

Town of McCordsville, Indiana Stonechase Annexation Fiscal Plan

June 10, 2025

This Fiscal Plan is available for the public at the Town Manager's Office, located at 6280 West 800 North, McCordsville, Indiana 46055

Adopted by the Town Council on the 10th day of June, 2025



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Purpose of the Fiscal Plan

Crowe LLP (“Crowe”) has prepared a Fiscal Plan (the “Fiscal Plan”) for the Town of McCordsville, Indiana (the “Town”) pursuant to Indiana Code 36-4-3 (the “Act”) for the annexation of certain parcels located in Taxing District 016 Vernon Township (the “Annexation Territory”).

The purpose of the Fiscal Plan is provide certain information required under the Act, including, but not limited to, planned services to be furnished to the Annexation Territory, cost estimates of the planned services, estimates of the impact of the proposed annexation on taxpayers in the political subdivision to which the annexation applies, and estimated effect the proposed annexation will have on municipal finances (see “Fiscal Plan Requirements” herein).

In the course of preparing this Fiscal Plan, we have not conducted an audit, review, or compilation of any financial or supplemental data used in the accompanying Exhibits. We have made certain projections of revenues which may vary from actual results because events and circumstances frequently do not occur as expected and such variances may be material. We have no responsibility to update this Fiscal Plan for events or circumstances occurring after the date of this Fiscal Plan.

If you have questions regarding this Fiscal Plan, please contact Angie Steeno at (317) 269-2367 or Angie.Steen@crowe.com, or Becca Zakowski at (317) 689-5506 or Rebecca.Zakowski@crowe.com.



Fiscal Plan Requirements

The Act provides that the Fiscal Plan must include the following:

- The cost estimates of planned services to be furnished to the territory to be annexed. The plan must present itemized estimated costs for each municipal department or agency.
- The method or methods of financing the planned services. The plan must explain how specific and detailed expenses will be funded and must indicate the taxes, grants, and other funding to be used.
- The plan for the organization and extension of services. The plan must detail the specific services that will be provided and the dates the services will begin.
- That planned services of a noncapital nature, including police protection, fire protection, street and road maintenance, and other noncapital 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 noncapital services provided to areas within the corporate boundaries regardless of similar topography, patterns of land use, and population density.
- That services of a capital improvement nature, including street construction, street lighting, sewer facilities, water facilities, and storm water 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.
- The estimated effect of the proposed annexation on taxpayers in each of the political subdivisions to which the proposed annexation applies, including the expected tax rates, tax levies, expenditure levels, service levels, and annual debt service payments in those political subdivisions for four (4) years after the effective date of the annexation.
- The estimated effect the proposed annexation will have on municipal finances, specifically how municipal tax revenues will be affected by the annexation for four (4) years after the effective date of the annexation.
- 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.
- 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.
 - The existence of a known waiver of the right to remonstrate on the parcel.



Annexation Territory

The Town proposes to annex approximately eighty (80) acres of land located at 6690 North 500 West. The Annexation Territory is at least one-eight (1/8) contiguous with the corporate boundaries of the Town; therefore, the Annexation Territory is contiguous to the Town, as further defined by Indiana Code 36-4-3-1.5.

The Annexation Territory is currently zoned as Hancock County Agricultural and consists of vacant land. The parcels will be rezoned to the Stonechase Planned-Unit Development (PUD). The proposed development included in the PUD is comprised of a single-family residential subdivision featuring 168 lots and amenities, including a trail network, playground, a putting green, a seating pavilion, and illuminated pond fountains (the “Proposed Development”). Primary access to the subdivision will be from County Road 500 West, with an additional connection to Gatherings at Aurora, the neighboring community to the west, via an east-west street along the northern portion of the site. Two future street connections are proposed at the north end of the development to accommodate potential access to adjoining properties. The Proposed Development is estimated to be completed by the end of 2027. Based on this, the first full assessment of the Proposed Development will be January 1, 2028, for taxes payable 2029.

The current estimated population of the Annexation Territory is 0 persons. Based on the United States Census Bureau’s five-year estimate for the Town, which assumes 2.64 persons per household, upon completion of the Proposed Development, the estimated population of the Annexation Territory could be 443.52 people.

