

Town of McCordsville, Indiana Alexander Ridge II Annexation Fiscal Plan

March 6, 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 11th day of March, 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 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.Steenocrowe.com, or Becca Zakowski at (317) 689-5506 or Rebecca.Zakowskicrowe.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 fifty-three (53) acres of land located at the southwest corner of County Road 500 West and County Road 900 North. 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 Indiana Code 36-4-3-1.5.

The Annexation Territory is currently zoned as Hancock County Residential-One (R-1) and includes two existing homes and/or farm structures. Parcel 30-01-24-100-006.001-016 will be rezoned to Town Residential-One (R-1), which allows single-family residential land-uses. The existing home on parcel 30-01-24-100-006.001-016 will remain. Parcel 30-01-24-100-006.000-016 will be rezoned to the Alexander Ridge II Planned-Unit Development (PUD) and the existing farm structure will be demolished. The proposed development included in the PUD is comprised of a single-family residential subdivision featuring 107 lots and amenities, including a playground, pergola, and pickleball courts (the “Proposed Development”). The Proposed Development site plan has been designed to integrate into the existing Alexander Ridge subdivision and become an expansion of the subdivision. The Proposed Development is estimated to be completed by the end of 2028. Based on this, the first full assessment of the Proposed Development will be January 1, 2029, for taxes payable 2030.

The current estimated population of the Annexation Territory is 5.28 persons assuming 2.64 persons per household based on the United States Census Bureau’s five-year estimate for the Town. Assuming this same metric, upon completion of the Proposed Development, the estimated population of the Annexation Territory could be 285.15 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
30-01-24-100-006.001-016	5249 W 900 N	Alexander, Thomas M & Margie	Family Dwelling	\$ 57,800	\$ 527,700	\$ (249,562)	\$ 335,938
30-01-24-100-006.000-016	5343 W 900 N	Alexander, Lowell Co Inc	Cash Grain/General Farm	176,700	252,400	(17,900)	411,200
Total				\$ 234,500	\$ 780,100	\$ (267,462)	\$ 747,138

Note: Assessed value is for assessment year 2024 pay year 2025 per Hancock County property record cards. Deductions include a standard and supplemental homestead deduction on parcel 30-01-24-100-006.001-016 and a heritage barn deduction on parcel 30-01-24-100-006.000-016.



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 0.57 officer because of the annexation. The estimated annual cost of the additional officer is approximately \$101,279.

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, snow removal, leaf and limb collection, and street paving and repairs. The Annexation Territory has approximately 0.38 miles of existing roads and the Proposed Development includes an additional 1.12 miles of roads for a total of

1.50 miles (an approximate increase of 2.55% to street miles) that the Town will be responsible for maintaining. Per the Indiana Department of Transportation 2023 Centerline Mileage report, the Town has approximately 58.939 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 0.25 road laborer. The estimated annual cost of the additional road laborer is approximately \$15,615.

Municipal Administration

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. It is anticipated that the existing residential home currently located within the Annexation Territory will be assessed the sanitary services fee of \$18.48 per month within 30 days of the effective date of this annexation. 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 \$23,950 (\$18.48 fee multiplied by 108 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 \$359,092 (\$3,356 multiplied by 107 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 \$68,675 (\$52.99 per EDU multiplied by 108 residential lots).

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 fifty-three (53) 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 \$9,720 (\$90 multiplied by 108 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.

Parks & Recreation Services

Upon the effective date of the annexation, residents of the Annexation Territory (currently 5.28) will be eligible for the resident rates for parks and shelter rentals. Based on the plans of the developer, the Proposed Development will include amenities such as a playground, pergola, pickleball courts, and multi-use paths. 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 \$163,924 (\$1,532 multiplied by 107 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 \$747,138 of the Annexation Territory to \$896,780,120 for Pay Year 2026. This represents an increase of approximately 0.08%.

Upon completion of the Proposed Development, estimated for pay year 2030, the net assessed value for the Town will increase by an estimated amount of \$27,251,788 to \$923,284,770. This represents an increase to the Town's total net assessed value of approximately 3.04%. The Proposed Development is estimated to be completed by the end of 2028. Based on this, the first full assessment of the Proposed Development will be January 1, 2029, for taxes payable 2030.

The total estimated net assessed value upon completion of the Proposed Development is based on an average home price of \$435,000 and assumes a standard and supplemental homestead deduction.

