



## RESOLUTION 07-2024

### A RESOLUTION ADOPTING A FISCAL PLAN FOR THE ANNEXATION OF TERRITORY INTO THE CITY OF AUBURN

**WHEREAS**, the Common Council of the City of Auburn, Indiana, is considering Ordinance 2024-16 which is an ordinance to annex 78± acres of land located along County Highway 35 south of State Road 8 into the City of Auburn; and

**WHEREAS**, a Fiscal Plan has been prepared in support of said annexation.

**NOW, THEREFORE, BE IT RESOLVED** by the Common Council of the City of Auburn, DeKalb County, State of Indiana that:

The *Fiscal Plan* prepared to support the annexation of territory pursuant to Ordinance 2024-16 shall hereby be adopted and incorporated by reference herein. Said *Fiscal Plan* is attached and labeled as Exhibit A.

**PASSED AND ADOPTED** by the Common Council of the City of Auburn, Indiana, this 6<sup>th</sup> day of August, 2024.

  
\_\_\_\_\_  
James Finchum, Council Member

ATTEST:

  
\_\_\_\_\_  
Lorrie K. Pontius, Clerk-Treasurer

Presented by me to the Mayor of the City of Auburn, Indiana, this 6<sup>th</sup> day of  
August, 2024.

  
\_\_\_\_\_  
LORRIE K. PONTIUS, Clerk-Treasurer

**APPROVED AND SIGNED** by me this 6<sup>th</sup> day of August, 2024.

  
\_\_\_\_\_  
DAVID E. CLARK, Mayor

**VOTING:**

**AYE**

**NAY**

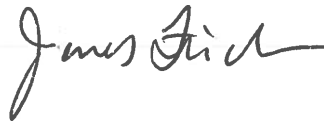
Natalie DeWitt, President



Rod Williams



James Finchum




Dan Braun



David Bundy



Kevin Webb



Emily Prosser



[Exhibit A]

# Thomas L. Smith – CR 35 Annexation Fiscal Plan

City of Auburn, Indiana  
Department of Building, Planning & Development  
August 2024

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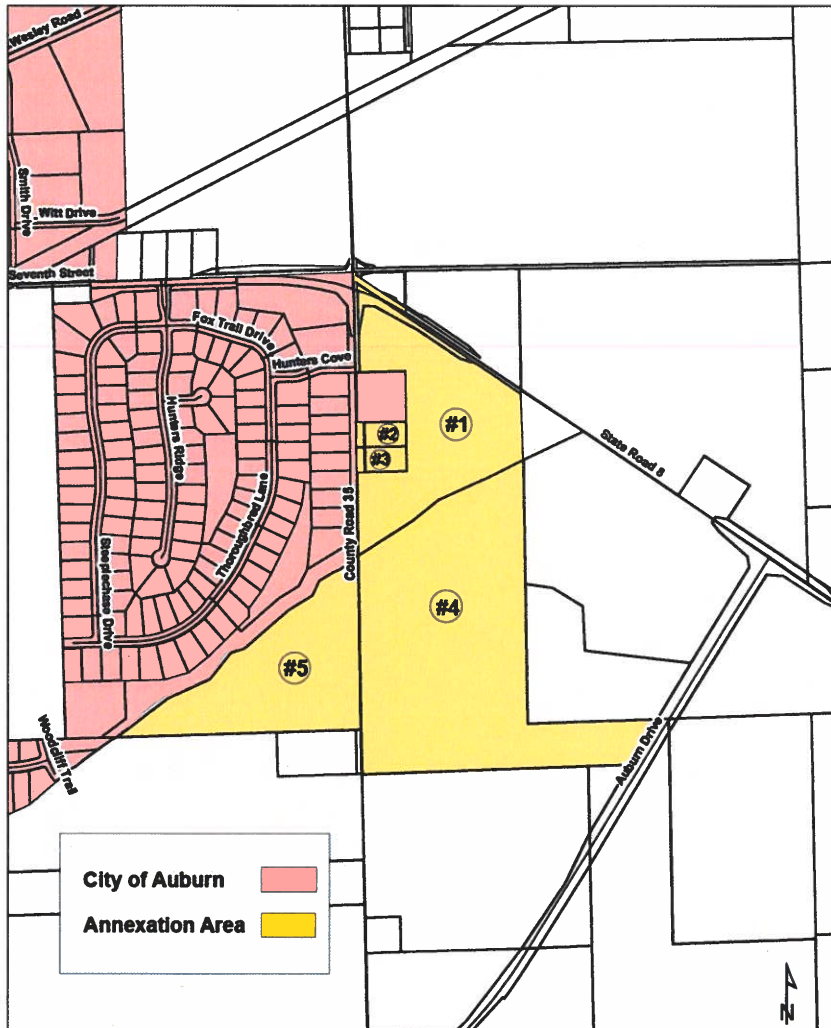
## Summary