The Annexation Territory includes the below parcels and there are no known waivers of the right to remonstrate on the parcels.

Parcel	Address	Owner	Property Class	Land Assesed Value	Improvement Assesed Value	Deductions	Total Net Assesed Value
30-01-36-100-009.000-016	7615 N 500 W	Jacobi Legacy Farms LLC	Vacant Land	\$ 95,200	\$ -	\$ -	\$ 95,200
30-02-31-200-005.000-016	6690 N 500 W	Jacobi Legacy Farms LLC	Vacant Land	119,000	-	-	119,000
Total				\$ 214,200	\$ -	\$ -	\$ 214,200

Note: Assessed value is for assessment year 2025 pay year 2026 per Hancock County parcel summary reports.



Planned Services and Costs

The Town currently provides capital and noncapital services to citizens and property owners within its corporate boundaries. Capital services include but are not limited to street construction, street lighting, parks, sewer utilities, and storm water utilities. Noncapital services include, but are not limited to, road maintenance, residential trash pick-up, administrative services by the Town, fire protection by the Vernon Township Fire Department, and police protection by the McCordsville Police Department.

Noncapital Services

In accordance with the Act, the Town shall provide all noncapital services to the Annexed Territory within one (1) year after the effective date of the annexation in a manner equivalent in standard and scope to those noncapital services provided to areas within the corporate boundaries regardless of similar topography, patterns of land use, and population density. Those planned services of a noncapital nature include police protection, fire protection, street and road maintenance, and other noncapital services normally provided within the corporate boundaries. It is anticipated that all noncapital services may be provided to the Annexation Territory upon the effective date of the Annexation, thirty (30) days after the annexation ordinance is recorded with the County Recorder's Office. A non-exhaustive list of non-capital services is provided below.

Police Protection

The Hancock County Sheriff's Department currently provides police protection and law enforcement services to the Annexation Territory. Following the annexation, all noncapital services of the McCordsville Police Department will be made available in the Annexation Territory.

The McCordsville Police Department provides, but is not limited to, the following functions: proactive patrols, reactive police response to calls for service, criminal apprehension, vehicle crash investigations, traffic enforcement, and community partnerships. The uniformed division is comprised of 19 paid professional police officers.

Due to the location and character of the Annexation Territory, the Town anticipates needing to hire an additional 0.88 officer because of the annexation. The estimated annual cost of the additional officer and operating supplies is approximately \$136,400 (\$66,000 in annual costs for the additional officer and \$70,400 in annual costs for additional operating supplies).

Fire Protection

The Annexation Territory is currently served by, and will continue to be served by, the Vernon Township Fire Department ("Vernon FD"), and therefore there will be no additional costs for the provision of services upon annexation. The Vernon FD is a full-service department that responds from two stations to emergency medical incidents, automobile crashes, structure fires, hazardous releases, technical rescue incidents and public assistance calls.

Street and Road Maintenance

All dedicated streets and county roads in the Annexation Territory are currently maintained by Hancock County. Following the annexation, all noncapital services of the McCordsville Public Works Department will be made available in the Annexation Territory.

The McCordsville Public Works Department is responsible for maintaining streets and roads, signs, storm sewers, and rights-of-way. It also performs street sweeping and street paving and repairs. The Annexation Territory has approximately 0.25 miles of existing roads and the Proposed Development

includes an additional 1.50 miles of roads for a total of 1.75 miles (an approximate increase of 2.77% to street miles) that the Town will be responsible for maintaining. Per the Indiana Department of Transportation 2024 Centerline Mileage report, the Town has approximately 63.287 miles of streets. The Town anticipates additional operating costs for supplies and repairs and maintenance of approximately \$51,814 per year as a result of the annexation. Additionally, it is anticipated that the Proposed Development will create the need for an additional 0.50 road laborer. The estimated annual cost of the additional road laborer is approximately \$31,229.

Municipal Administration

The Town anticipates the need to hire an additional 0.25 persons in the Planning and Building Department due to the annexation. The estimated cost for the additional persons and operating supplies is \$30,000 (\$20,000 in annual costs for the additional person and \$10,000 in annual costs for additional operating supplies). Otherwise, the Town does not anticipate that the addition of the Annexation Territory will result in a demand for governmental administrative services that cannot be met by the existing staffing of the Town's offices, agencies and departments, and therefore there will be no additional costs for the provision of services upon annexation.

