

TOWN OF MCCORDSVILLE, INDIANA
Hancock County, Indiana

Denney & Lane Annexation
Super Voluntary Annexation

Annexation Fiscal Plan
November 12, 2024

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 12th day of November, 2024

Town of McCordsville,
Hancock County, Indiana

Greg Brewer, President



INTRODUCTION

The following fiscal plan (the "Fiscal Plan") is for the proposed Denney Annexation, located in Buck Creek Township, Hancock County, Indiana, Parcel Identification Numbers: 30-05-01-300-010.000-006 and 30-05-01-300-014.000-006 (the "Annexation Territory"). The Annexation Territory is adjacent to the Town of McCordsville (the "Town"), immediately south of the existing corporate limits. Indiana Code §36-4-3 *et. seq.*, (the "Act") mandates the development and adoption of a written fiscal plan and the establishment of a definite policy by resolution of the Town Council. 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, sanitation services and other noncapital services normally provided within the corporate boundaries, will be provided to the Annexation 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 Annexation 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:
 - (i) The name of the owner of the parcel.
 - (ii) The parcel identification number.
 - (iii) The most recent assessed value of the parcel.
 - (iv) The existence of a known waiver of the right to remonstrate on the parcel.

PROVISION OF MUNICIPAL SERVICES

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

This fiscal plan has been developed to review the financial impacts of extending the non-capital and capital services by reviewing the services that are currently provided through discussions with Town management. Typically, the impacts of all revenues and expenditures due to the completion of an annexation will be calculated based on discussions with Town management and adjustments that are in accordance with current state law.

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.

METHOD OF FINANCING

Many of the capital and non-capital municipal services are currently being provided to the Annexation Territory. Currently, Town management anticipates being able to incorporate any additional expenditures from the Annexation Territory into their current operating budget, however, as the Proposed Development occurs, Town management does anticipate additional operating expenses that are outlined later in this Fiscal Plan.

The standard statutory process for setting the budget, includes a review by the Department of Local Government Finance (“DLGF”). The budgets for 2025 and thereafter will include municipal services to the Annexation Territory.

PLAN FOR EXTENSION OF SERVICES

This Fiscal Plan details the municipal services which are projected to be extended or currently provided to the Annexation Territory and the method by which these services will be woven into the responsibilities of the incorporated Town.

Capital services will be extended within three (3) years of the effective date of annexation and as dictated by future development in the same manner and non-capital services will be provided within one (1) year of the effective date of annexation. Both capital and non-capital services will be provided to the Annexation Territory in a manner equivalent in standard and scope as such services are provided within the Town.

This Fiscal Plan is based on the exercise of common sense by Town elected officials, over the long term. In the end, this Fiscal Plan can only be based on logical, objective responses to projected situations.

PLAN FOR THE ANNEXATION TERRITORY

The Annexation Territory consists of two (2) parcels currently assessed as agricultural land owned by Raymond Hansen, Rebecca Brannon, Donald Denney and Lori Walker, and Jeremy and Schalesa Lane. The Annexation Territory is needed by the Town for its future development. The proposed development

includes the construction of a planned unit development (“PUD”) with approximately 326 single-family residential lots with amenities that include a trail along the subdivision frontage, two (2) parks, two (2) pocket parks, an internal trail system and a clubhouse and pool (the “Proposed Development”). The Proposed Development is expected to be constructed in phases with construction complete and assessed by January 1, 2029.

DESCRIPTION OF THE ANNEXATION TERRITORY

Location, Area Size and Contiguity

The Annexation Territory is adjacent to the Town, immediately south of the existing corporate limits. A legal description is included with the Annexation Resolution and part of Appendix A, herein. The Annexation Territory is approximately one hundred and twenty (120) acres. The Annexation Territory is at least one-eighth (1/8) contiguous with the corporate boundaries of the Town; therefore, the Annexation Territory is contiguous to the Town, as further defined by Ind. Code §36-4-3-1.5.

