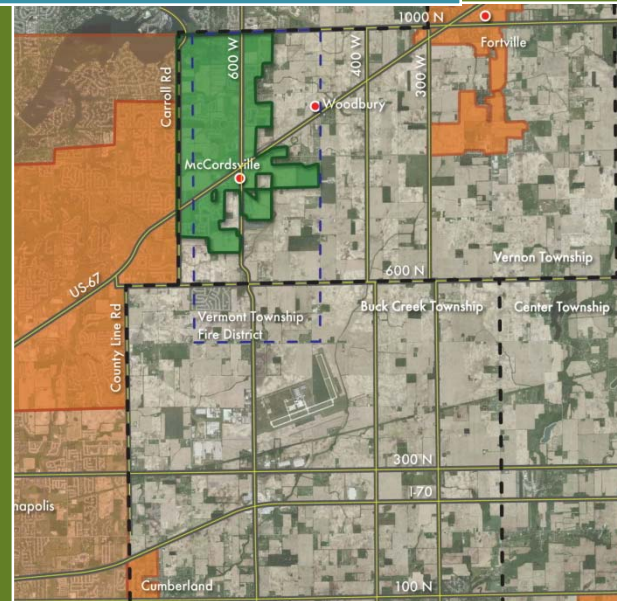


2012

Impact Analysis of Growth Opportunity Areas



Final Draft: October 29, 2012

THE TOWN OF
McCORDSVILLE
Next Stop  Mc Cordsville

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EXECUTIVE SUMMARY

This effort by the Town of McCordsville is to assess “growth opportunity areas” to assure responsible planning and the protection of the community’s quality of life. The planning team worked with Town leadership and community stakeholders to understand McCordsville’s existing resources and challenges to growth. This report outlines the inventory, summarizes conversations, and analyzes the impact growth opportunities for the community.

There are several key findings that support the movement toward planned growth.

1. McCordsville has a wonderful community with desirable quality-of-life assets. If the community wants to protect those assets and influence the growth around them, the Town Council would have the best opportunity if those areas are within the Town's established boundaries, i.e. incorporating the surrounding areas.
2. The Town's growth of commercial and industrial businesses into adjacent unincorporated areas will lead to increased assessed value for all taxing entities (schools, county, town); thereby reducing the resulting revenue shortfalls caused by constitutional circuit breaker tax caps.

Incorporating adjacent unincorporated areas into the Town of McCordsville boundaries may result in increased services to property owners and increased growth opportunities without increased property taxes which are effectively frozen by circuit breaker tax caps.

Three distinct growth opportunity areas have been identified and each has unique characteristics:

- Northeast District (north and east of McCordsville, along SR 67): This area is already served by the Town's sanitary sewer service and has an attractive rail access that many light industrial businesses desire. While growth in this area will require infrastructure improvements of roads, rail and utilities by the Town and Developers, there are small areas that could start first allowing the area to grow incrementally. This is not necessarily the first choice growth opportunity, but it has the advantage of being the least controversial with the other taxing units since it is currently underdeveloped with high potential for light industrial development; would diversify the tax base and create local jobs, would require the Town’s help with infrastructure and incentives to develop at its highest and best use, and is already within the McCordsville Sewer District boundaries. The disadvantages of growth in the Northeast District are the cost and amount of infrastructure needed to develop the overall area, along with challenges of dealing with CSX.
- East District (east of McCordsville): Development of the East and Northeast districts could be jump-started with the implementation of the Mt. Comfort Road realignment and expansion project. While development of this commercially and residentially zoned area is not dependent on the road project, it will be enhanced greatly by its implementation, ensuring that growth and

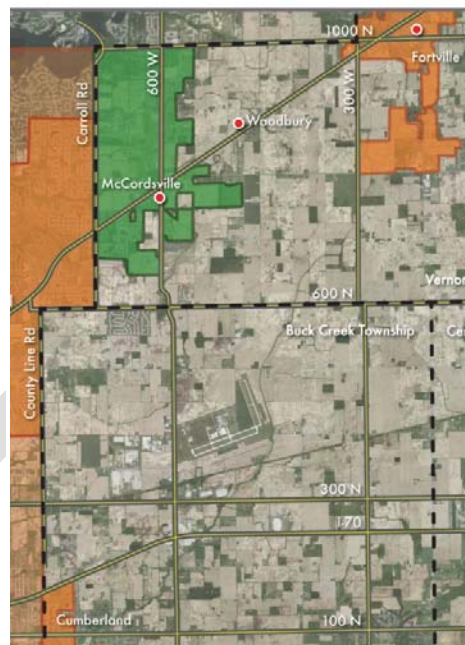


Figure 1 Town of McCordsville in Hancock County

developments occur in concert with the future plan. Utilities will need to engage in improvements along the same corridor. Other “jump starters” for this growth area include the complimentary “Imagine McCordsville” planning process which envisions a new Town center in this area, the current land use plan which supports the proposed development, the area’s location would support commercial growth, and the proposed automobile condo project along the northern boundary of the area could provide an initial boost.

- **South District (south of McCordsville):** This area represents the largest growth area due to the size of the area, airport location, existing industrial park areas, and access from I-70. A collaborative effort by the Town of McCordsville and the County and the HCEDC could generate the highest revenue potential for the area, leading to opportunities for infrastructure investment which encourages commercial industrial development and growth to an area. Important strategy work, planning, marketing, communication and coordination with the County and the HCEDC would be needed before the Town could move toward incorporating this area.

McCordsville has also established a brand of “Next Stop McCordsville”, and this project was an endeavor to go beyond the brand to understand the next steps and impacts of community growth. Going beyond the brand will signify efforts towards sustainable growth, and with the economy beginning to turn; developers should begin to take notice of undeveloped land. McCordsville is in a prime position to promote and encourage specific developments that match the Town’s vision. To further that position, McCordsville should aim to be the best local government for growth. To achieve this goal, McCordsville should:

- **Tell your story:** Do not assume that developers or your community know your value points. Promote your investments in roads, utilities, infrastructure, and quality of life amenities and continue to gather and streamline resources available to interested businesses.
- **Know the critical players:** There are utilities, governmental agencies, developers already invested in the community, and citizens groups need to be actively engaged in support of this initiative. Develop a clear understanding of how each defines positive growth and how these can be woven together.
- **Protect local property values:** Future growth planning maintains property values for home and business owners and designating specific areas for business growth, residential growth, and commercial growth will ensure all areas have room to grow and prosper without traffic congestion.
- **Create balanced tax base through responsible, planned growth:** A balanced tax base supports good roads, well-kept parks, quality schools, and comprehensive police and fire protection. McCordsville should focus on actions that build your capacity to support new and growing businesses, including incorporating unincorporated areas surrounding McCordsville. Increased real estate values and marketability should result, and property owners will be provided a voice in government of the larger community in which they live. These actions will also promote the community identity. Because all classes of property (residential, agricultural, commercial and industrial) are already hitting the circuit breaker caps, incorporation of these areas into the Town would not cause an increase in taxes of property owners.

- **Re-invest in infrastructure:** McCordsville has a reputation for good stewardship of tax dollars and efficient services. It is time to reinvest in your infrastructure to entice development. Growing communities leverage short term funding to foster long-term assets overtime.
- **Add value to potential development:** Developers are looking for municipalities that are seeking a win-win scenario for the entire community. In advance of developments, build effective collaborations between business, government, and education and be ready to share in the investment.
- **Be welcoming and flexible:** Take a hands-on approach with each new potential development. Take time to understand their business and promote how McCordsville is more conducive to their business. Find the balance in maintaining high development standards and flexibility for specific developments.
- **Activate your Town Center:** Part of the growing effort needs to focus on growing the hometown center to encourage community interaction and economic development. The current “Imagine McCordsville” initiative will lay the foundation for this effort and this growth opportunity analysis will provide a context for that project.

Based on our findings, we encourage the Town of McCordsville take immediate action in 2013:

- Meet with County Officials, the Indianapolis Airport Authority, and Economic Development Leaders to share findings and collaborate on attracting growth to this area of Hancock County, including reconsiderations of priorities for the Mt. Comfort Road project. Consider the development of a joint marketing plan to advertise the community’s assets.
- Implement the steps identified in the developer feedback section of the report including creation of a dynamic website to become known to the development community. Creating “sizzle” or awareness of the McCordsville area will be critical to success.
- Meet with School Leaders to share findings and seek support for future growth to increase assessed value in the community. Educate school leaders and community leaders on the impact of growth and the need to utilize incentives. Economic development initiatives require all taxing units to forego immediate tax base benefit from new development in order to fund the incentives and the infrastructure needed to attract and facilitate the new development.
 - The Detailed Tax Analysis of the Northeast Growth District can be used to provide an illustration for educational purposes. If the area remains undeveloped, the tax base is minimal. If the Town can utilize TIF to leverage private investment, federal grants and other revenue to fund the infrastructure needed to attract and facilitate light industrial development, then, the tax base can grow for all the taxing units. **This growth is the key to growing the currently frozen pie caused by circuit breaker tax caps.**
- Develop a plan to begin incorporation of unincorporated areas to begin balancing the tax base of the Town, increasing development growth opportunities, and without increasing property taxes which are effectively frozen by circuit breaker tax caps.

- Meet with CSX and local economic development leaders to discuss the need for rail spur development and improved rail crossings.
- Take action to lay the foundation for development of a Town Center.

DRAFT

INTRODUCTION

The Town of McCordsville was incorporated in 1988 and is now the second largest municipality solely in Hancock County. The community has grown to a population of nearly 5,000 people. With a vision of future growth, the Town Council established a Redevelopment Commission in March 2004 to undertake redevelopment and economic development efforts in the Town of McCordsville.

To achieve responsible planning, McCordsville recognized the importance of exploring “Growth Opportunity Areas” as well as identifying critical actions needed to achieve the desired growth. To that end, this project was designed to analyze potential impacts of growth for the McCordsville community.

METHODOLOGY

The team worked with Town leadership and staff to identify growth opportunity areas surrounding the Town and within the County and then examined the impacts of growth in the following areas: land use, transportation, utilities, financial, and “community will”. The project was executed in two phases and included the following actions:

Phase One

- Map general opportunity area and services
- Develop stakeholder outreach plan
- Engage stakeholders
- Determine developer potential requirements
- Gather real estate information
- Assess financial and tax information

Phase Two

- Clarify opportunity areas
- Stakeholder follow-up
- Estimate infrastructure costs
- Identify funding sources and feasibility

THE PROJECT TEAM MEMBERS

Schmidt Associates was founded on the principal of Servant Leadership – a core value that places the client’s goals and aspirations at the forefront of our professional commitment to excellence. Today, Schmidt Associates is a multi-disciplinary firm providing strategic planning, architecture, engineering, and construction delivery services.



Umbaugh is the largest and most experienced independent financial advisory firm in Indiana. Their sole practice is focused on local government funding, fiscal analysis and planning, capital planning and financing, and economic development planning and implementation. With 61 years in practice, their experience and knowledge results in more projects funded and improved management and operations for their clients.