This Fiscal Plan is for the annexation of five parcels of land located along County Road 35, south of State Road 8, in Auburn, Indiana. This Fiscal Plan was developed through the cooperation and efforts of the City's various departments. Cost estimates for the proposed annexation area have been included when applicable. All services within the annexation area will be provided in a manner equivalent to those services in similar areas within the current corporate limits. Non-capital services will be provided within one year of the effective date of annexation; capital services will be provided within three years of the effective date of annexation.

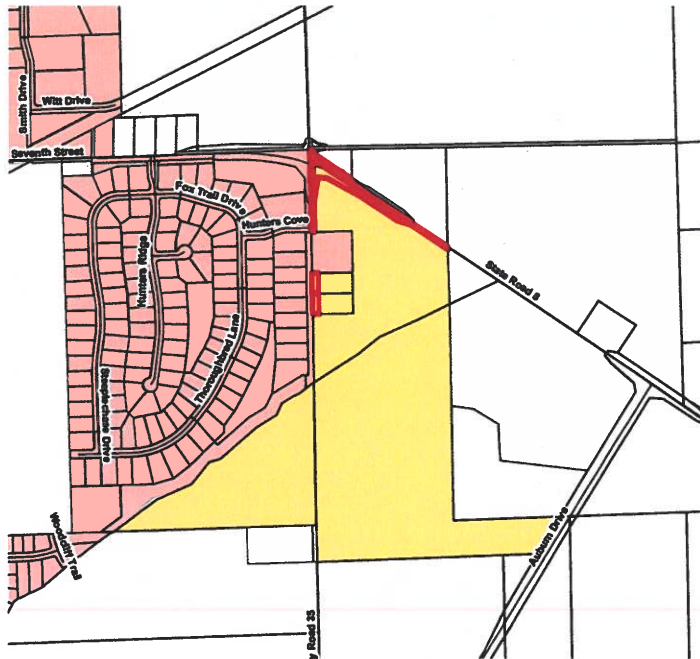
## Annexation Area Information

### Description

The Thomas L. Smith CR 35 property is in Union Township, DeKalb County. There are five parcels totaling 78 ± acres. Portions of the five parcels fall under the City's Extra-Territorial Jurisdiction. The proposed annexation area is 32% contiguous to the City of Auburn.



- Parcel #1: 17-06-34-100-004.000-024 (Thomas Lee Smith and Catherine Ann Smith, Trustees of the Smith Living Trust) is 17.55 acres in size
- Parcel #2: 17-06-34-100-017.000-024 (Financial Building, LLC) is .83 acres in size
- Parcel #3: 17-06-34-100-019.000-024 (Felke Properties, LLC) is .83 acres in size
- Parcel #4: 17-06-34-100-015.000-024 (TCS Properties of DeKalb County, Inc.) is 40.01 acres in size
- Parcel #5: 17-06-33-200-007.000-024 (Thomas Lee Smith and Catherine Ann Smith, Trustees of the Smith Living Trust) is 16.62 acres in size



It should be noted, approximately 2.16-acres of the proposed annexation area is a combination of State Road 8 right-of-way and County Road 35 right-of-way. The total area to be annexed into the City of Auburn is 78± acres.

#### *Council District*

The proposed annexation area will be incorporated into the City of Auburn's Common Council – District 3 that represents the areas to the west of the proposed annexation area.