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 \$2,986. 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 \$2,862. (For illustrative purposes, we have assumed the remaining estimated 2026 maximum levy 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 2030, it is anticipated that the Town's levy-controlled fund's levy will decrease by \$1,565 due to a corresponding increase in 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 2030 impact compares estimated pay year 2030 levies to estimated pay year 2026 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 \$498. For pay year 2030, it is anticipated that the Town's rate-controlled fund's levy will increase by approximately \$18,177.

The total net impact to the Town's levy for pay year 2026 is anticipated to be an increase of approximately \$3,360. The total net impact to the Town's levy for pay year 2030 is anticipated to be an increase of approximately \$16,612.

Additionally, due to the increased levy as described above and increased net assessed value from the annexation, it is estimated that the levy-controlled fund's tax rates for pay year 2026 decrease by a total of \$0.0001 per \$100 of net assessed value. Upon completion of the Proposed Development, it is estimated that the levy-controlled fund's tax rates for pay year 2030 decrease by a total of \$0.0134 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, Consolidation, Extension of Services excess levy appeal under IC 6-1.1-18.5-13(a)(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. The Town has and may continue to seek a three-year assessed valuation growth appeal during the annual budget process.

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	\$23,950
Road Impact Fees	\$359,092
Sewer Utility Fees	\$68,675
Storm Water Utility Fees	\$9,720
Park Impact Fees	\$163,924

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. The estimated increase in population based on the Proposed Development is 285.12 people and the Town anticipates the addition of 1.50 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 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 Police Department	\$101,279
McCordsville Public Works Department	\$ 67,429

The Town anticipates the hiring of an additional 0.57 police officer and an additional 0.25 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. After the proposed annexation is complete, the property owners' tax rates will increase by the tax rate of the Town of McCordsville. 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	\$ 896,780,120	\$ 1,609,449 (5)	\$ 0.1795
Debt Payment	Levy	896,780,120	561,813	0.0626
Motor Vehicle Highway	Levy	896,780,120	1,825,219	0.2035
Cumulative Park & Recreation	Rate	896,780,120	149,762 (5)	0.0167
Cumulative Capital Development	Rate	896,780,120	448,390	0.0500
Total			<u>\$ 4,594,633</u>	<u>\$ 0.5123</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	\$ 747,138	\$ 2,862 (5)	\$ 0.0002
Debt Payment	Levy	747,138	-	(0.0001)
Motor Vehicle Highway	Levy	747,138	-	(0.0002)
Cumulative Park & Recreation	Rate	747,138	124 (5)	-
Cumulative Capital Development	Rate	747,138	374	-
Total			<u>\$ 3,360</u>	<u>\$ (0.0001)</u>

See footnotes below.

Table 4: Estimated Pay Year 2030 Proposed Development NAV

Description	Pay 2030 NAV
<u>New Home NAV Estimates (6)</u>	
Average Sale Price	\$ 435,000
Less: Standard Homestead Deduction	(48,000)
Less: Supplemental Homestead Deduction	<u>(135,450)</u>
Pay 2030 NAV per New Home (7)	251,550
Times: Number of New Homes	<u>107</u>
Pay 2030 NAV of New Homes	26,915,850
Plus: Pay 2025 NAV of Non-Redeveloped Existing Parcel (8)	<u>335,938</u>
Pay 2030 NAV of Alexander Ridge Parcels	<u>\$27,251,788</u>

See footnotes below.

Table 5: Estimated Pay Year 2030 Property Tax Levies, NAV, and Tax Rates (Post-Development)

Fund	Tax Control (1)	Pay 2030 NAV (2)	Pay 2030 Levy (3)	Pay 2030 Tax Rates (4)
General	Levy	\$ 923,284,770	\$ 1,605,022 (5)	\$ 0.1738
Debt Payment	Levy	923,284,770	561,813	0.0608
Motor Vehicle Highway	Levy	923,284,770	1,825,219	0.1977
Cumulative Park & Recreation	Rate	923,284,770	154,189 (5)	0.0167
Cumulative Capital Development	Rate	923,284,770	461,642	0.0500
Total			<u>\$ 4,607,885</u>	<u>\$ 0.4990</u>

See footnotes below.