Transportation Solutions was created to help communities achieve a balanced, efficient, and cost-effective transportation system – one project at a time. In a time of decreasing revenues, wise decisions are crucial in order to develop a transportation system that provides for the mobility, safety, access, connectivity, health, and social needs of our society. Every dollar invested must yield significant and multiple benefits, while minimizing negative impacts to personal health and the environment. By leveraging transportation investments, multiple transportation and community goals can be achieved simultaneously. Transportation Solutions looks for opportunities to address the needs of all users of the transportation system, and enhance community vitality.

Whitaker Engineering was formed in 2006 by Cecil Whitaker, after 33 years in the industry as an owner and principal in other engineering firms. The firm is especially strong in its utility assessments for growth and development in a community. Their staff has created utility master plans or completed utility assessments for development and growth for suburban communities in all quadrants of the Indianapolis area including Plainfield, Avon, Clay Township Regional Waste District, Western Hancock Utilities, and Bargersville. Each of these areas has experienced both the benefits and the challenges of growth.

Hirons & Company, established in 1978 by Tom Hirons, has its corporate headquarters in Indianapolis, with offices in Bloomington and Washington, D.C. During the course of its 34-year history, the company has continued to grow, becoming one of the largest full-service advertising and public relations agencies in central Indiana. Hirons offers integrated services in advertising, public relations, media buying, creative services and interactive services to prominent private, public, and nonprofit organizations.

INVENTORY FINDINGS: LAND USE

Overview

Figure 2 shows the current land use map for McCordsville and a portion of Hancock County- mostly Buck and Vernon Townships. Below are findings in regards to land use.

- Land Use within the Town proper is primarily a mix of residential and planned unit development (PUD) zoning. Residential areas are located around the outer boundaries of the McCordsville boundary, to the west and south. PUD zoning encompasses a large area in the eastern and southern portions of the community.
- Commercial zoning is located along the SR 67 corridor near Mt. Comfort Road.
- McCordsville only controls land use within its boundary. The Town does have the capability to enforce Town development standards along a right-of-way when a development is adjacent to the community.
- Existing County zoning encourages mixed use around McCordsville with industrial and residential to the northeast and commercial, residential, and institutional to the south.
- Figure 3 is a draft of Hancock County's Comprehensive Plan Land Use Map. The County's plan continues to show mixed use along the major corridors of SR 67 and Mt. Comfort Road.

Hancock County currently controls all land use regulations surrounding McCordsville and has the ability to control the type of development in the area. Therefore, if McCordsville's boundaries remained constant, the diversified tax base indicated along the major corridors would benefit the County, Township, and School Corporation, and not the Town of McCordsville.

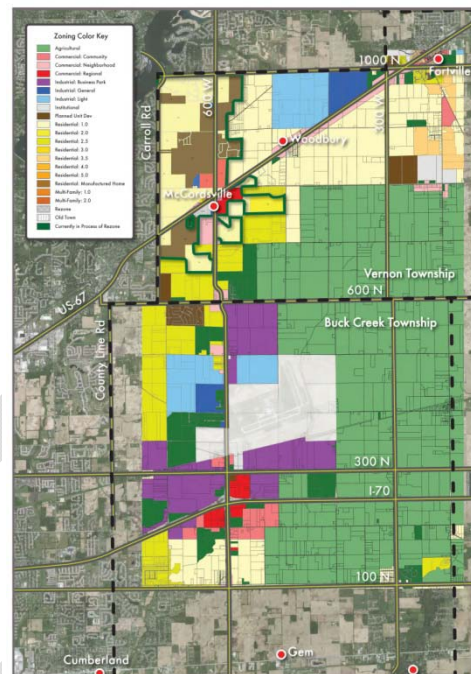


Figure 2 Town and County Land Use Map

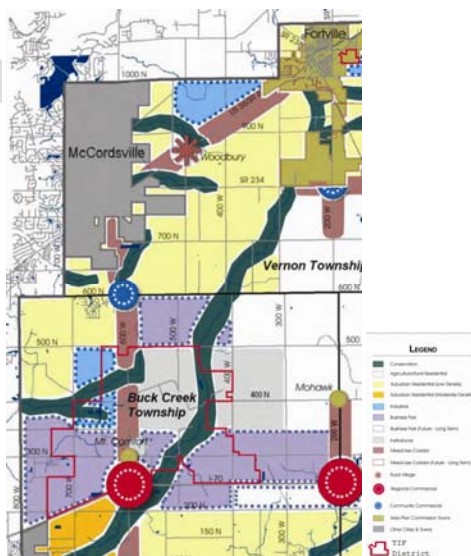


Figure 3 County (Draft) Comprehensive Plan Land Use Map

Roadway Infrastructure

-

[illegible][illegible]

THE TOWN OF
M^CCORDSVILLE
Next Stop  *McCORDSVILLE*

- New roadways north of the CSX railway can provide access to developable land with potential rail spur access for future industrial uses.
- McCordsville should consider working with INDOT and the County to plan for future traffic signal/roundabout locations along key (commercial) corridors.
- McCordsville should consider gateway features at major roadway access points into McCordsville to foster a more defined sense of place.

Transportation Funding

- The Mount Comfort North Allocation Area No. 1 TIF area (Figure 31) will generate revenue to pay for project design for the Mount Comfort Road and CR 300 N expansion project. A multi-lane roundabout is expected to be constructed in the next two years at the CR 600W/ CR 300N intersection. Additional development within this TIF Area would need to occur in order to fund the design and construction of future improvement phases.
- Local government matching funds must pay at least 20% of the construction and inspections costs for this project in order to receive federal aid funding. Federal aid funding via the FHWA Surface Transportation Program (STP) may also depend on acquiring right-of-way using local funds.
- Roadway segment phasing for this project is included in the MPO's Long Range Transportation Plan for planning periods extending to 2035. These segments must be approved for earlier eligibility in order to use federal funds for construction sooner. Paying for roadway right-of-way and increasing the local match for construction above 20% may also improve project eligibility for federal aid funding sooner.

Indianapolis Regional Airport (IRA)

- The airport is well positioned to support economic growth in northeast Hancock County.
- Airport officials maintain an active line of communication with the Hancock Economic Development Commission (HEDC) and Hancock County.
- The airport is capable of significant expansion without purchasing additional property.
- Runway 7-25 will be expanded from 5,500 to 6,001 feet in the next few years. It will be able to accommodate larger turbo-prop planes (corporate CEO's, small sized freight).
- Roadway improvements to Mount Comfort Road and CR 300N will enhance location attractiveness to businesses by providing more efficient access to building sites in the airport area industrial park.
- There may be a possible rails-to-trail opportunity or long rail spur opportunity for the abandoned CSX corridor near the airport. It is not known how many parcels have been abandoned.
- CR 500N (56th Street) can provide direct east-west access from the airport to 56th Street and I-465 in Indianapolis.

CSX Transportation, Inc.

- Rail access is a frequent need for businesses interested in relocating to Hancock County. One-third of the 87 inquiries made by businesses earlier this year have some rail need. HEDC could find many tenants that would use a 100-acre; shovel-ready site with key infrastructure and a rail spur in place.
- The area north of the CSX rail tracks in the McCordsville area is the easiest on which to build a rail spur or spurs due to SR 67/US 36/Broadway roadway being in parallel proximity to the tracks.
 - a. Questions to raise when moving to the next step of attracting rail investment in the area:
 - 1) Will CSX require committed customers (versus speculative site) before allowing development of a rail spur? An existing spur is located near Fortville.
 - 2) Will a rail siding be required by CSX for a given expected delivery schedule?
 - 3) Will trains need to block roadway crossing to access spur? It may be possible to locate spurs strategically to eliminate this risk.
 - 4) Will McCordsville have train whistle blowing due to rail spur development without the establishment of a quiet zone?
- The existing tracks are also a barrier in the community. Several rail crossings (see Figure 4) near McCordsville are not in top condition and could be improved.
- In the future, the Town may be able to help offer CSX secondary track crossing removals in exchange for a new primary rail crossing. Some secondary crossings serve few land owners. Access can be provided to serve these landowners by new roadways instead.

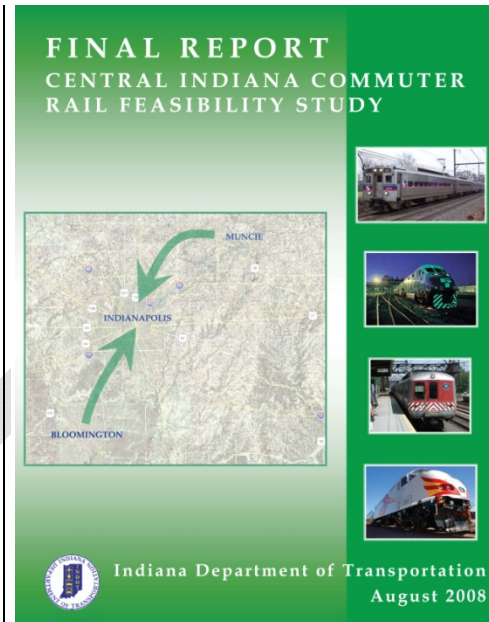


Figure 7 Central Indiana Commuter Rail Feasibility Study

Transit

- Passenger rail feasibility was studied along the CSX corridor as part of the Central Indiana Commuter Rail Feasibility Study (Figure 7). Thirty-three freight trains per day were served by this dual track at speeds of 60 mph in 2008. Passenger rail connecting Indianapolis with Muncie was considered a viable option for this corridor.
- Potential locations for a future passenger rail station can be studied as part of the Town's overall planning efforts to integrate this future transportation hub into the Town's vision for the future.
- A future passenger rail station could also serve as an intermodal hub for a future extension of express bus service along the SR 67 corridor. Current Indy Connect Plan (Figure 8) shows express service terminating at Sunnyside in Lawrence.

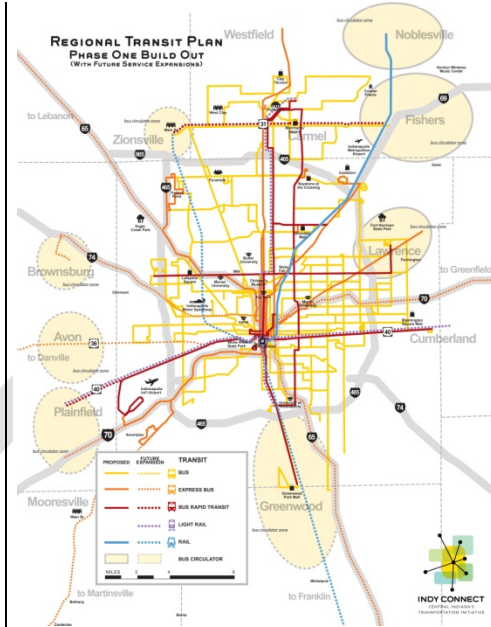


Figure 8 Indy Connect Plan diagram

INVENTORY FINDINGS: INFRASTRUCTURE

There are several utility providers in the study area and the figures below identify territorial boundaries of the different types of utilities as follows:

- Sanitary Sewer Boundaries and Facilities – Figure 10
- Water Boundaries and Facilities – Figure 11
- Natural Gas Boundaries and Major Facilities – Figure 12
- Electrical Boundaries and Major Facilities – Figure 13
- Telecommunications Boundaries – Figure 14

Each type of utility is briefly discussed in the paragraphs that follow.