The governmental administrative services of the Town include, but are not limited to, the services provided by the following:

- Town Council
- Clerk Treasurer's Office
- Town Manager's Office
- Engineering Department
- Planning and Building Department
- Board of Zoning Appeals
- Parks Board
- Redevelopment Commission & Redevelopment Authority
- Economic Development Department & Economic Development Commission

Sanitation Services

The Town provides sanitation services or trash pick-up for residential users only. Upon completion of each home, it is anticipated that each home will be assessed the then current sanitary services fees. Total estimated annual sanitary services fees upon completion of the Proposed Development could be \$37,256 (\$18.48 fee multiplied by 168 homes multiplied by 12 months).

Capital Services

In accordance with the Act, the Town shall provide all capital services 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. Those planned services of a capital improvement nature include street construction, street lighting, sewer facilities, water facilities, and storm water drainage facilities, and other services of a capital improvement nature normally provided within the corporate boundaries.

Street Construction

Construction of any new streets within the Proposed Development in the Annexation Territory will be the responsibility of the developer in accordance with the applicable Town Code. Additionally, all sidewalks and/or paths will initially be installed by the developer in conjunction with the Proposed Development,

and there are no anticipated costs associated with sidewalks for this annexation. However, all capital services of the McCordsville Public Works Department, including evaluation and construction services, will be extended to the Annexation Territory.

Additionally, the Town will assess the Proposed Development a road impact fee of \$3,356 per home at the time of permitting. Upon completion of the Proposed Development, the road impact fees could be \$563,808 (\$3,356 multiplied by 168 new homes).

Street Lighting

The Town considers the need for streetlights in accordance with the streetlighting standards within its zoning ordinance to determine the need and justification for streetlights in a particular area and streetlights are only considered on public streets, not on private roadways within developed areas. It is not anticipated that the Town will need to install streetlights within the Annexation Territory. The installation of streetlights within the Proposed Development will be at the cost of the developer and the streetlights will be maintained by the residential homeowners' association.

Sewer Facilities

The Annexation Territory is within the Town's sewer services territory, and therefore the Town will provide sewage services to the Proposed Development. Any sanitary sewer infrastructure needed for the Proposed Development will be the responsibility of the developer.

For the use and services rendered by the sewage works, rate and charges will be collected from the owners of each lot or building that is connected to the Town's sanitary system. The monthly charge is determined as an average of single-family dwelling units and is equal to \$52.99 for each equivalent dwelling unit (EDU). Upon completion of the Proposed Development, based on current monthly sewer fees, the annual sewer fee revenue (per EDU) could be \$106,828 (\$52.99 per EDU multiplied by 168 residential lots multiplied by 12 months).

Additionally, the Town may charge a sewer availability fee and/or sewer connection fee. The developer is responsible for payment of these fees.

The Town's existing wastewater treatment plant capacity is sufficient to meet the needs of the Proposed Development, and therefore the Town does not anticipate needing to make any capital improvements to the existing wastewater treatment plant.

Water Facilities

The Town does not provide municipal water services. The Annexation Territory is and will continue to be served by Citizens Energy Group.

Storm Water Drainage Facilities

The Town maintains and operates a Storm Water Utility ("Storm Water Utility"). Storm water and drainage facilities throughout the Annexation Territory will be consistent with the Town's current storm water and drainage system. Any Storm Water Utility capital improvements due to the Proposed Development will be the responsibility of the developer.

For the use and services rendered by the Storm Water Utility, a fee will be collected from owners of residential lots or agriculture land. Currently, property owners within the Town's corporate boundaries pay \$90 per year, per developed residential lot and \$3.60 per acre per year for agricultural property. The total acreage of the Annexation Territory is approximately eighty (80) acres. It is anticipated that the Annexation Territory will be assessed a storm water fee per residential lot. Upon completion of the Proposed Development, based on current annual storm water assessment fees, the total storm water fees could be \$15,120 (\$90 multiplied by 168 residential lots).

The Town does not anticipate needing to hire an additional storm water foremen as a result of the annexation.