Current Land Use

The Annexation Territory consists of residential and agricultural land and currently has one occupied single-family residential property.

Zoning

Currently, the parcel is zoned as agricultural land. A developer has submitted a rezoning request to the McCordsville Plan Commission to rezone the Annexation Territory to a PUD.

Population

The estimated current population of the Annexation Territory is 3. The Proposed Development includes the construction of a PUD with approximately 326 single-family residential lots. According to the United States Census Bureau and the 2022 American Community Survey 5-year Estimates, the average family size in the Town is 2.98 per household.

Upon completion of the Proposed Development, the Town's population may increase by 971 residents. The final outcome of the Proposed Development will occur sometime in the future and the final impact on population is unknown.

Assessed Valuation

As of the most recent assessment date of January 1, 2024, the net assessed valuation for land and improvements in the Annexation Territory is \$531,400. According to the developer, the average sales price per home will be about \$385,000.

The Town's assessed value, after completion of the Proposed Development, may increase by \$125,510,000. The final outcome of the Proposed Development will occur sometime in the future and the final impact on assessed value is unknown.

NON-CAPITAL SERVICES

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

In accordance with the Act, the Town shall provide all non-capital 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 non-capital services provided to areas within the Town regardless of 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.

All non-capital services currently provided by the Town will be immediately provided to the Annexation Territory upon effective date of the annexation, which is thirty (30) days following approval by the Town Council, and after the annexation ordinance is recorded with the County Recorder's Office. A non-exhaustive list of non-capital services provided by the Town is included within this section.

Municipal Administration

The Town anticipates the need for an additional part-time code enforcement person at an estimated annual cost of \$40,304.16. 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. All non-capital services of the administration of the Town will be made available in the Annexation Territory 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.

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

Police Protection

The Hancock County Sheriff's Department currently provides police protection and law enforcement services to the Annexation Territory. However, all non-capital services of the McCordsville Police Department ("McCordsville PD") will be made available in the Annexation Territory 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.

McCordsville PD's primary purpose is the prevention of crime. The department consists of 2 divisions including operations and support services. The McCordsville PD patrols within the boundaries of the Town on a daily basis and provides services such as proactive patrols, reactive police response to calls for service, criminal apprehension, vehicle crash investigations, traffic enforcement, and community partnerships. The McCordsville PD does not distinguish between different areas of the Town. The same services are provided throughout the Town. Due to the location and character of the Annexation Territory, the Town anticipates needing to hire 1.7 additional officers as a result of the annexation. The cost of the additional officers and fuel, for the first year, as a result of the annexation, will be approximately \$302,059.

Fire Protection and Emergency Medical Services

The Annexation Territory is currently served by, and will continue to be served by, the Buck Creek Township Fire Department ("Buck Creek FD"), and therefore there will be no additional costs for the provision of services upon annexation. The Buck Creek FD provides fire protection, rescues, emergency medical response and safety education to citizens within Buck Creek Township. The Buck Creek FD is a

career department consisting of full-time and part-time employees. The firefighters staff two (2) fire stations 24-hours per day, 365 days per year.

Street Maintenance

All dedicated streets and county roads in the Annexation Territory are currently maintained by Hancock County. However, all non-capital services of the McCordsville Public Works Department will be made available in the Annexation Territory 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 McCordsville Public Works Department is responsible for maintaining streets and roads, signs, storm sewers, and right-of-ways. It also performs street sweeping, snow removal, leaf and limb collection, and street paving and repairs. The Annexation Territory has approximately 0.503 miles of existing streets and 2.837 miles of proposed roads for a total of 3.34 miles (an approximate increase of 4.4% to street miles) that the Town will be responsible for maintaining. Per the Indiana Department of Transportation, currently, the Town has approximately 64.794 miles of streets. The Town anticipates additional operating costs for supplies and repairs and maintenance of approximately \$115,373 per year as a result of the annexation. To the extent there are any additional operating costs, the Town will utilize its Local Road and Street and Motor Vehicle Highway Funds. The Town anticipates that the Proposed Development will create the need for an additional 0.21 road laborers. The Town will add additional laborers as the increment creates the need for a whole employee.