Sanitary Sewer

There are gaps in wastewater service in the middle of the study area and along the eastern and western boundaries.

The McCordsville area is served by two sanitary sewer systems, Aqua Indiana and the McCordsville Municipal Utility

Aqua Indiana's service area covers Buck Township, south of Town. Its wastewater treatment facility is located to the southeast of the airport property. There are no apparent limitations on wastewater treatment expansion in the future, and existing capacity is available to serve development.

The Aqua Indiana collection system is more extensive than McCordsville's. The utility also has facilities in place where development may be most attractive, along Mt. Comfort Road and north of I-70.

The Municipal Sanitary Sewer District covers the Town proper and east of Town to 400 W. Its wastewater treatment facility also has available capacity, and room for expansion. The collection system is not as extensive as Aqua Indiana's. Therefore, development in the surrounding areas will most

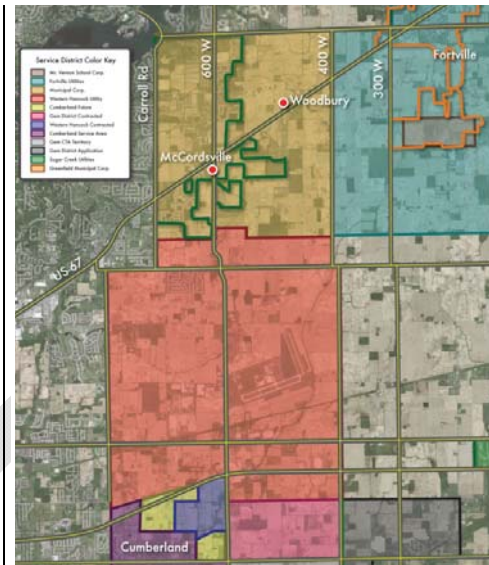


Figure 9 Sanitary District Service Areas

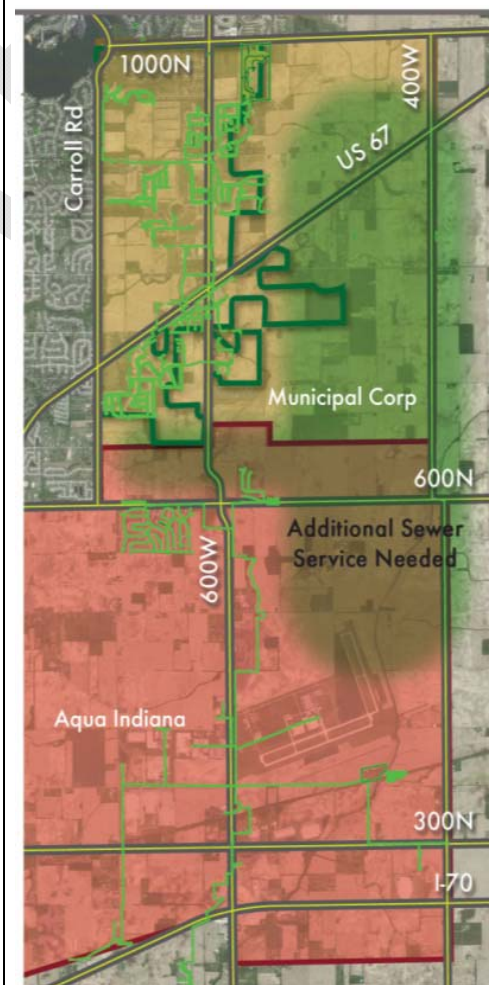


Figure 10 Sanitary Sewer Service Areas and Infrastructure Gap Area

likely require sewer facility extensions to reach the development.

The area immediately east of McCordsville lacks wastewater infrastructure. The Town will need to work with developers in determining the best way to open this critical area for growth.

Water

Citizens Water provides potable water. However, the facilities are concentrated only in areas where current development exists.

Development in areas not adjacent to the existing water distribution system will have to balance land costs, credits for usage, and infrastructure costs to extend facilities and open areas for growth.

Gas

Natural gas service is provided by Vectren Energy and is generally located in the same area as other utilities, in McCordsville, along Mt. Comfort Road, and around I-70. The one exception is along Pendleton Pike east of McCordsville.



Figure 11 Water Infrastructure and Area of additional service

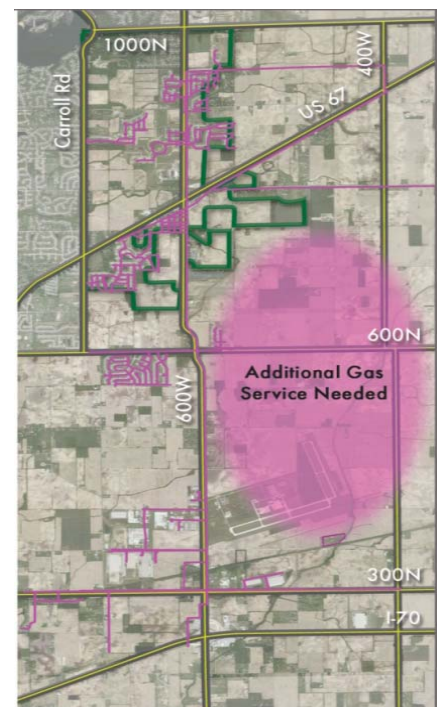


Figure 12 Gas Infrastructure and Area of additional service

Electric

Nine Star Connect, Indianapolis Power & Light, and Duke Energy provide service to this area. Indianapolis Power & Light's limited territory is primarily confined to the older areas of McCordsville.

Nine Star Connect has the majority area with Duke Energy also having a significant presence. Both utilities indicated adequate capacity within Buck and Vernon Township for development to occur. However, it will be critical for high-energy users to evaluate options for locating their businesses within the growth areas.

The Town should have further discussions with Nine Star Connect about the ability of Nine Star Connect to support heavy industry as the Town looks to encourage development, especially rail development.

Telecommunications

Nine Star Connect provides telecommunications service for the entire study area. Nine Star Connect has installed fiber optics and indicates that there are no limitations of significance in the study.

Understanding Utilities as a Package

Utilities are much different than other infrastructure in several ways. As an example, consider highway infrastructure. It is common practice for local, county, and state to have coordinated efforts to receive federal funding for projects. Boundaries are generally understood and a single type of infrastructure will be constructed – a highway. One master plan will have been developed for the highway.

Utilities serving the study area have boundaries which do not coincide with other utilities. Each utility type operates under a different set of laws and regulations. Each utility has its own operating procedures and priorities. Each utility has its own master plan, capital improvement plan, and business priorities. Funding is drawn from different “pots” from many different businesses with different rules for getting paid for the construction costs.

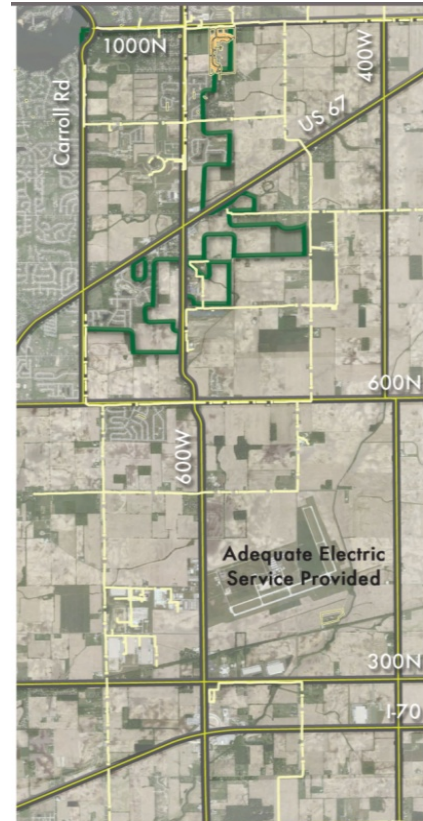


Figure 13 Electric Infrastructure and Area of additional service

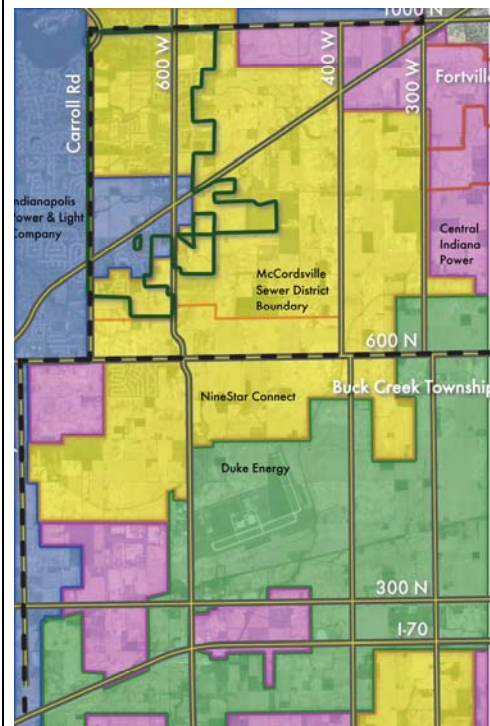


Figure 14 Electric/ Fiber Service Areas

A utility is best understood as a puzzle being assembled. The master plan is the picture on the “puzzle box” which shows how the final utility is likely to look once it is completed. The outside border of the puzzle is like the basic utility. For example, the “border of a wastewater utility would be its wastewater treatment plant and its interceptor system. The interior pieces of the puzzle are represented by the collection sewers serving smaller areas.

In McCordsville’s case, only part of the border (interceptors) exists and a few interior pieces (collection system) have been placed. All other pieces of the puzzle must connect to either the border or one of the interior pieces. The order of completing the rest of the puzzle (sewer system) is highly variable.

All of the utilities in the study area are partially completed puzzles stacked one on top of another, each with its own “picture.” The puzzles are of different sizes and do not match the other types of utilities. The puzzles are assembled at different locations and have different gaps where nothing exists. For development to occur, all of the puzzles must be assembled at the same location. It is no surprise that development is occurring at Mt. Comfort Road and I-70 and adjacent to McCordsville where the puzzle pieces are all in place. Developers are used to the complexity and know how to put pieces in place. However, developers look favorably upon locations where coordination is already occurring.

At the beginning of the Opportunities section of the report, a discussion of how to initiate utility growth and coordination will be presented. The integration of all of the “puzzles” and “puzzle pieces” is not about a specific piece or pieces of infrastructure. Utility growth to support development is about an overarching strategy that can be consistently applied throughout the study area.

TAX IMPACTS OF TOWN GROWTH

Growth opportunities outside Town boundaries:

The growth opportunities for the Town of McCordsville include potential expansion into unincorporated areas beyond the current Town borders. If the Town were to incorporate additional areas, there would be costs and benefits for the Town as well as for the newly incorporated property owners. The overall goal and benefit to the Town would be to grow and balance the Town's tax base.