Electric Services

The Town does not provide municipal electric services. The Annexation Territory is and will continue to be served by NineStar Connect, an electric cooperative.

Parks & Recreation Services

Based on the plans of the developer, the Proposed Development will include amenities such as a trail network, playground, a putting green, a seating pavilion, and illuminated pond fountains. The construction and maintenance of these spaces will be at the expense of the developer and the residential homeowners' associations; therefore, there will be no additional costs to the Town.

Additionally, the Town will assess the Proposed Development a park impact fee of \$1,532 per home at the time of permitting. Upon completion of the Proposed Development, the park impact fees could be \$257,376 (\$1,532 multiplied by 168 new homes).



Method of Financing Planned Services & Plan for Extension of Services

Method of Financing Planned Services

Town management anticipates being able to incorporate any additional expenditures due to providing services to the Annexation Territory into their current operating budget.

The Town budget for 2026 and thereafter will include municipal services to the Annexation Territory.

Plan for Extension of Services

This Fiscal Plan details the municipal services which are planned to be extended to the Annexation Territory and the method by which these services will be provided by the Town.

Capital services will be extended within three (3) years of the effective date of annexation in the same manner as those services are provided to areas within the corporate boundaries and non-capital services will be provided within one (1) year of the effective date of annexation in the same manner as those services are provided to areas within the corporate boundaries.

The effective date of the annexation is assumed to occur within thirty (30) days after the adoption of the ordinance and the publication of the notice of adoption of such ordinance, although that date could be extended in the event of litigation. If the effective date is delayed, the date for provision of services will also be extended based upon the actual effective date.



Fiscal Impact

Net Assessed Value Impact

As a result of this annexation, the net assessed value for the Town will increase immediately by \$214,200 of the Annexation Territory to \$896,247,182 for Pay Year 2026. This represents an increase of approximately 0.02%.

Upon completion of the Proposed Development, estimated for pay year 2029, the net assessed value for the Town will increase by an estimated amount of \$32,968,488 to \$929,001,470. This represents an increase to the Town's total net assessed value of approximately 3.68%. The Proposed Development is estimated to be completed by the end of 2027. Based on this, the first full assessment of the Proposed Development will be January 1, 2028, for taxes payable 2029.

The total estimated net assessed value above assumes completion of the Proposed Development and is based on an average home price of \$476,375 and assumes a standard and supplemental homestead deduction applicable to the related assessment and payable year as provided in statute. The estimated net assessed valuation per home for taxes payable in 2029 is assumed to be \$196,241.

See Exhibit A: Tax Rate and Property Tax Levy Estimates.

Levy & Tax Rate Impact

The levy and tax rate impact must be viewed in the context of Indiana property tax controls. The statutory controls affect funds in a governmental unit by regulating the amount that can be levied in taxes by either controlling the aggregate amount of taxes which can be levied ("Levy Controls") or by controlling the tax rate applied ("Rate Controls"), or both.

Governmental funds which are levy-controlled are limited on an aggregate basis by a "maximum levy" calculation and not by a rate control. The maximum permissible levy growth for each succeeding tax year is based on the average change in Indiana non-farm personal income for each of six years preceding the year in which a budget is adopted.

The impact to levy-controlled funds assumes an estimated 2026 maximum levy increase due to the automatic annexation adjustment pursuant to IC 6-1.1-18.5-3(a), which allows for any unit that is annexing new territory to receive an automatic increase to their maximum levy by the same percentage that the annexation increases the tax base up to 15% based on the values reported on the certification of net assessed value. The estimated 2026 levy increase due to the automatic annexation adjustment is \$856. It is assumed that a portion of the levy increase will be allocated to one of the Town's levy-controlled funds and its Cumulative Park and Recreation Fund, which is within the Town's maximum levy calculation but is a rate-driven fund. It is anticipated that the Town's levy-controlled fund's levy will increase by \$821. (For illustrative purposes, we have assumed the remaining estimated 2026 maximum increase, net of the amount allocated to the Cumulative Park and Recreation Fund, is allocated to the General Fund.) It is assumed that the automatic annexation adjustment pursuant to IC 6-1.1-18.5-3(a) applies to the estimated 2026 maximum levy calculation only.