Additionally, the Town is currently considering the adoption of a road impact fee. If the fee is adopted, it is anticipated that the fee will be assessed for the Proposed Development.

Sanitation Services

The Town provides sanitation services or trash pick-up for residential users only. All non-capital sanitary services will be made available in the Annexation Territory 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. It is anticipated that the residential home currently located within the Annexation Territory will be assessed the sanitary services fees of \$13.98 within 30 days of the effective date of this annexation. Starting on January 2025, the rate increases to \$18.48 per month. Upon completion of each homestead, it is anticipated that the home will be assessed the then current sanitary services fees.

Street Lighting

The statute recognizes streetlights as a capital service of the municipality and requires that streetlights be provided in the same manner as such services provided to areas within the corporate limits. The Town considers the need for streetlights on a case-by-case basis to determine the need and justification for streetlights in a particular area. In all cases, however, streetlights are only considered on public streets, not on private roadways within developed areas. Capital service of street lighting will be afforded to the Annexation Territory in precisely the same manner it is provided to the rest of the Town. It is not anticipated that the Town will be responsible for the installation of street lights within the Annexation Territory. The installation of street lights within the Proposed Development will be at the cost of the developer and the street lights will be maintained by the residential homeowners' association. Therefore, there will be no additional costs to the Town.

CAPITAL SERVICES

The Annexation Territory was evaluated to determine the services and facilities required to provide the same type of services 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 Territory within 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 December 31, 2024.

Drainage/Storm Water Services

The Town maintains and operates a Storm Water Management Service ("Storm Water Utility"). Stormwater and drainage facilities throughout the Annexation Territory will be consistent with the Town's current stormwater and drainage system. The Proposed Development will have to have their stormwater plan approved by the Town, and any associated stormwater and drainage costs will be paid for by the developer. Nevertheless, all non-capital services of the McCordsville Public Works Department will be made available in the Annexation Territory within three (3) years 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.

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. It is anticipated that the Annexation Territory will be assessed a storm water fee. The total acreage of the Annexation Territory is approximately one hundred and twenty (120) acres. Upon completion of the Proposed Development, based on current annual storm water assessment fees, the total storm water fees could be \$29,340 (\$90 times 326 residential lots).

The Town anticipates needing to hire an additional stormwater foreman as a result of the annexation. The cost of the additional foreman, for the first year, will be approximately \$117,841.

Electric Services

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

Parks Development

Upon the effective date of the annexation, residents of the Annexation Territory (estimated to be 3) will be eligible for the resident rates for parks and shelter rentals. Based on the plans from the developer the Proposed Development will include two (2) parks, two (2) pocket parks and an internal trail system. 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. Nevertheless, all capital services of the McCordsville Parks and Recreation Department will be extended to the Annexation Territory within three (3) years of the effective date of this ordinance.

Additionally, the Proposed Development will be assessed a park impact fee of \$1,532 per home at the time of permitting.

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. There are currently no existing streets within the Annexation Territory (county roads). Additionally, sidewalks are initially installed by a developer in conjunction with the Proposed Development, and there are no anticipated costs associated with sidewalks for this annexation.

Regardless, all capital services of the McCordsville Public Works Department, including evaluation and

construction services, will be extended to the Annexation Territory 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.

Wastewater Services

The Annexation Territory is outside of the Town's wastewater service territory; therefore, the Annexation Territory will be serviced by Aqua Indiana. The Annexation Territory will require wastewater services for the Proposed Development. The costs of connecting to wastewater services will be the responsibility of the developer. At this time, no material impacts are anticipated to the Town.