A preliminary analysis was prepared to estimate the initial impact of potentially incorporating \$100 million dollars of assessed value into the Town of McCordsville, which could be a relatively large portion of Buck Township or Vernon Township. The pie graphs to the right illustrate the immediate effect of adding the Town rate to the other tax rates for currently unincorporated areas Vernon Township (top) and for Buck Creek Township (bottom).

Additional services, costs, and revenue

Generally, additional Town services would be made available to these areas. Additional costs would be incurred by the Town to provide services and infrastructure. In exchange, additional tax revenues would be added to the Town's tax base. The Town must follow a detailed statutory "annexation" process to add new areas to the Town. This would include the preparation of a detailed fiscal plan.

Circuit Breaker Impacts

At this stage of exploring growth opportunity areas, H.J. Umbaugh utilized certain property tax data to provide some preliminary tax impact information. Typically, when taxpayers are incorporated into a town, the taxpayers' taxes are increased due to the new town tax rate being added and the additional services being received. However, since 2009, the State of Indiana imposed tax caps in the form of circuit breaker tax credits. These tax credits limit

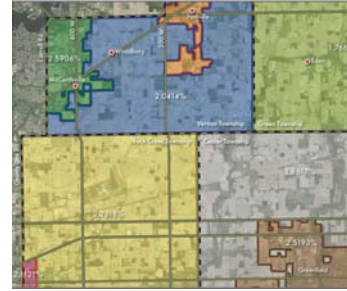


Figure 15 Existing Tax Rates in Surrounding Areas

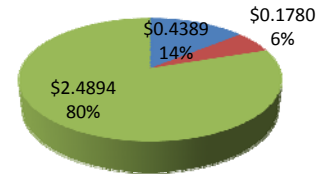


Figure 16 Existing 2012 Tax Rate of \$3.1063 (Vernon Township)

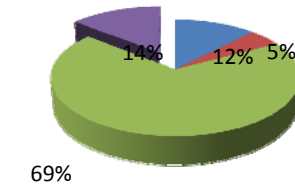


Figure 17 Potential Tax Rate Split, assuming McCordsville incorporation (Vernon Township)

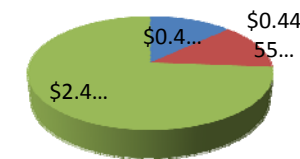


Figure 18 Existing 2012 Tax Rate of \$3.3738 (Buck Creek Township)

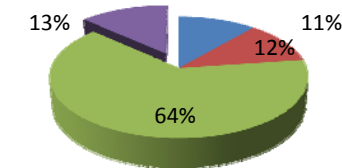
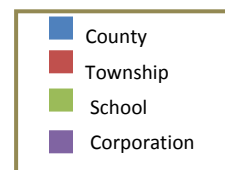


Figure 19 Potential Tax Rate Split, assuming McCordsville incorporation (Buck Creek Township)

**For illustration purposes only. This taxing structure above does not currently exist.*



property taxes paid by taxpayers to a certain percentage of gross assessed value for different classes of property: 1% for residential homestead properties, 2% for agricultural and non-homestead residential (example: apartments and long-term care facilities), and 3% for commercial and industrial properties. Circuit breaker tax caps limit the taxes paid by property owners. This results in a shortfall in tax revenue collected and distributed to local governmental taxing units (schools, towns, counties, etc.) compared to what is budgeted, and can cause a shortfall in funds for education, transportation, capital projects, debt, public safety, and operations.

One of the interesting findings is that almost all taxpayers in all classes of properties in the Town and surrounding Townships are already at the TAX CAPS, with the exception of a few residential taxpayers (due to special deductions) and a few businesses with tax abatements. **Therefore, if the Town were to incorporate areas outside of the corporate boundaries:**

- a. **The property taxes of individual and corporate taxpayers would NOT increase.**
- b. **There would be a SHIFT of tax revenue from other taxing units to the Town.**

The School's general fund (operating fund) is completely funded by the State, and, therefore, would **not** be affected by local property tax increases, reductions or tax shifts. If approved by a voter referendum, a School Corporation may add a property tax rate to raise additional funds which are outside the circuit breaker caps, and, therefore, unaffected by the tax changes of the other taxing units including the Town. Other School Funds (debt, transportation, and capital projects) are funded from local property taxes and impacted by circuit breaker tax caps, and, therefore, would be affected by any shifting of taxes caused by expansion of Town boundaries.

Depending on the size and tax value of the area to be added, there could be a significant or insignificant immediate impact on the overlapping taxing units. It might help to envision a pie, and the image of adding a new piece would reduce the share of the other pieces. Over time, the goal would be to grow and balance the tax base for the Town and the expanded area, in essence, to grow the pie for all.

The pie graphs on page 18 illustrate the immediate effect of adding the Town rate to the other tax rates for currently unincorporated areas Vernon Township (top) and for Buck Creek Township (bottom).

Example of SHIFTING Revenues due to Circuit Breaker

A preliminary analysis was prepared to estimate the initial impact of potentially incorporating \$100 million of assessed value into the Town of McCordsville, which represents a relatively large portion of Buck Township (about ¼ of the total assessed value of the Township).

If McCordsville were to annex \$100,000,000 of net assessed value in Buck Creek Township, and those property taxpayers were currently paying \$2,500,000 in property taxes (could vary due to tax caps; would require a parcel-by-parcel analysis for an accurate amount) the estimated effect on taxing units is as follows:

Table 1 -- Demonstrates shift in tax revenues if \$100 million AV is incorporated (no specific location).

Table 1

	Current	After Incorporation	Change
County	\$ 325,227	\$ 282,425	(\$42,802)
Township	330,117	286,672	(43,445)
School	1,844,656	1,601,890	(242,766)
Town	-----	<u>329,013</u>	<u>329,013</u>
Totals	<u>\$2,500,000</u>	<u>\$2,500,000</u>	<u>\$ 0</u>

An actual tax impact analysis was prepared by Umbaugh based on incorporating 280 acres in Vernon Township (see Appendix of this Report for a “Detailed Example: Northeast Growth District”. The current total net assessed value of this area is approximately \$8,500,000. Because of the relatively low value of this undeveloped land, the impact of incorporating this area into the Town would cause minimal shifting of tax revenue among the taxing units.

Table 2 -- Demonstrates shift in tax revenues if 280 acres of the Northeast District is Incorporated.

Table 2

	Current	After Incorporation	Change
County	\$26,457	\$22,719	(\$3,738)
Township	10,730	9,213	(1,517)
School	150,064	128,854	(21,210)
Town	-	<u>26,465</u>	<u>26,465</u>
Totals	<u>\$187,251</u>	<u>\$187,251</u>	<u>\$0</u>

Need for Economic Development to Grow the Tax Base Pie

Due primarily to a significant increase in the tax rate for Mt. Vernon Community School Corporation from 2011 to 2012, the percentage of levy lost to circuit breaker more than doubled for all the overlapping taxing units in Vernon Township, Buck Township and McCordsville. For example, in Vernon Township, the Circuit Breaker Credit as a percentage of Tax Levy was 13%, and the estimate for 2012 was 12%. The actual 2012 percentage of circuit breaker lost is 31%.

Circuit breaker losses are greater when tax rates are higher, and tax rates are higher when the tax base is relatively low in comparison to the required budget levies. **A primary reason for a smaller tax base is due to lack of diversity**, typically areas with mostly residential and agricultural tax bases, with growing

needs for school facilities and infrastructure. **The way to reduce tax rates and lost revenue due to the circuit breaker tax caps** is to reduce budgets and expenditures (this has practical limitations) or **TO GROW AND BALANCE THE TAX BASE WITH MORE COMMERCIAL AND INDUSTRIAL TAXPAYERS.**

The illustration below shows the estimated assessed value that is added to the tax base from commercial and industrial properties. If the assessed value is added to the tax base of the overlapping taxing units, then, the tax rates could be decreased and the circuit breaker losses lessened, thus restoring lost dollars to the School Corporation and other taxing units.

Table 3 -- Demonstrates potential increase in assessed value after growth occurs

Table 3

ILLUSTRATIVE ASSESSED VALUE FROM NEW DEVELOPMENT

Type of Development	SQ.FT.	Assessed Value
Home Improvement Store	150,000	\$8,000,000
Large Retail (Junior Discount Store)	200,000	15,000,000
Retail Shopping Center	85,000	4,000,000
Light Manufacturing	425,000	18,000,000
Manufacturing Equipment \$250 MM	N/A	75,000,000
Light Industrial	525,000	15,000,000
Total		\$135,000,000

Growth will not likely occur in undeveloped areas if infrastructure is not adequate to attract businesses to locate in an area. Often times, municipalities seeking to attract new businesses and to leverage private investment will contribute incentives by helping to fund infrastructure and/or provide gradual tax phase-in (“Tax Abatement”) for businesses. Property taxes from the new business may be captured for a length of time as “Tax Increment Financing” (TIF) to help finance infrastructure and provide matching funds for grants.

Local property tax incentives, such as TIF and Tax Abatement, will delay the tax base growth. It is important for all the taxing units to recognize that when TIF and Tax Abatement are needed to attract new development, there is no tax revenue loss to the taxing units because, without the incentives or infrastructure, the new development would not likely occur. During the phase-in period or capture of TIF taxes, all the taxing units forego the immediate benefit of the taxes because the taxes are needed to fund the infrastructure or incentives. Eventually, the new investment becomes part of the overall tax base and increases the tax revenue of all the taxing units.

COMMUNITY CONVERSATION

CONVERSATION FORUMS

The team engaged the community in several different ways in order to collect community insights and visions for their future. The team conducted the following community conversations to discuss growth possibilities for McCordsville.

- One-on-one contact with:
 - a. Hancock County Planning and Economic Development Staff
 - b. K-12 school superintendent
 - c. Religious leaders
 - d. Property owners
- Small group meetings with:
 - a. Local Town officials
 - b. Local business leaders and real estate agents

EMERGING TRENDS

The discussions for the growth impacts of McCordsville focused on **protecting the quality of life** for residents and businesses to assure the community remains a great place to live, work, and raise a family. Growth plans should lead to:

- Balanced community economy and tax base
- Protecting local property values
- Protecting the quality of life and way of life
- Preventing traffic congestion
- Assuring public safety



Figure 20 Redevelopment Commission Presentation Photographs

Below are insights from our outreach:

What is unique about McCordsville?

- a. Rural roots with nearby “big city” opportunities
- b. Short distance from downtown Indianapolis
- c. Connected via I-70, Railroad, Ohio Road, and SR 67
- d. Good schools
- e. Ample housing choices
- f. Sense of security

What should be protected?

- a. Community uniqueness
- b. Local businesses
- c. Maintain or increase level of services
- d. Quality of life
- e. Initiatives to move the community forward
- f. High standards of development
- g. Include a mix of quality employers, retailers, services, and neighborhoods.
- h. Maintain good roads, well-kept parks, quality schools, police and fire protection
- i. Ensure our growth is better than those communities around us

Challenges of growth

- a. Diversification
- b. Attracting the “right” kind of business
- c. Building infrastructure ahead of growth
- d. Tax caps
- e. Traffic congestion
- f. Geographic restrictions: county line, railroad, etc.
- g. Changing demographics
- h. Implied land-grab
- i. It’s been said before, “growth is coming”...and it never did
- j. High standards of development
- k. Where is the town center going to be

Overall, the conversations were encouraging. The community, including other governing agencies, is interested in helping McCordsville grow in a strategic manner, recognizing there are benefits and challenges. One of the recurring challenges heard was in regards to the current economy and the lack/loss of development interest in McCordsville. The benefits, on the other hand, focused on the protection of the quality of the community and ability to control growth in a diversified way to create a sustainable financial standing.

