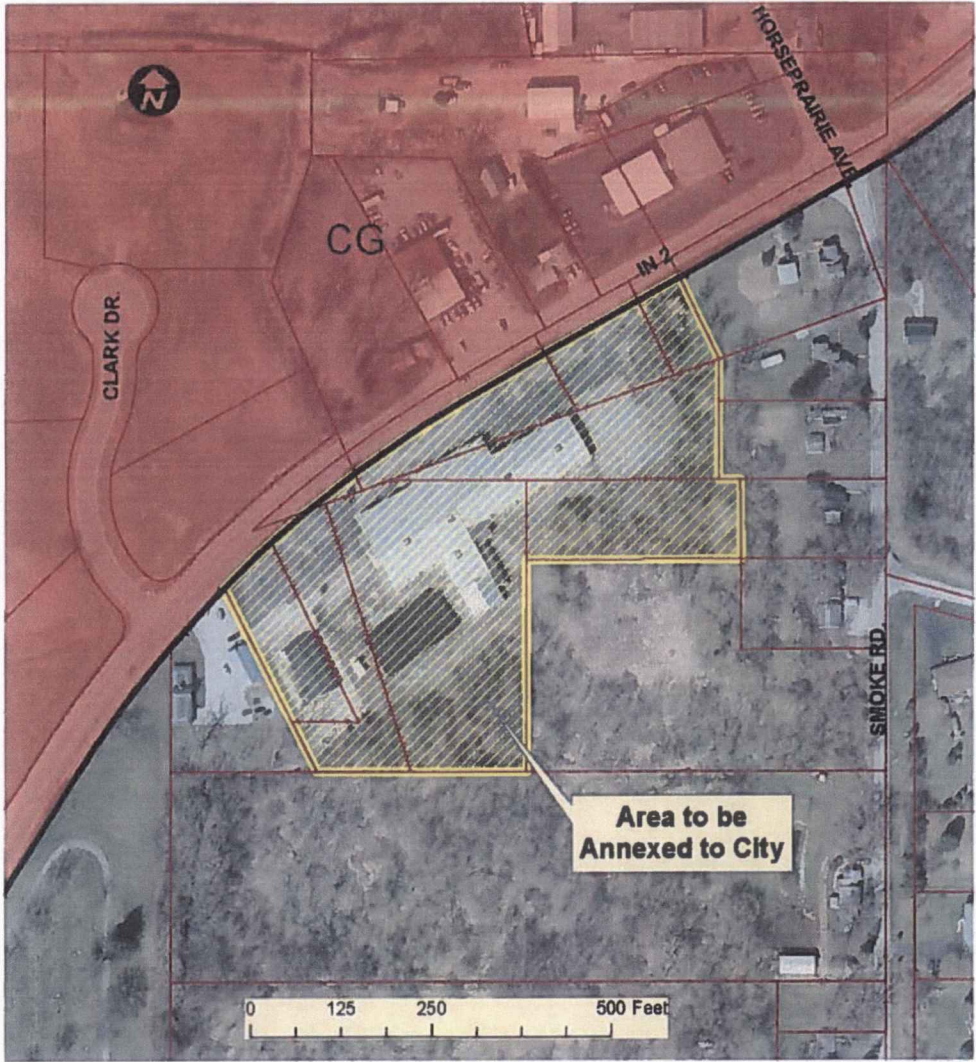
**Total Estimated Annual Revenues (All Sources)    \$20,159.32as proposed**  
**vs.**

**Total Annual Costs to City and Services                    \$2,629.64 as proposed**

	Existing	As proposed
Annual City Revenues	\$0	\$17,035.32
Annual Utility Revenues	\$1,329.42	\$2,772
Annual City Costs	\$0	\$2,629.64
One Time City Revenues	\$0	\$352.00
One Time Utility Revenues	\$0	\$24,528
One Time Utility Costs	\$0	\$0

**CASE #A12-001 and RZ12-001  
Fetla Annexation**

**1457 South State Road 2**



**CASE # A12-001 and RZ12-001  
Fetla Annexation**  
  
**1457 South State Road 2**

**LEGEND**

NC - Neighborhood Conservation	CG - Commercial, General	  
ER - Estate Residential	CBD - Central Business District	
SR - Suburban Residential	CP - Central Place	
GR - Residential, General	RT - Residential Transition	
UR - Residential, Urban	CA - Campus	
PS - Public Space	BP - Business Park	
RJ - Rural	IL - Light Industry	
CN - Commercial, Neighborhood	NH - Heavy Industrial	
	PUD - Planned Unit Development	