For pay year 2029, it is anticipated that the Town's levy-controlled fund's levy will decrease by \$4,649 due to a corresponding increase in the property tax levy estimated for rate-controlled funds. (For additional context, because the Cumulative Park and Recreation Fund levy is included in the Town's maximum levy calculation, an increase in the Cumulative Park and Recreation Fund levy would require an offsetting reduction to a levy-controlled fund levy). The pay year 2029 impact compares estimated pay year 2029 levies to estimated pay year 2025 levies, which includes the automatic annexation

adjustment pursuant to IC 6-1.1-18.5-3(a). For funds controlled by a tax rate, the annexation of additional real or personal property will increase the fund's levy equal to the increased assessed valuation captured in the Town's corporate boundaries multiplied by the controlled tax rate.

The impact to rate-controlled funds, including Cumulative Park & Recreation and Cumulative Capital Development funds, assume the pay year 2025 rates for these funds remain constant. For pay year 2026, it is anticipated that the Town's rate-controlled fund's levy will increase by approximately \$143. For pay year 2029, it is anticipated that the Town's rate-controlled fund's levy will increase by approximately \$21,990.

The total net impact to the Town's levy for pay year 2026 is anticipated to be an increase of approximately \$964. The total net impact to the Town's levy for pay year 2029 is anticipated to be an increase of approximately \$17,341.

Additionally, due to the limited levy increase as described above and limited increase in net assessed value from the annexation, it is estimated that the levy-controlled fund's tax rates for pay year 2026 remain constant compared to pay year 2025 tax rates. Upon completion of the Proposed Development, it is estimated that the levy-controlled fund's tax rates for pay year 2029 decrease by a total of \$0.0163 per \$100 of net assessed value.

Lastly, the Town could experience and qualifies for an additional increase to its maximum levy calculation equal to the cost of providing services to the Annexation Territory for the Proposed Development if the Town were to file and be awarded an appeal equal to the cost of providing services to the Annexation Territory using the Annexation excess levy appeal under IC 6-1.1-18.5-13(1). For purposes of this Fiscal Plan and as confirmed with the Town, we are assuming the Town does not file an Excess Levy Appeal due to the extension of services to the Annexation Territory; however, reserves the right to do so in the future if needed. As discussed under the heading "Circuit Breaker Impact" the Town has continued to achieve assessed value growth that exceeds the standard maximum levy growth quotient.

See Exhibit A: Tax Rate and Property Tax Levy Estimates.

Summary of State & Local Revenue Impact

As previously noted, the following represent the various local revenues from certain fees for services anticipated to be collected due to the annexation and Proposed Development:

Sanitation Services Fees	\$37,256
Road Impact Fees	\$563,808
Sewer Utility Fees	\$106,828
Storm Water Utility Fees	\$15,120
Park Impact Fees	\$257,376

In addition to those above, taxes such as alcohol, cigarette, various gasoline and transportation taxes, and local income taxes (collectively, the "Miscellaneous Revenues") are collected by State agencies and distributed to the taxing units by the Office of the State Comptroller. The amounts distributed to taxing units are calculated based on factors such as population or road mileage. (In addition, beginning after December 31, 2027, the Town may, by ordinance, impose a local income tax rate on the adjusted gross income of local taxpayers in the Town that does not exceed 1.2%). The estimated increase in population based on the Proposed Development is 443.52 people and the Town anticipates the addition of 1.75 road mileage as a result of the annexation and Proposed Development. It is anticipated that the Town will see an increase in Miscellaneous Revenues due to the population increase in the Annexation Territory. For example, the Town anticipates an increase in their allocation of motor vehicle highway

funds as 12.1% of the funds in the State's Motor Vehicle Highway account is distributed to cities and towns based on the population of the city or town compared to total city and town populations.

Summary of Costs of Providing Services

As described earlier, it is anticipated that estimated additional costs to the Town as a result of the annexation may include:

McCordsville Planning & Building Department	\$ 30,000
McCordsville Police Department	\$136,400
McCordsville Public Works Department	\$ 83,043

The Town anticipates the hiring of an additional 0.25 persons in the Planning & Building Department, 0.88 police officers and an additional 0.50 road laborer and operating costs for supplies and repairs and maintenance of roads due to the annexation, as discussed in previous sections of this Fiscal Plan.