DEVELOPER CONVERSATIONS

INTRODUCTION

One key study component has been the involvement of the development community. This project sought an understanding of the current development situation within the study area. Regional and national developers participated in the discussions and offered several insights about the current development climate of the region and provided insights on positioning McCordsville as a top-tier destination for development.

Meetings were held with several developers. The team shared information about utilities, transportation, and zoning in and around McCordsville. The discussion then focused upon the topics important to developers, which generated several significant insights for future development.

WHAT DEVELOPERS EXPECT

Developers are seeking development sites that meet the technical specifications required for their site but just as importantly, they are looking for a community willing to partner with them to make a project happen. This includes but is not limited to finding a site, to participating in infrastructure and transportation improvements, to providing incentives, etc.

Developers begin any project by analyzing known conditions and requirements. It is a strategic advantage for McCordsville to have current information regarding utilities, transportation, and zoning compiled, organized, and available for use during due diligence analysis by developers.

Other comments listed below were most clearly and consistently voiced as early qualifiers and disqualifiers in the development process.

Land Availability

A significant part of development is control of the land. In the best scenario, some entity would actually control the various land parcels, so that the user/developer can easily determine ownership, and then negotiate with each owner separately. The abundance of land surrounding the metropolitan Indianapolis area offers several locations for developers to choose from for their potential clients. Control of the land or large pieces of property are considered significant assets.

If the land development requires assembling multiple parcels with different ownership, larger developments (in terms of acreage) will bypass that situation for ones that make land assembly easier. A complicated assembly can easily be a reason to drop an area from consideration.

Infrastructure

Cost of access to utilities and other development costs are considered in a developer's land purchase analysis. Knowing the cost of utilities in advance helps the developer negotiate an informed land price.

Utility infrastructure, or a clear commitment to help provide infrastructure, will be required by developers for a site to be considered highly viable. Deficiencies in utility service can lead to early exclusion by

developers. When a property lacks immediate access to utilities, the governing agency will often be asked to assist with acquiring utility easements.

Zoning and Development Standards

Developers seek a single, clear “voice” for zoning and land use. McCordsville will be impacted by land-use decisions in currently unincorporated areas.

Clarity in zoning and standards must also be maintained; however, recognizing that each project is different, the Town must be willing to be flexible with some standards in order to realize some developments. Variances should be considered for legitimate reasons. This does not mean that standards are unimportant or non-existent.

Frontage, linear commercial development could be considered an obstacle for future development.

Flexibility

Commercial developers will need help (not necessarily financial) and an understanding approach from the Town. Commercial development is more customer-driven due to the customer’s business needs. Site-specific criteria and limitations will have to be addressed early by the Town. Protracted evaluations are negative to development.

The Town should avoid rigid postures and work to find a win-win development strategy for the Town and developer. Standards can be maintained and still be tailored to development opportunities.

Incentives

- Any incentive must be meaningful to the development and feasible for the Town.
- TIF is seen as a creative vehicle for development. The Town, governmental agencies, and developers benefit when a clear message about TIF is formulated in conjunction with a financial consultant.
- Abatement is a significant and commonly used incentive expected by the development community.
- Any limitations to abatement and TIF will need to be offset in other ways.

Miscellaneous

- “Zip codes” and location matter to developers. It will take time to develop a desirable zip code.
- Access to a labor force will be important to commercial development. The labor force does not need to reside in the community as long as transportation routes allow ready access.
- Amenities will be needed to support the labor force such as food at lunch, hotels, apartments, and housing. A broad range of housing is important including upper-end housing for management and senior staff.
- Proximity to an airport can also be important to some businesses and business owners.

Developer Input – Potential Growth Area

Developers were asked to answer four questions about McCordsville and its growth areas. Each of the questions listed below generated specific answers that offer insights into what should happen to create an active development atmosphere.

What is keeping or could keep your firm from developing in and around McCordsville?

- Infrastructure is missing in critical areas, specifically in the northeast quadrant.
- Banks are not currently lending for residential development.
- McCordsville is not a destination for development. Therefore, it lacks development momentum.
- McCordsville is not currently on the development radar.
- McCordsville must send a message of flexibility.
- McCordsville should avoid policies or attitudes that create early eliminations from consideration.
- The labor market is not as accessible in McCordsville and along the Mt. Comfort Road corridor as it is in other areas within the metropolitan Indianapolis area.
- McCordsville proper is too far from I-70 and I-69.

What will bring development of all types into or around McCordsville?

- A marketing strategy is needed to create a brand, since McCordsville is not yet on the development radar. The components of the strategy and brand would need to include the following:
 - a. A dynamic and informative website to create “sizzle”
 - b. Recommendations from credible site consultants about what makes sense for the area
 - c. Input from developers which already have investments in the area
 - d. Property which can be promoted as available with utility service
- Infrastructure in critical areas is needed, specifically in the northeast quadrant. If McCordsville commits to funding infrastructure, it must be ready to demonstrate that it has the financial capacity to deliver those funds in a timely manner.
- McCordsville has an amazing asset in the existing rail system. Further enhancements and improvements to the rail system will encourage development.
- Fees should be reasonable and be used to support the development itself where possible.
- User needs dictate interest in specific locations. An inventory variety will bring more opportunities.
- Large tracts of land with well researched analysis are attractive.

- One person or organization fully committed to promoting the area creates a positive environment.
- Having one place for information communicates an awareness of and willingness to facilitate development.
- It is helpful when the local governing agency takes the lead to assist the developer through the development process.

What will bring residential development into or around McCordsville?

- Quality schools will be critical and must become competitive with other quality schools.
- A church-friendly atmosphere for families will tend to make families stay in the community for activities.
- Convenient shopping should be present with at least a grocery store, a drug store, and a home improvement store.
- A diverse housing inventory will allow for a broad base of residential investment. This in turn will result in families and employees finding their housing needs in McCordsville.
- Communities grow in two ways, people moving in and children growing up and staying. McCordsville should promote both strategies.
- Having a community “center”, such as a park or retail area where people can gather, will help create a sense of community.

What outcome from the study would benefit developers in addition to what has been shared?

- Development will follow where people want to go. McCordsville’s best approach is to have its information fully developed regarding issues of zoning, infrastructure, attitude, etc.
- In addition to infrastructure, utilities, and zoning, knowing about alternative sites that are not locked up would assist developers in making the McCordsville area a more attractive candidate for development.

Themes and Conclusions from Developer Interviews

The interviews provided a wealth of information about what works and what does not work for the development community. However, a few consistent themes appeared throughout the interviews about factors within the control of the Town that impact development. These themes are summarized below and could guide the Town as it moves forward in growth planning:

- McCordsville needs to create a brand and have a proactive outreach which includes:
 - a. A dynamic and informative website directed toward the development community
 - b. A commitment to engage utilities and other governmental agencies
 - c. An ability to retain a firm commitment from utilities and transportation groups for development growth

- Clarity is central to the development process. Uncertainty and ambiguity are negatives in the development process.
- A single source of well-compiled information is fundamental to attracting the interest of developers.
- Flexibility should and can be given while retaining standards. Commercial and industrial developments are more customized to business needs than other types of development.
- The community must be welcoming to developers with a willingness to listen, be flexible, and find a win-win solution for both parties. It is important that the Town does not disqualify itself early in the process.
- Incentives for developers are expected in today's market.

OPPORTUNITY SCENARIOS

Based on the aforementioned analysis and findings, three areas were determined as opportunity areas for growth for the Town of McCordsville. Each area has its own unique opportunities and challenges and each should be evaluated independently.

Key potential for each:

- Northeast District:
 - Industrial Development
 - Rail Access
 - Within current Town sanitary service area
- East District:
 - Commercial and Residential Area
 - Mt. Comfort Road enhancements and realignment are critical to this development
- South District:
 - Airport Area Business Park expansion
 - I-70 Access
 - High growth potential

One component that differs slightly from the rest is utility infrastructure, as explained earlier in the report. A strategic approach for the utility infrastructure will be discussed prior to looking at each of the three areas.

UTILITY APPROACH AND STRATEGY

A discussion of developing utility infrastructure within the study area was presented earlier in the report. The text explained utility infrastructure as the assembly of several puzzles of different sizes and shapes being put together in a common location. Areas with the pieces in place are seeing the most growth, along I-70 at Mt. Comfort Road and around McCordsville.

The challenge for McCordsville is how to get the utility companies to cooperatively assemble their “puzzles” in a coordinated way that attracts development to the study area. The steps that are described below will facilitate that process.

First, McCordsville must recognize that developing a common approach will take an investment of its time in the following



THE TOWN OF
McCORDSVILLE
Next Stop McCordsville

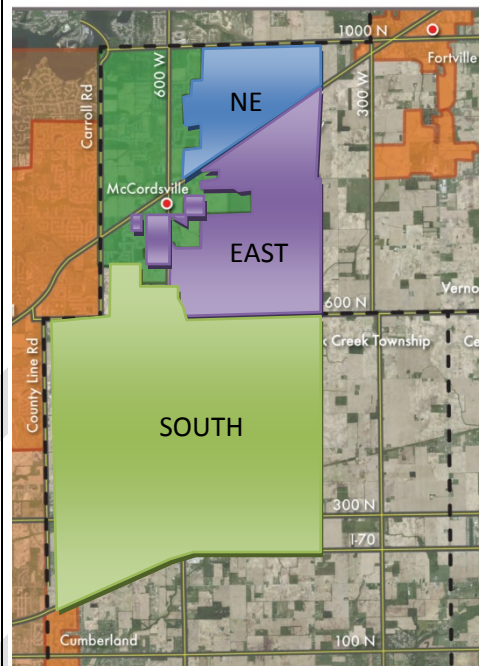


Figure 21 Potential Growth Opportunity Areas



Figure 22 Northeast District Existing Land Use

efforts:

- The Town should meet with each utility and ask the utility to share its master plan and business objectives in an atmosphere of confidentiality.
- The Town should know who is responsible for business development for each utility and establish an active relationship with that individual or individuals.
- The Town should ask the utility to “educate” it on how a development project receives utility service. What does the process look like? Who pays for the service? Does the developer receive any rebates from future customers connecting to the system it paid for? Are there any credits for usage charges that will be paid once the development begins using service?
- The Town should offer to educate the utility on the town’s planning documents and procedures; to the extent the utility believes it is meaningful.

Second, the Town should ask for support in developing the “brand” materials and supporting marketing materials. Utilities may be willing to support marketing financially at some level, to provide aerial photographs of properties, which offer development potential, or to share critical cost information that would help identify properties for development.

Third, the Town should not rely on the utilities to drive marketing for development. Their service areas often extend beyond the limits of the study. The utilities may have opportunities elsewhere. However, the utilities will respond positively to communities that take initiative to grow because growth is important to every utility’s business model.