#### *Development Characteristics*

Most of the property is currently undeveloped land comprised of tillable agricultural land. There is a commercial building on parcel #2. State Road 8 is a rural section of roadway with no curb and open side ditches. County Road 35 is a rural section of roadway with no curb and open side ditches. Posted speed limit on State Road 8 is 45 MPH. There is no posted speed limit on County Road 35 south of State Road 8.

**Zoning**

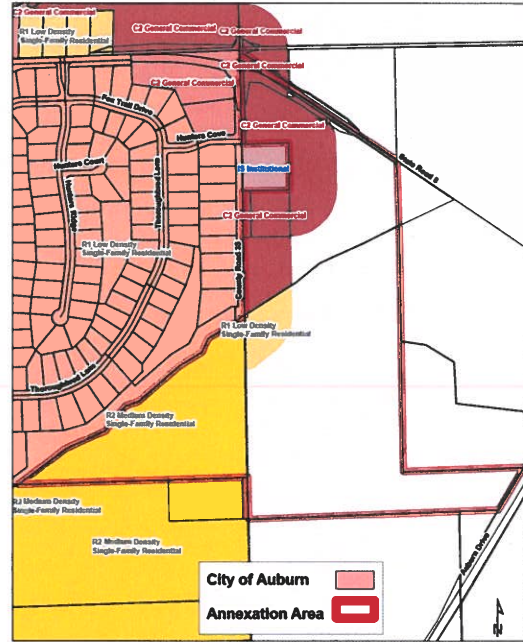
The annexation area maintains several different zoning designations. Three of the properties (Parcel #2, Parcel #3 and Parcel #5) fully contain City zoning designations. The remaining two properties (Parcel #1 and Parcel #4) have a portion of land area within the City ETJ boundaries, with the remaining land area containing a County zoning designation.

City Zoning Districts:

R1 – Low Density Single-Family Residential

R2 – Medium Density Single-Family Residential

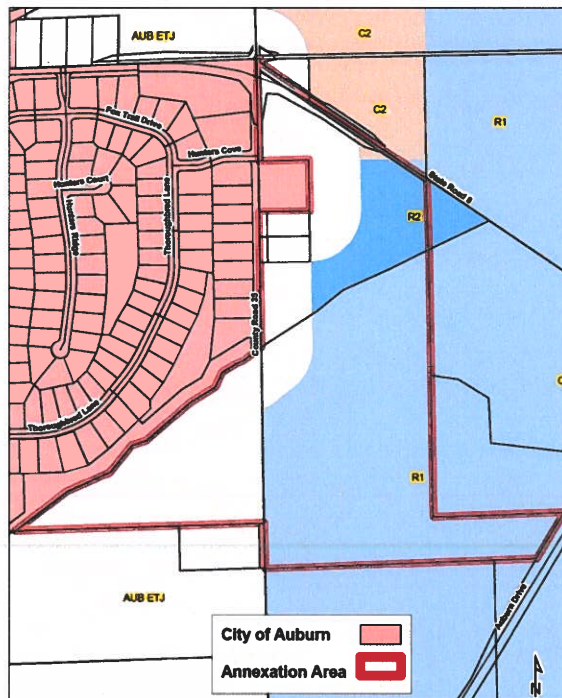
C2- General Commercial



County Zoning Districts

R1 – Low Density Residential

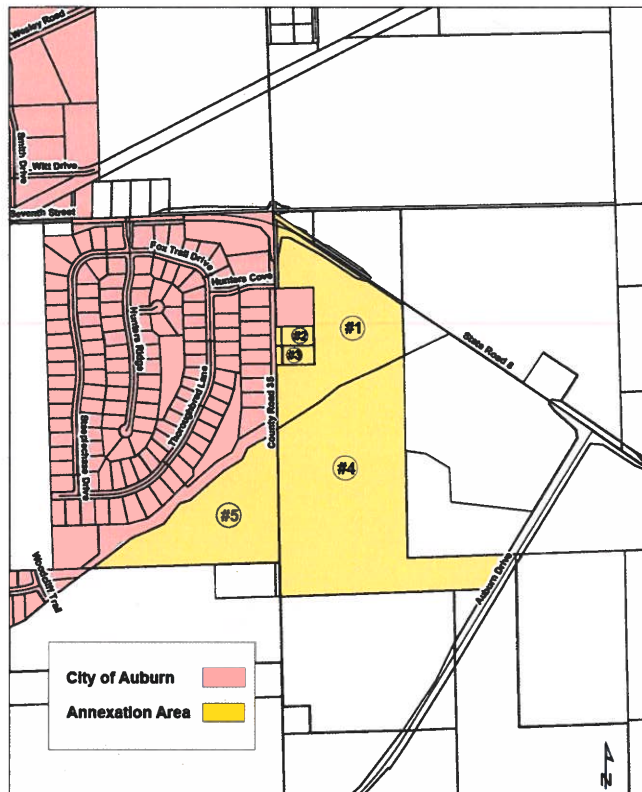
R2 – Medium Density Residential



### Population

There are no dwelling units in the proposed annexation area. Therefore, Auburn's population will have no change as a result of this annexation.

### Future Development



The proposed annexation area can be served by City utilities. Development of the individual parcels may require the extension of water and sanitary sewer mains. Extension of utilities to undeveloped land is the responsibility of the individual parcel owners.

Parcel #4 is under contract for sale for the purpose of constructing a new single-family subdivision. Parcel #3, a commercial zoned lot on the east side of County Road 35, is for sale and ready for development.

### Assessment and Taxation

The proposed annexation area includes five separate parcels:

- Parcel #1: 17-06-34-100-004.000-024 (Thomas Lee Smith and Catherine Ann Smith, Trustees of the Smith Living Trust) is 17.55 acres in size and is assessed as Agricultural – Vacant Land
- Parcel #2: 17-06-34-100-017.000-024 (Financial Building, LLC) is .83 acres in size and is assessed as Commercial Small Retail
- Parcel #3: 17-06-34-100-019.000-024 (Felke Properties, LLC) is .83 acres in size and is assessed as Agricultural – Vacant Land
- Parcel #4: 17-06-34-100-015.000-024 (TCS Properties of DeKalb County, Inc.) is 40.01 acres in size and is assessed as Agricultural – Vacant Land.
- Parcel #5: 17-06-33-200-007.000-024 (Thomas Lee Smith and Catherine Ann Smith, Trustees of the Smith Living Trust) is 16.62 acres in size and is assessed as Agricultural – Vacant Land



2023 pay 2024 assessed value of the proposed annexation area according to the DeKalb County Auditor's Office is \$462,800. The assessed value is anticipated to change as the property is developed for commercial and residential purposes.

The 2023 pay 2024 total tax rate for the property, which is within Union Township, is 1.7605. The 2023 pay 2024 rate for the City of Auburn-Union Township, if the property was annexed into the City, is 2.3546.

## Annexation Requirements and Justification

### *Statutory Requirements*

When pursuing an annexation, a municipality must comply with the Indiana Code 36-4-3, Municipal Annexation and Disannexation. Voluntary annexation petitions signed by 100% of the landowners are considered “Super-Voluntary.” Indiana Code 36-4-3-5.1 provides a more streamlined process for these annexations.

The Thomas L. Smith CR 35 property annexation request is considered super-voluntary. The annexation area meets the minimum contiguity requirements established in Indiana Code 36-4-3-1.5 by having at least 12.5% of the aggregate external boundaries of the territory coincide with boundaries of the City. In this case, the Thomas L. Smith CR 35 property is 32% contiguous to the Auburn Corporate Limits.

The City of Auburn will adopt an annexation ordinance annexing the Thomas L. Smith CR 35 property, and adopt, by Resolution, this Fiscal Plan that includes:

1. The cost estimate of planned services to be furnished to the annexed territory;
2. The method(s) of financing the planned services;
3. The plan for the organization and extension of services;
4. The provision of non-capital services to be provided to the annexed territory within one year after the effective date of annexation and that they be provided in a manner that is equivalent in standard and scope to those non-capital services provided to areas within the corporate boundaries regardless of similar topography, patterns of land use and population density;
5. The provision of capital improvements to the annexed territory equal to those furnished within the municipality within three years after the effective date of annexation 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.
6. A plan for hiring the employees of other governmental entities whose jobs will be eliminated by the annexation.