Circuit Breaker Impact

Circuit breaker tax credits can have impacts on all taxing units that levy an ad valorem property tax levy on taxable property within the Annexation Territory. Currently, all property within the Annexation Territory is located within the Vernon Township Taxing District. Assuming all other taxing units' tax rates remain at pay year 2025 levels, the parcels will be above the current circuit breaker threshold (\$1 times the gross assessed value for residential land).

Holding all other taxing units constant, it is estimated that the Town's assessed value will increase at a rate faster than the levy-controlled fund levies will increase (current max of 4% annually). For the period pay year 2020 through 2025, the Town's assessed value has grown an average of eighteen percent (18%). With the addition of the Annexation Territory, the impact is projected to reduce the Town's tax rate while maxing out the levy-controlled funds growth. The effect would reduce the circuit breaker impacts for the Town and overlapping taxing units after the effective date of the annexation and subsequent four (4) years holding all else constant.

Assumed Indebtedness

As required by Section 10 of the Act, if the township from which a municipality annexes territory is indebted or has outstanding unpaid bonds or other obligations at the time of the annexation, the municipality is liable for and shall pay that indebtedness in the same ratio as the assessed valuation of the property in the annexed territory bears to the assessed valuation of all property in the township, as shown by the most recent assessment for taxation before the annexation, unless the assessed property within the municipality is already liable for the indebtedness. The annexing municipality shall pay its indebtedness under this section of the Act to the township executive. If the indebtedness consists of outstanding unpaid bonds or notes of the township, the payments to the executive shall be made as the principal or interest on the bonds or notes becomes due.

As a result of the annexation, the Annexation Territory will remain within its existing taxing units: Hancock County, Vernon Township, Mt. Vernon Community School Corporation, Vernon Township Public Library and Hancock County Solid Waste District. The impact of the annexation will be the addition of the McCordsville municipal taxing unit. Therefore, there is no impact on the overlapping units' outstanding debt obligations.

Appendix A: Tax Rate and Property Tax Levy Estimates

Table 1: Pay Year 2025 Property Tax Levies, Net Assessed Values (“NAV”), and Tax Rates

Fund	Tax Control (1)	Pay 2025 NAV	Pay 2025 Levy	Pay 2025 Tax Rates
General	Levy	\$ 896,032,982	\$ 1,606,587	\$ 0.1793
Debt Payment	Levy	896,032,982	561,813	0.0627
Motor Vehicle Highway	Levy	896,032,982	1,825,219	0.2037
Cumulative Park & Recreation	Rate	896,032,982	149,638	0.0167
Cumulative Capital Development	Rate	896,032,982	448,016	0.0500
Total			<u>\$ 4,591,273</u>	<u>\$ 0.5124</u>

Source: Department of Local Government Finance (“DLGF”) Pay Year 2025 Budget Order.

See footnotes below.

Table 2: Estimated Pay Year 2026 Property Tax Levies, NAV, and Tax Rates (Pre-Development)

Fund	Tax Control (1)	Pay 2026 NAV (2)	Pay 2026 Levy (3)	Pay 2026 Tax Rates (4)
General	Levy	\$ 896,247,182	\$ 1,607,408 (5)	\$ 0.1793
Debt Payment	Levy	896,247,182	561,813	0.0627
Motor Vehicle Highway	Levy	896,247,182	1,825,219	0.2037
Cumulative Park & Recreation	Rate	896,247,182	149,673 (5)	0.0167
Cumulative Capital Development	Rate	896,247,182	448,124	0.0500
Total			<u>\$ 4,592,237</u>	<u>\$ 0.5124</u>

Note: Estimated levies were rounded to nearest \$1 and estimated tax rates were rounded to nearest \$0.0001.

See footnotes below.

Table 3: Estimated Impact of Annexation Pay 2025 to Pay 2026 Property Tax Levies, NAV, and Tax Rates (Pre-Development)

Fund	Tax Control (1)	Change in NAV	Change in Levy (3)	Change in Tax Rates (4)
General	Levy	\$ 214,200	\$ 821 (5)	\$ -
Debt Payment	Levy	214,200	-	-
Motor Vehicle Highway	Levy	214,200	-	-
Cumulative Park & Recreation	Rate	214,200	35 (5)	-
Cumulative Capital Development	Rate	214,200	108	-
Total			\$ 964	\$ -

See footnotes below.