OPPORTUNITY AREA DISCUSSION

The following sub-sections outline the general descriptions of each area and potential development scenarios.

NORTHEAST DISTRICT

Northeast District – Land Use

The Northeast District potential growth area is bounded by CR 400 W, SR 67, existing McCordsville boundary, and CR 1000 N. This area is currently zoned light industrial and residential on the Hancock County Land Use Map. (Figure 2 and 3) The eastern boundary of CR 400 W is also McCordsville Municipal Sewer District boundary.

There are 112 parcels in this area and if developed, would readily accommodate a 280 acre light industrial development area. Examples of industries that could be served by rail access are advanced logistics, food processing, and light manufacturing.

Northeast District -- Transportation

Rail Connection: Businesses seeking rail access may be accommodated in this area by the active CSX Transportation dual track rail. Under certain conditions, businesses may seek to develop their own private

rail spur access along property with CSX right-of-way frontage. Other businesses may not be able to afford to develop rail access on their own due to the high investment cost, but may be eager to locate in an industrial park setting with primary rail spur access provided.

Road infrastructure/ connections: Although this area is located near primary roadways, investments will need to be made to connect to these roadways. SR 67 (Broadway) is located on the southwest side of the tracks, but is only currently accessible by way of CR 500W or Mount Comfort Road (CR 600W). Roadway infrastructure will need to be improved or newly constructed to provide access from developable land to these primary corridors. Any new intersections with the northern section of Mount Comfort Road (Section E) will need to be carefully designed to accommodate trucks and to avoid adding excessive delay to the north-south traffic movements. Roundabouts, designed to accommodate trucks, can be considered at these intersections.

In addition, rail crossings may need to be upgraded to serve additional truck traffic, and a new crossing may be feasible if existing (secondary) crossings are closed. In order to close existing secondary crossings, additional roadway infrastructure will need to be constructed.

Table 4 -- Details potential transportation costs in Northeast District

Table 4

A R E A	Cost Type	Total Cost	HCRDC (via existing TIF)	Potential Grant Funding Source	Potential Funding	Local Match (20% + RW)	Comments
N O R T H E A S T	Local Road - 3 Phases	\$8.0 M	0	IEDA, FHWA	TBD	\$8.0 M	See Figure 36
	Rail crossing changes	\$1.1 M	0	FTA	TBD	\$1.1 M	See Figure 36
	Rail spur + siding (if necessary	\$1.8 M	0	IEDA, FTA	TBD	\$1.8 M	See Figure 36
	Mt. Comfort Road – Segment E	\$8.1 M	\$0.4 M	FHWA, STP	\$5.4M	\$2.3 M	See Figure 6

Notes:

1. Reimbursement from CSX for mainline turnout switch is possible if volume of rail deliveries is large enough
2. Hancock County RDC TIF funding used to pay for Preliminary Engineering for Mount Comfort Road and roadway expansions

3. Roadway improvements eligible for STP federal aid funding will require a minimum 20% local match. Paying for right-of-way land costs increases chances of funding
4. Potential FHWA STP funding reimbursement is calculated as 20% of construction plus construction engineering costs
5. Bridge overpass is a key element for future mobility along Mount Comfort Road (CR 600W) corridor
6. Additional local road improvements may supplement the key transportation infrastructure improvements included in this table

Northeast District – Infrastructure

Sanitary sewer and water infrastructure would need to be expanded to accommodate development in this area. While the systems have capacity to serve this area, the infrastructure does not exist to support development needs. One of the critical strategies will be to allow temporary connections to the wastewater system while also constructing sanitary sewers consistent with the master plan. Typically, development is required to build master plan infrastructure on its property, where the development also benefits. Offsite portions may permit the use of interim lift stations and force mains. The lift station equipment is relocated and reused as permanent facilities replace the interim facilities.

Natural gas may or may not be a critical utility for all industries, but industries that need both natural gas and rail service could look favorably upon this area for development.

Northeast District – Proposed Action Plan

- Incorporate the proposed Northeast District into McCordsville to increase industrial development growth opportunities and balance the tax base. Consider adding a website tool that educates about the incorporation process and no property tax impact due to circuit breaker.
- Identify and implement a sanitary infrastructure project from McCordsville's established sanitary master plan to demonstrate the Town's commitment to future development.
- Actively seek meetings with developers to identify potential projects.
- Commit to working with the developers and other utilities in coordination of utility service for development projects including use of Town right-of-way for the utilities or construction of utilities.
- In order to entice developers, commit to using TIF funding and/or tax abatement once development projects have been identified.
- Meet with CSX and local economic development leaders to discuss the need for rail spur development and improved rail crossings.
- Seek grants to help with rail and infrastructure cost. Some available grants may be federal and state transportation funds, rural development, EDA grants, FTA (to improve safety hazards) etc. Refer to the funding section for more examples.
- Determine availability of land and willingness of property owners served by private rail crossings to be served by roadway access instead.

construction is increased to be more than 20% of the total construction and construction inspection costs.

Table 5 -- Details potential transportation costs in East District

Table 5

A R E A	Cost Type	Total Cost	HCRDC (via existing TIF)	Potential Grant Funding Source	Potential Funding	Local Match (20% + RW)	Comments
E A S T	Mt. Comfort Road - Segments C, D	\$25.4 M	\$2.4 M	FHWA STP	\$17.5 M	\$5.5 M	Bridge overpass included (Figure 25)

Notes:

1. Hancock County RDC funding used to pay for Preliminary Engineering for Mount Comfort Road and CR 300 N roadway expansions
2. Roadway improvements eligible for STP federal aid funding will require a minimum 20% local match. Paying for right-of-way land costs increases chances of funding
3. Potential FHWA STP funding reimbursement is calculated as 20% of construction plus construction engineering costs
4. Segments C and D (realignment) will create new commercial development opportunities, especially at new intersections
5. Bridge overpass is a key element for future mobility along Mount Comfort Road (CR 600W) corridor
6. Additional local road improvements may supplement the key transportation infrastructure improvements included in this table

Access management standards: Efficient access will be achieved and through-traffic mobility will be maintained if access management standards are developed for the entire roadway corridor. These standards can be developed as part of a corridor overlay district or separately.

East District – Infrastructure

This area is very much a blank canvas with regard to how utilities will grow in response to development opportunities. With the amount of land available where utilities do exist in the immediate area, the best approach will be the one described earlier in this section. The Town should know the process each utility uses to extend its facilities, the business model of each utility, and the utility contact person responsible for business development.

Sanitary sewer, water, and gas infrastructure would need to be expanded to accommodate development in this area. While the systems have capacity to serve this area, the infrastructure does not exist to connect developments to water and sanitary sewer service.

East District – Funding

Served by Existing TIF Area: The East District is located outside of, but potentially served by, the Mount Comfort North Allocation Area No. 1 (Mt. Comfort Road TIF Area). The current Mt. Comfort Road TIF is used to repay bonds issued in 2009 to fund design and engineering costs for the Mt. Comfort Road Corridor and also to help fund the CR 300 roundabout. As additional industrial development occurs and additional TIF is generated in the Mt. Comfort Road TIF Area, additional improvements are anticipated to be funded along the Mt. Comfort Road Corridor. The County hopes to utilize this TIF to leverage federal and state grant funding. The County has prioritized these funds for the southern end of Mt. Comfort Road Corridor (from I-70, moving north). The Town should discuss the possibility of changing priorities toward the north end of the County and the McCordsville-Mt. Comfort Road realignment project.

Potential New TIF Area: The Town Redevelopment Commission might also consider establishing a new TIF Area in a newly incorporated East District. The TIF Area would not include residential growth, but might be used to encourage commercial development, such as retail shopping centers.

A TIF does not currently exist in this area. RDC would need to create this district if the Town chose to encourage development with this incentive. Given the potential use of



Figure 26 Future Roadway Improvements from Town of McCordsville's Comprehensive Plan)

residential and neighborhood commercial, a TIF district would require additional study to determine its value in development.

East District – Proposed Action Plan

- Develop a plan and strategy to align goals and collaborate with county officials, county highway engineers, and economic development organizations.
 - a. Activate local and county funding match opportunities for the Mt. Comfort Road realignment in order to best position this project for future federal funding.
 - b. Reevaluate established priorities, especially the northernmost area of Mt. Comfort Road where a lack of roadway investment in this area will lead to limited access from Hamilton County and the I-69 corridor.
- Initiate conversation with county officials about development of an overlay zoning district and access management standards for the Mount Comfort Road corridor.
- With incorporation of this area, analyze area for tax increment financing opportunities to determine the feasibility of infrastructure investment to offset development costs and balance the tax base.
- Lead meetings with utility providers to strategize plans for future development.

SOUTH DISTRICT

South District – Land Use

The potential South District growth area is bordered by CR 400 W, I-70, County Line Road, and the McCordsville Town boundary/ CR 600 N. This area is currently a variety of mixed uses per the Hancock County Land Use Map.

The largest portion of the South District is currently zoned to accommodate the airport and industrial development. An overlay district may also be warranted for land adjacent to Mt. Comfort Road to encourage mixed-used development that meets the Town's standards. Mt. Comfort Road, from the south, serves as a primary gateway into McCordsville. Having the authority to oversee land use and development standards would benefit the McCordsville community.

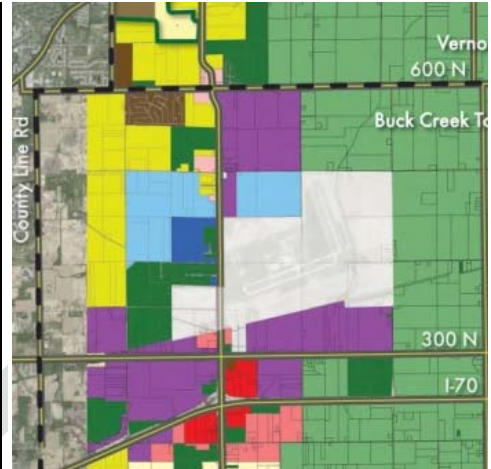


Figure 27 South District Land Use Map

The Indianapolis Regional Airport is considered an asset to this District and the region. It helps to facilitate corporate business travel and location. The airport property is tax-exempt.

Just south of CR 600 N, there is an opportunity to increase the density of residential rooftops. This area may serve as a land use buffer between the industrial uses and lower-density residential development along the southern perimeter of McCordsville.

This is a key area for regional development, business parks, and large, single industrial developments.

SOUTH DISTRICT - GROWTH OPPORTUNITY AREA

South District – Transportation

Mt. Comfort Road improvements: The expansion of Mount Comfort Road and CR 300N from two to four lanes will help to facilitate growth in this Opportunity Area. While traffic congestion is not yet significant, as businesses locate along these corridors, additional turning traffic will cause traffic to slow unless auxiliary lanes or a second through lane is constructed. Businesses have told the HEDC Director that they are encouraged by the plan for roadway expansion in the future, although this does not yet appear to be an impediment to development. The local match for the Mount Comfort Road and CR 300N expansion project in this District is estimated at \$15.5 million.