Water Services

The Town does not provide municipal water services. The Annexation Territory is and will continue to be served by Citizens Energy Group. The Annexation Territory will require water services for the Proposed Development. The costs of connecting to the municipal water services will be the responsibility of the developer. At this time, no material impacts are anticipated to the Town.

FISCAL IMPACT

As a result of this annexation, the net assessed value for the Town will increase by \$531,400 to \$774,413,309. This represents an increase of approximately 0.068%. It is anticipated that the Proposed Development will construct approximately 326 residential homes. The impact of increasing the Town's assessed value from the Proposed Development is included in the impact analysis as further described in Appendix C, which is attached hereto and incorporated herein.

Before the construction of the Proposed Development, it is anticipated that the Town will realize an increase to its (i) levy controlled fund levy of less than \$2,500 and (ii) rate controlled fund (Park & Recreation and CCD) levy of less than \$270.

After the construction of the Proposed Development, it is anticipated that the Proposed Development may increase the Town's (i) levy controlled fund levies by about \$470,000 annually and (ii) rate controlled fund levies by about \$62,000 annually.

Additional revenues from the Proposed Development are anticipated over time to be provided by increases of local revenues including but not limited to building permits, storm water assessment fees, waste water charges, and park impact fees paid during the Annexation Territory's development. Taxes such as alcohol, cigarette, cigarette, various gasoline and transportation taxes, and the various 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. The Town is estimating an increase in population and road mileage as a result of the Proposed Development. However, the taxes collected and distributed to taxing units tend to vary from month to month due to these taxes being on the basis of consumption or usage.

It is assumed that the effective date of this annexation will be as soon as practically possible, but no later than December 31, 2024. Based on the assumed effective date, the owners of the Annexation Territory may proportionately pay property taxes to the Town for 2024 payable 2025. However, the Town will begin providing non-capital municipal services 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 the annexation.

It is anticipated that any additional costs to the Town as a result of the annexation may include:

Code Enforcement

\$40,304.16

Police	302,059.00
Streets	115,373.00
Stormwater	117,841.00
Estimated Total Additional Costs	<u>\$575,577.16</u>

The causes of the anticipated increased costs are discussed on the prior pages. To the extent that the Town cannot absorb the additional costs into the Town's budget, the Town reserves the right to seek a maximum levy appeal as a result of the Proposed Development.

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 Buck Creek Township Taxing District. After the proposed annexation is complete, the property owners' tax rates will increase by the tax rate of the Town of McCordsville. After reviewing tax impacts for the Annexation Territory, assuming the parcels are assessed as a residential, the parcels will be above the current circuit breaker threshold (\$1 times the gross assessed value).

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 (max of 4% annually). Since pay year 2020, the Town's assessed value has grown an average of eighteen percent (18%). With the addition of the Annexation Territory and the Proposed Development, 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.

ASSUMED INDEBTEDNESS

As required by Ind. Code § 36-4-3-10, 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 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, Buck Creek Township, Mt. Vernon Community School Corporation, Hancock County 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.

CONTACT PERSON FOR FURTHER INFORMATION

If anyone has additional questions regarding this annexation, all available information is on file at the Town Manager's office, 6280 West 800 North, McCordsville, Indiana 46055; and may be contacted by phone at (317) 335-5146. The property owners within the Annexation Territory will be provided a copy of the Fiscal Plan at no cost to them.

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APPENDIX A

Map of the Annexation Territory



APPENDIX B

Parcel List for the Annexation Territory

<u>Parcel Number</u>	<u>Property Owner</u>	<u>Property Address</u>	<u>Property Type</u>	<u>Gross AV</u>	<u>Less: Deductions</u>	<u>Net AV</u>
30-05-01-300-010.000-006	Raymond Hansen	5299 N 700 W	Farm	\$452,500	\$0	\$452,500
30-05-01-300-014.000-006	Jeremy & Schalesa Lane	0 W 500N	Farm	\$78,900	\$0	\$78,900