Table 4: Estimated Pay Year 2029 Proposed Development NAV

Description	Pay 2029 NAV
<u>New Home NAV Estimates (6)</u>	
Average Sale Price	\$ 476,375
Less: Standard Deduction (7)	<u>(20,000)</u>
Post Standard-Deduction AV	456,375
Less: Supplemental Deduction (7)	<u>(260,134)</u>
Pay 2029 NAV per New Home (7)	196,241
Times: Number of New Homes	<u>168</u>
Pay 2029 NAV of Stonechase Parcels	<u>\$ 32,968,488</u>

See footnotes below.

Table 5: Estimated Pay Year 2029 Property Tax Levies, NAV, and Tax Rates (Post-Development)

Fund	Tax Control (1)	Pay 2029 NAV (2)	Pay 2029 Levy (3)	Pay 2029 Tax Rates (4)
General	Levy	\$ 929,001,470	\$ 1,601,938 (5)	\$ 0.1724
Debt Payment	Levy	929,001,470	561,813	0.0605
Motor Vehicle Highway	Levy	929,001,470	1,825,219	0.1965
Cumulative Park & Recreation	Rate	929,001,470	155,143 (5)	0.0167
Cumulative Capital Development	Rate	929,001,470	464,501	0.0500
Total			\$ 4,608,614	\$ 0.4961

See footnotes below.

Table 6: Estimated Impact of Annexation Pay 2025 to Pay 2029 Property Tax Levies, NAV, and Tax Rates (Post-Development)

Fund	Tax Control (1)	Change in NAV	Change in Levy (3)	Change in Tax Rates (4)
General	Levy	\$ 32,968,488	\$ (4,649) (5)	\$ (0.0069)
Debt Payment	Levy	32,968,488	-	(0.0022)
Motor Vehicle Highway	Levy	32,968,488	-	(0.0072)
Cumulative Park & Recreation	Rate	32,968,488	5,505 (5)	-
Cumulative Capital Development	Rate	32,968,488	16,485	-
Total			\$ 17,341	\$ (0.0163)

See footnotes below.