I-70 connection and development: The close proximity of the recently improved I-70 interchange is a major reason why businesses chose to locate in the airport area industrial park. The 600W/CR 300N intersection has been planned and will be upgraded to a new multi-lane roundabout in the next couple of years. Funding has been fully committed for this project.

The Mount Comfort Road TIF Bond proceeds will be used to fund engineering design phases of the Mount Comfort Road (Segments A and B) and CR 300 Improvements (Segments F, G, and H), which are currently the top priority road segments overall, per the Hancock County Engineer. Although the CR 300N improvements will not improve north-south mobility along Mount Comfort Road, these improvements may help to attract additional new development which may generate additional TIF funds needed to pay for future phases of the Mount Comfort road project.

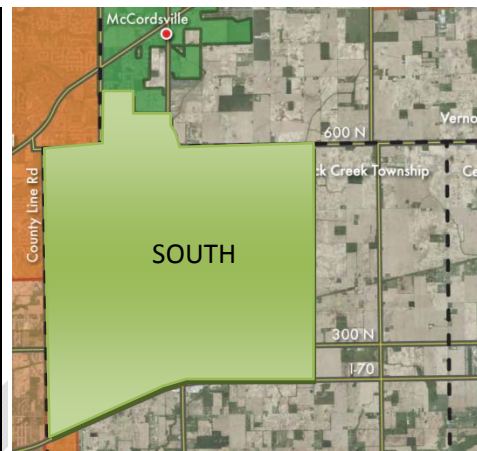


Figure 28 Potential South District Growth Area

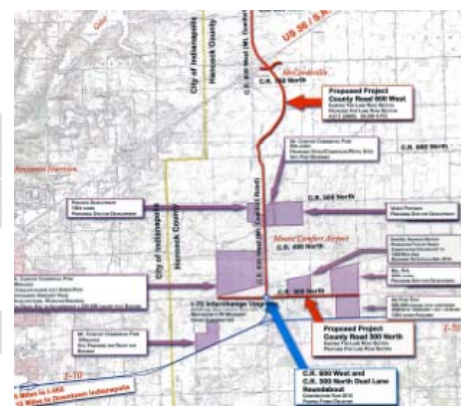


Figure 29 Economic Overview Map

Increased traffic: Traffic will continue to grow along the Mount Comfort Road corridor as development increases between I-70 and I-69. Implementing access management standards will help to mitigate congestion in the near term and in the future. Over time, the Mount Comfort Road improvements planned by the County will be needed to accommodate the future traffic volumes, which are expected to double and eventually triple in the next 10- 20 years. A plan for the location of future traffic signals or roundabouts should be developed in order to avoid closely spaced major intersections with traffic signals in the future.

Table 6 -- Details potential transportation costs in South District

Table 6

A R E A	Cost Type	Total Cost	HCRDC (via existing TIF)	Potential Grant Funding Source	Potential Funding	Local Match (20% + RW)	Comments
S O U T H	Mt. Comfort Road - Segments A, B	\$19.4 M	\$0.8 M	FHWA STP	\$12.6 M	\$6.0 M	Eventually needed for future traffic mobility Needed for economic development
	CR 300 N - Segments F, G, H	\$28.2M	\$1.4M	FHWA STP	\$17.3 M	\$9.5 M	

Notes:

1. Hancock County RDC funding used to pay for Preliminary Engineering for Mount Comfort Road and CR 300 N roadway expansions
2. Roadway improvements eligible for STP federal aid funding will require a minimum 20% local match. Paying for right-of-way land costs increases chances of funding
3. Potential FHWA STP funding reimbursement is calculated as 20% of construction plus construction engineering costs
4. Assume CR 600W/ CR 300N intersection improvements (roundabout) will be fully funded and constructed in the next three years
5. Additional local road improvements may supplement the key transportation infrastructure improvements included in this table

South District – Infrastructure

This district is located completely outside of the existing sanitary sewer service area and is served by Aqua Indiana. This area is adequately served by all utilities.

Since the Town has no direct influence or responsibilities to provide any utility service, the primary focus is very similar to the East District. With the amount of land available where utilities do exist, the best approach will be the one described earlier in this section. The Town should know the process each utility uses to extend its facilities, the business model of each utility, and the utility contact person responsible for business development.

South District – Funding

Mt. Comfort North Allocation Area No. 1 TIF area exists in this district and was established by the Hancock County Redevelopment Commission. It is actively marketed by the Hancock County Economic Development Corporation to encourage development in this area.

The County may not initially embrace Town incorporation of this area since the Town is not currently serving this District and the County maintains influence over the infrastructure and services around the Mt. Comfort Road Corridor and I-70 Interchange. The County may perceive that there would be competition for industrial developments and revenue in this area due to the existing County TIF Area (Mt. Comfort North Allocation Area No.1).

In reality, both the Town and the County would benefit financially from the Town incorporating the Area because additional TIF could be generated from the Town tax rate. Prior to circuit breaker, the impact of adding the Town rate would have been even greater. Yet, even with circuit breaker limits, when combined with TIF and tax abatement, our analysis shows that the TIF would be increased if the Town were to incorporate the South District. In our illustration of a \$50 million new investment with 10-year tax abatement, the estimated TIF would be \$650,000 greater with the Town rate (incorporated) than without the Town rate (unincorporated).

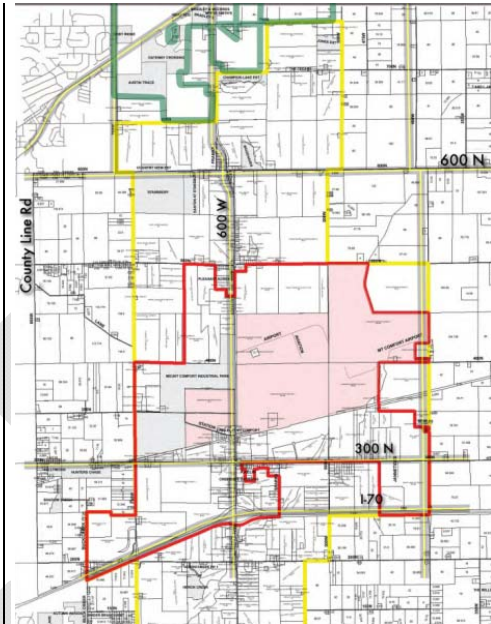


Figure 30 Established Economic Development Areas



Figure 31 Light Industry & Shopping Examples

Table 7-- Demonstrates increase in TIF revenues if Town Rate is added to existing South TIF area through Incorporation.

Table 7

Tax Year	Estimated TIF		Variance
	Incorporated with Town Rate	Unincorporated No Town Rate	
1	\$0	\$0	\$0
2	82,560	71,690	10,870
3	330,230	286,770	43,460
4	577,910	501,850	76,060
5	825,580	716,930	108,650
6	990,700	860,320	130,380
7	1,155,820	1,003,710	152,110
8	1,275,000	1,147,090	127,910
9	1,275,000	1,275,000	0
10	1,275,000	1,275,000	0
Totals	<u>\$7,787,800</u>	<u>\$7,138,360</u>	<u>\$649,440</u>

South District – Proposed Action Plan

- Prepare a strategy for incorporating the proposed South District into McCordsville in order to benefit both the Town and the County. As part of the strategy: develop reasons why this could be beneficial, such as the benefits of having a “community identity” and quality of life; more progressive Town attitude toward economic development and incentives; more aggressive Town marketing and funding efforts in combination and coordination with HCEDC, County RDC and County officials, etc. Financial advantages could include: additional TIF generated by adding the Town tax rate (as illustrated in the above table), Town planning staff and additional Town grant applications and funding pursuits, etc.
- Consolidate and coordinate efforts with County officials to expand new developments along the Mt. Comfort corridor.
- As part of the development of access-management standards for the Mount Comfort Road corridor, plan for future traffic signals or roundabouts.
- If the Town decides to incorporate this area, consider creating a zoning overlay district to foster growth in the southern opportunity area. If not, the Town should work closely with the County to encourage development and standards that maintain and promote a healthy community.
- Lead meetings with utility providers to strategize plans for future development.

FUNDING ANALYSIS

Umbaugh has reviewed and assessed the current financial information of the Town to develop an understanding of the Town's current operating costs, services, and projects, available funds, special funds such as tax increment, local option income taxes and utility revenues with the goal of identifying available funds and potential revenue for the Opportunity Areas. Although it is evident that the Town operates very efficiently and effectively, the Town maintains minimal fund balances and does not have significant accumulated funds to contribute to the investment of constructing new infrastructure improvements or other incentives needed to attract new development.

Several sources that may be utilized to fund investments and economic development strategies include:

- **Tax Increment (TIF)** from Future Development in the Growth Areas
- **Existing TIF from the Mt. Comfort North Allocation Area No.1** – currently directed toward road design and right -of-way, Mt. Comfort Rd Corridor from I-70 and CR 300 and gradually fund construction of road widening and improvements from south to north.
- **Sanitary Sewer Fund:** \$350,000
- Potential **grant funds** for railroad improvements: Economic Development Administration (EDA) grants 80/20

Potential **grant and loan funds** for roads, drainage, sewer and water, etc from INDOT, Federal Highway money (FHWA Surface Transportation Funding (STP) Program), FTA funding if safety problems exist at track crossings

- | | |
|---|---|
| • Road Impact Fees | • SRF Program for sewer and water |
| • Foundation grant funds | • Negotiations with Water Company |
| • Developer-paid Sewer Impact fees and Connection Fees | • Business Assistance- SBA, RD, IEDC: loans, loan guaranty, venture capital |
| • Foreign Trade Zone | • State and Federal Tax Credits for businesses and/or property |
| • Developer guarantees or taxpayer agreements | • If eligible: EDGE, HBITC, NMTC |

Additional study is recommended to project specific economic growth potential, tax increment financing (TIF), and other local finance options. The following data is required for continued analysis: developable acreage for new business investment, current land use and zoning information to help identify potential types of new development (light industrial, retail, service, etc.), potential expansions of existing businesses, potential job creation and estimated wages, and spin-off development. This study would provide additional Town growth potential and specify the broader types of development that might occur in each area. With the help of a Real Estate Development Adviser, a more detailed layout of potential industrial areas and industrial parks could be developed to provide a foundation for future financial feasibility studies.

Wastewater Financial Information

Currently, the Town's financial capacity for wastewater system maintenance and improvements is sound. The following represents the funding structure and capacity for the wastewater infrastructure.

- A monthly flat rate of \$48 per equivalent dwelling unit (EDU) is charged.
- A connection fee of \$1,000 per EDU is charged.
 - a. If a developer installs the wastewater system, a \$1,500 developer rebate fee is deducted.
- As of 8/31/12, the Town had approximately \$158,000 in their sewer operating fund, which is approximately two months worth of operating expenses (this is an appropriate level).
- As of 8/31/12, approximately \$377,000 was in their Sewer Construction (SIB) Fund. SIB stands for sewer improvement and betterment. Approximately \$115,000 of this fund has been identified for two upcoming projects.
- With the exception of Sewer Developer Cash, which is just a pass-through account, the Town has no other sewer funds.
- The Sewage Works has no debt outstanding.