Table 6: Estimated Impact of Annexation Pay 2025 to Pay 2030 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	\$ 27,251,788	\$ (1,565) (5)	\$ (0.0055)
Debt Payment	Levy	27,251,788	-	(0.0019)
Motor Vehicle Highway	Levy	27,251,788	-	(0.0060)
Cumulative Park & Recreation	Rate	27,251,788	4,551 (5)	-
Cumulative Capital Development	Rate	27,251,788	13,626	-
Total			<u>\$ 16,612</u>	<u>\$ (0.0134)</u>

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 2025 NAV of the Annexation Territory for pay year 2026. For pay year 2030, 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 2030 assumes the pay year 2026 estimated maximum levy, including the automatic annexation adjustment, is held constant and no excess levy appeal for extension of services is sought. For pay year 2030, 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 one of the two annexed parcels, as provided by the Town. Assumes the construction of 107 new homes will be completed, all in one phase, in 2028 then assessed January 2029 for taxes first payable 2030, 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.
8. Assumes the second annexed parcel will not be redeveloped and will remain following the new construction, as provided by the Town. Assumes its pay year 2025 NAV is held constant.

Appendix B: Annexation Territory Map

Parcel 30-01-24-100-006.001-016



Overview



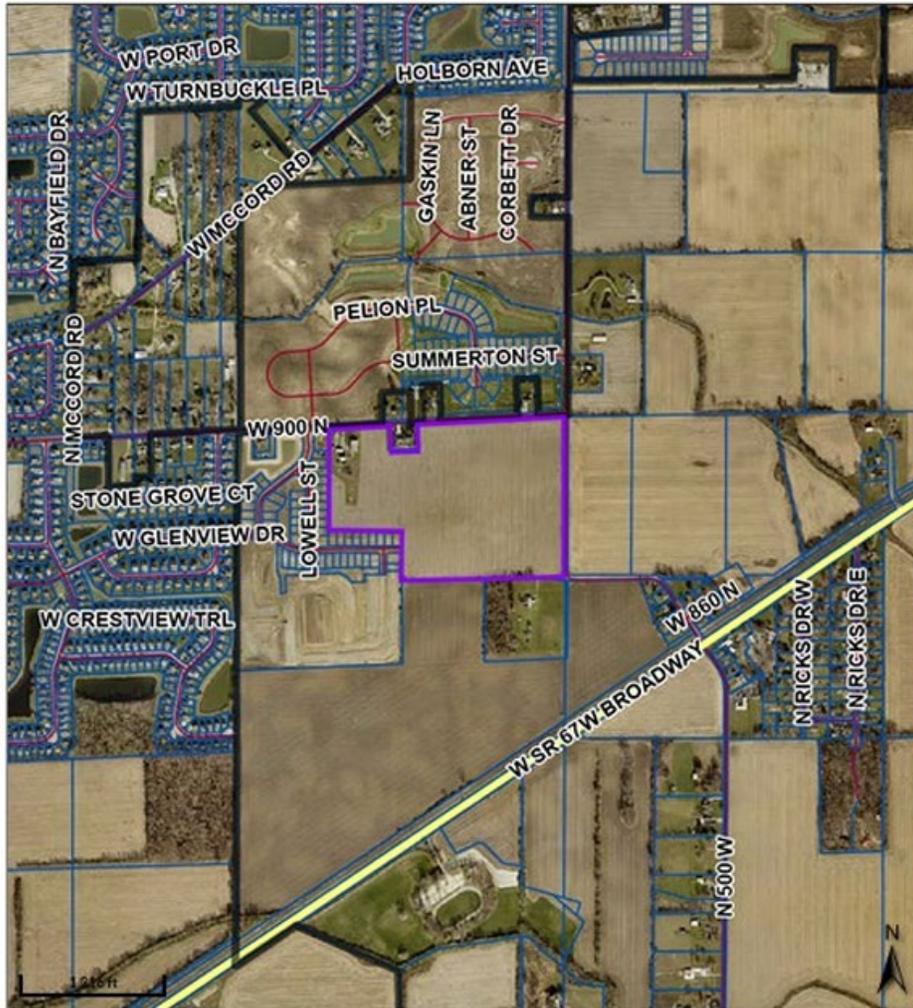
Legend

- Corporate Limits
- Roads
 - I
 - S
 - U
 - <all other values>
- Parcels

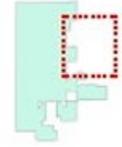
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GEO SPATIAL

Parcel 30-01-24-100-006.000-016



Overview



Legend

- Corporate Limits
- Roads
 - I
 - S
 - U
 - <all other values>
- Parcels

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