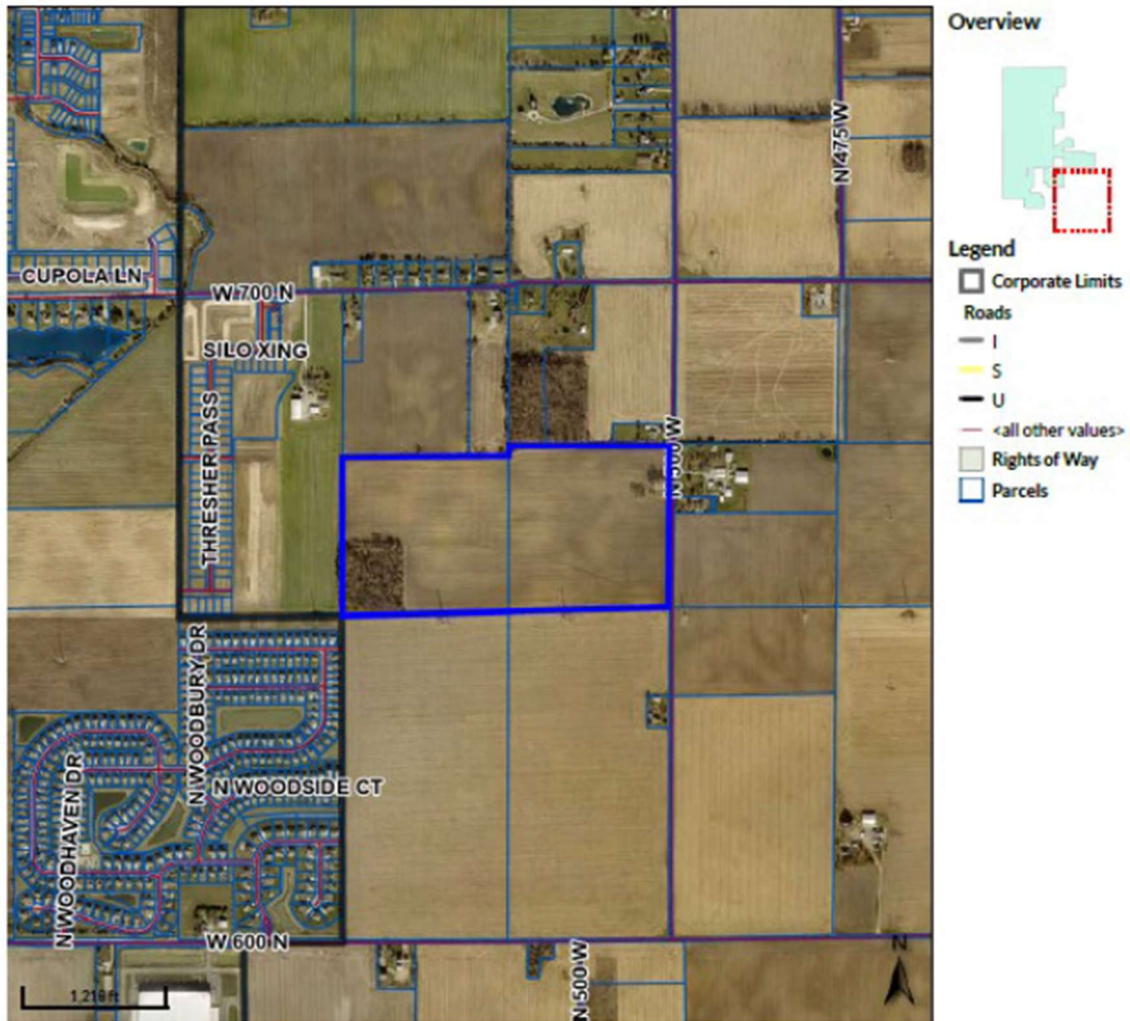
Footnotes

1. The Tax Control designation indicates whether a fund's property taxes are *levy-controlled* or *rate-controlled*. For levy-controlled funds, the tax rate is calculated based on the fund's NAV and approved levy. For rate-controlled funds, the levy is determined by the NAV and approved tax rate. For example, an increase in NAV lowers the tax rate for levy-controlled funds and raises the levy for rate-controlled funds, assuming all else remains constant.
2. Represents the Town's pay year 2025 NAV plus the pay year 2026 NAV of the Annexation Territory for pay year 2026. For pay year 2029, represents the Town's pay year 2025 NAV plus the estimated NAV of the Proposed Development. The NAV of the Annexation Territory was provided by Hancock County. The NAV of the Proposed Development is based on assumptions provided by the Town (see Table 4). Assumes no other changes to pay year 2025 NAV.
3. Unless otherwise noted, pay year 2025 levies are held constant for levy-controlled funds and estimated for rate-controlled funds. See footnote (1).
4. Pay year 2025 rates held constant for rate-controlled funds and estimated for levy-controlled funds. See footnote (1).
5. These changes reflect the Town's estimated 2026 maximum levy increase due to the automatic annexation adjustment pursuant to IC 6-1.1-18.5-3(a), which allows for any unit that is annexing

new territory to receive an automatic increase to their maximum levy by the same percentage that the annexation increases the tax base up to 15% based on the value reported on the certification of net assessed value. The change to the Cumulative Park & Recreation Fund's levy is driven by its established rate. For illustrative purposes only, assumes the remaining estimated 2026 maximum levy increase is allocated to the General Fund. The estimated impact for pay year 2029 assumes the pay year 2025 estimated maximum levy is held constant. For pay year 2029, assuming the Town's maximum levy is held constant, any increase to the Cumulative Park & Recreation Fund would require a reduction to another fund's levy; for illustrative purposes, we assume this levy reduction is applied to the General Fund.

6. A new residential subdivision is expected to be developed on the two annexed parcels, as provided by the Town. Assumes the construction of 168 new homes will be completed in 2027 then assessed January 2028 for taxes first payable 2029, as provided by the Town.
7. Estimated NAV per new home assumes gross assessed valuation equal to the average sale price, as provided by Town, less the estimated standard and supplemental homestead deductions.

Appendix B: Annexation Territory Map



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