APPENDIX A

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APPENDIX B

DETAILED EXAMPLE -- NORTHEAST DISTRICT

Northeast District

This scenario is intended to examine how the tax base would be influenced by incorporation of the Northeast District into the Town of McCordsville. This represents an exercise and does not signify an actual deal in place. The Northeast District potential growth area is CR 400 W, SR 67, existing McCordsville boundary, and CR 1000 N. This area is currently zoned light industrial and residential on Hancock County Land Use Map and contains approximately 112 parcels. The eastern boundary of CR 400 W is also McCordsville Municipal Sewer District boundary. This area currently lies within Vernon Township.

Tax Impacts of Incorporation of Currently Undeveloped Property in the Northeast District:

- The total net assessed value of the 280 acres is \$8,500,000 and those property taxpayers are currently paying approximately \$187,251.22 in property taxes to the County, the School, the Library and Vernon Township.
- Because all taxpayers are currently hitting the circuit breaker tax caps, incorporation of the Northeast District would not increase the taxes of annexed taxpayers.
- Since all taxpayers are at circuit breaker tax caps, the incorporation of the Northeast District into McCordsville would cause a shifting of taxes among the taxing units. The estimated effect on the taxing units is as follows:

Table 8-- Demonstrates shift in tax revenues if Northeast District is Incorporated.

Table 8

	Current	After Incorporation	Change
County	\$26,457	\$22,719	(\$3,738)
Township	10,730	9,213	(1,517)
School	150,064	128,854	(21,210)
Town	-	26,465	26,465
Totals	<u>\$187,251</u>	<u>\$187,251</u>	<u>\$0</u>

- The incorporation of the Northeast District would result in a 4% increase of the Town's total Net Assessed Value (NAV). With incorporation, municipalities get an automatic increase in property tax levy equal to the percentage increase in NAV up to 15%. Therefore, McCordsville would receive an automatic increase in levy of approximately \$43,800 (or 4.155%). With property tax caps, it is expected that the Town would only realize additional property tax revenue of \$26,465 (assuming no new development).

Tax Impacts of Incorporation of Northeast District and Balanced New Economic Development:

As just mentioned, the total net assessed value of the properties in this area is currently \$8.5 million, which generates approximately \$187,000 of total taxes for the Schools, County Library, and Township. Without investment in infrastructure improvements, this area is likely to remain undeveloped, or eventually be developed as single family home sites.

Alternatively, if infrastructure improvements were funded and constructed, this area could attract a variety of light industrial businesses. A 280-acre Industrial Park could accommodate numerous buildings totaling approximately 2.3 million square feet and bringing over \$100 to \$200 million of new private investment in buildings and equipment.

If a new TIF Area were established in combination with the Town incorporating this area, this new investment could generate tax increment (TIF) revenues to help fund the infrastructure improvements, possibly leveraging federal and state grant monies for roads and rail.

If the businesses' personal property were not captured as TIF, it would immediately help to grow the tax base of the Town, the Schools, the County, and the Township. However, a portion of the personal property (equipment) value from particular designated manufacturing businesses could be captured along with the real property value from the new buildings as TIF. Because it is likely that the businesses would seek tax abatement incentives, the TIF growth may take many years. Issuance of TIF Bonds would not be possible until significant development occurred and/or the Town (or private company) was willing to utilize additional revenues or to credit enhance the TIF bonds. Available TIF Bond proceeds could reach \$8 to \$10 million from this area.

During the phase-in period or capture of TIF taxes, all the taxing units would forego the immediate benefit of the taxes because the taxes would be needed to fund the infrastructure or incentives. Eventually, the new investment would become part of the overall tax base and increases the tax revenue of all the taxing units.

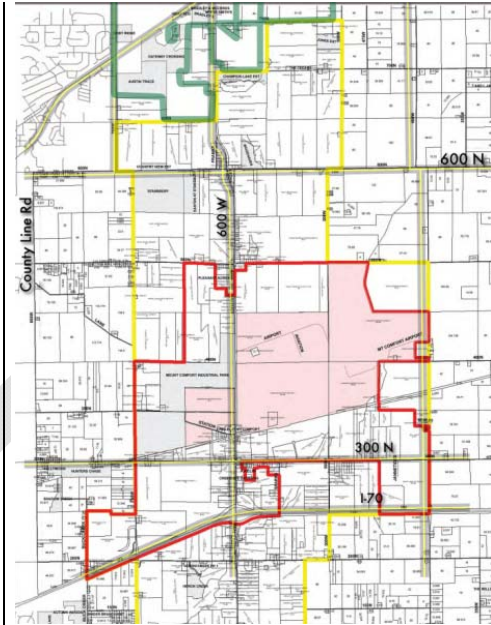


Figure 32 Established Economic Development Areas



Figure 33 Light Industry & Shopping Examples

Northeast District Opportunities and Challenges

Northeast District Industrial Park - Infrastructure Needs and Estimated Costs

- **Infrastructure:** Sanitary sewer and water infrastructure would need to be expanded to accommodate development in this area. While the systems have capacity to serve this area, the infrastructure does not exist to meet development needs. There may be County support to incorporate this area due to the existing sanitary sewer district boundary/ service area.
- **Rail Connection:** Businesses seeking rail access may be accommodated in this area by the active CSX Transportation dual track rail. Under certain conditions, businesses may seek to develop their own private rail spur access along property with CSX right-of-way frontage. Other businesses may not be able to afford to develop rail access on their own due to the high investment cost, but may be eager to locate in an industrial park setting with primary rail spur access provided.
- **Rail spur:** Opportunities exist for the development of a rail spur to serve land on the northeast side of the tracks. Planning level costs for the development a new mainline turnout switch, rail siding (if necessary), and 3,500 feet of potential rail spur were developed (see table). These costs were prioritized and grouped into three potential phases. In addition, costs were developed to improve an existing rail crossing, add a new crossing, and close an existing crossing. In order to close any existing crossings, CR 900 N will need to be extended from CR 500W to the east and a new crossing developed to replace a nearby private crossing.
- **Road infrastructure/connections:** New roadway construction will be needed to provide access to developable land served by rail. Also, CR 900N will need to be eventually upgraded to serve this area and provide access to Mount Comfort Road and CR 500W. Although this area is located near primary roadways, investments will need to be made to connect to these roadways. SR 67 (Broadway) is located on the southwest side of the tracks, but is only currently accessible by way of CR 500W or Mount Comfort Road (CR 600W). Roadway infrastructure will need to be improved or newly constructed to provide access from developable land to these primary corridors. In addition, rail crossings may need to be upgraded to serve additional truck traffic, and a new crossing may be feasible if existing (secondary) crossings are closed. In order to close existing secondary crossings, additional roadway infrastructure will need to be constructed.

- **Mount Comfort Road expansion:** Segment E (Figure 6) per the County’s graphic will most directly affect the Northeast District. Although these improvements are not a necessity in the short term, over time these improvements will be needed to avoid congestion on this key north-south thoroughfare. Truck traffic generated by the industrial development will also decrease mobility along this corridor unless this road is improved. The local government agency’s cost to purchase the needed road right-of-way and pay for 20% of the construction and construction inspection has been included in the analysis.

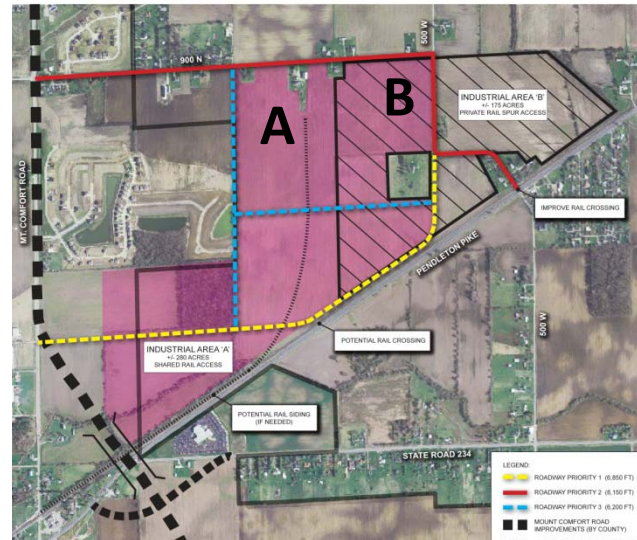


Figure 34 NE District Potential Transportation Improvements

Northeast District Development Scenarios

First Step to Development:

The investment in transportation infrastructure may be key to new development in this District. Based on our analysis, the infrastructure investment in most of this area (see Figure 36, Area A) could reach over \$14 million, a responsibility of either the governing agency, developer, or both. Recognizing that potential TIF generated in this area prior to development will not generate enough funding to initiate this full scale development project, a potential first step for development in this area would be to focus on a smaller area (see Figure 36, Area B) with access focused on CR 500 W and the facilitation of private rail spur development in this area. Below is an analysis of both areas as options for initial development steps in the Northeast District.

By starting with Development B first, an initial smaller investment is realized, kick starting development project as well as adding building structures to the TIF area, therefore, creating more TIF funding to continue to investment in the Northeast District infrastructure. Focusing on Area B first will complement the future development of Area A, and if planned well, may facilitate the development of both an “upstream” private rail spur and a “downstream” community rail spur with can serve numerous private development sites.

Development Area A – Full Build-out Scenario (see red shaded area in Figure 36)

Item	Budget	Investment Description
Local Road Infrastructure	\$ 8,000,000	Includes 13,050 feet of new roadway and right-of-way and 8,150 feet of upgraded existing roadway
Mount Comfort Road Expansion	\$ 2,300,000	Includes local match (20%) and right-of-way costs only for Segment E (refer to Appendix, Figure 6)
Rail Crossings	\$ 1,300,000	Includes new crossing to serve development, improvement

		of CR 500 W crossing, and closing one secondary crossing
Rail Spur and Siding	\$ 1,800,000	Includes new mainline turnout switch, 2,500 feet of rail siding, if necessary, and 3,500 feet of shared rail spur
Utility Infrastructure	\$ 525,000	Water and sewer service from current termini of service to CR500W
Soft Costs	\$ 3,500,000	Includes fees, testing, printing, and financing costs associated with an infrastructure project.
Total Scenario Budget	\$17,425,000	Can be implemented in phases

Reference Page 31 for additional information on transportation investments, Northeast District

Development Area B – Partial Build-out Scenario (see hatched area in Figure 36)

Item	Budget	Investment Description
Local Road Infrastructure	\$ 500,000	Improve CR 500 W (2,700 feet) from SR 67 to CR 900 N
Mount Comfort Road Expansion	\$ 500,000	Improve CR 900N intersection only (added turn lanes)
Rail Crossing	\$ 400,000	Improve CR 500 W crossing
Rail Spur	\$ 300,000	Town pays for mainline turnout switch only, private spur development by others
Utility Infrastructure	\$ 325,000	Lift station and forced sewer main
Soft Costs	\$ 505,000	Includes fees, testing, printing, and financing costs associated with an infrastructure project.
Total Scenario Budget	\$ 2,530,000	Can be implemented in phases

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