### *Justification*

The owners of the five parcels comprising the Thomas L. Smith CR 35 annexation area have requested annexation into the City of Auburn. Upon annexation, portions of the annexation area are proposed to be sold to a developer for a new residential subdivision. The new development will be connected to City Utility Services.

The Thomas L. Smith CR 35 property is contiguous to lands currently within the corporate limits of Auburn along the western edge of the annexation area. The boundary of the property is 32% contiguous to the Corporate Limits. This annexation represents a natural growth and inclusion into the City Limits. The timing of the annexation correlates with the development of the property.

The annexation is undertaken in accordance with I.C. 36-4-3-5.1. The annexation is justified under I.C. 36-4-3-13(c). The real estate upon annexation will be fully subject to the ordinances and policies of the City of Auburn, Indiana and municipal services will be made available to the annexed real estate. The annexation is consented to and requested by 100% of the property owners and meets all other requirements under Indiana Code and City of Auburn Ordinances.

## **Provision of Municipal Services**

### *Police Department*

The annexation area presently falls under the jurisdiction of the DeKalb County Sheriff's Department. Auburn Police Department answers calls for the annexation area if requested to respond.

The Auburn Police Department will be able to provide patrol and response services to the annexation area upon finalization of the annexation at no additional cost. The Auburn Police Department already provides services on land areas to the west of the annexation area.

No capital expenditures will be necessary for provision of Police Services to the annexation area.

### *Fire Department*

The Auburn Fire Department presently provides fire protection services to the annexation area. The Auburn Fire Department will continue to provide services to the annexation area upon annexation. There will be no increase in costs and no capital expenditures required to provide fire protection services.

### *Street Maintenance and Sidewalks*

The annexation area includes two public streets, State Road 8 and County Road 35, and limited segments of sidewalk along County Road 35. State Road 8 is owned and maintained by the Indiana Department of Transportation. Annexation of the land area does not transfer maintenance responsibility of State Road 8 to the City. The segment of County Road 35 within the annexation area will be under the jurisdiction of the City of Auburn for maintenance purposes.

The City currently maintains the western half of County Road 35. The addition of maintenance responsibilities over the east half of County Road 35 within the annexation area will have minimal effect on the Street Department. There will be negligible costs and no capital expenditures to provide street maintenance upon annexation.

### *Sanitary Sewer / Storm Sewer*

The annexation area currently has sanitary sewer available on County Road 35. The Auburn Water Pollution Control facility has the capacity to serve the annexation area. Owners of the annexation area are permitted to tap into these systems as any other property owner is within the City. An extension of the sewer main will be necessary to serve new developments that occur after annexation.

The Cliff Metcalf County Drain crosses through the annexation area. There are limited storm sewers along County Road 35, with open side ditches along both State Road 8 and County Road 35.

There are no additional costs to provide non-capital sewer services to the annexation area. Likewise, no capital projects will be required to provide sewer service to the annexation area.

#### *Water / Hydrants*

There is a 12-inch water main extending along the west side of County Road 35, south of Hunter's Cove. The Auburn Water Department has the capacity to serve the annexation area. Owners of the annexation area are permitted to tap into these systems as any other property owner is within the City. An extension of the water main will be necessary to serve new developments that occur after annexation.

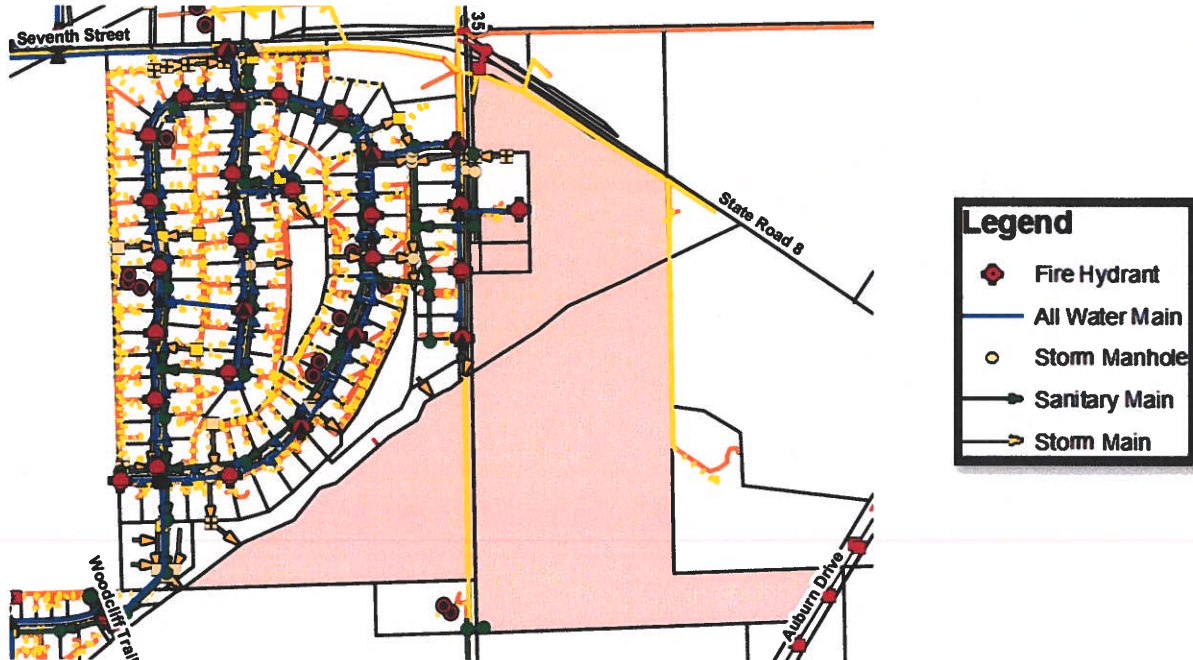
There are no additional costs to provide non-capital services to the annexation area. Likewise, no capital projects will be required to provide water service to the annexation area.

#### *Electric and Essential Services*

Auburn Electric and Auburn Essential Services presently provide power and communication services to the annexation area. That will continue after the property is annexed.

Streetlights will need to be added along County Road 35 estimated at a cost of \$60,642. There are no additional costs to provide non-capital services to the annexation area. Likewise, no capital projects will be required to provide electric service to the annexation area.

### Utility Map



#### *General Governmental Administration*

The annexation area partially falls within the City of Auburn's Extra-Territorial Planning and Zoning Jurisdiction. This means the area already utilizes many of the general administrative services offered by the City of Auburn. There will be no cost to continue to provide administrative services to the annexation area.

#### *Parks and Recreation / Animal Control*

With the land currently being undeveloped, and with both residential and commercial development proposed for the annexation area, there will be a population increase from the annexation over time. Parks and Recreational facilities and animal control facilities will potentially be gradually impacted as residential growth occurs.

#### *Library*

The annexation area is presently served by the Eckhart Public Library located in Auburn, Indiana. Because the annexation area is zoned for both commercial and residential development, there may gradually be new residents within the annexation area to provide services to.

*Solid Waste Disposal (garbage/recycling)*

Commercial developments within the City of Auburn provide their own solid waste disposal services. The City of Auburn contracts with Republic Services for residential garbage and recycling collection and disposal. Over time there will be additional residential dwelling units in the annexation area. Any property that is commercially developed will continue to contract private garbage and recycling collection and disposal services as it does today.

*Liability for Township Debt*

The annexation area is part of Union Township. The Union Township Trustee, Craig Bassett, confirmed there is no existing Union Township Debt Service.

*Hiring Plan*

The proposed annexation will not create any displacement of jobs of any existing government entity.

## **Estimated Annual Expenditures & Financial Summary**

### *Expenditures*

The estimated annual expenditures to provide non-capital services is nominal, at most. The City serves property to the east of the annexation area. Providing services to the undeveloped land will add virtually no cost. Any services not provided will be provided upon the effective date of annexation.

The only capital project that will be required is to provide streetlight services to the annexation area.

### *Revenue*

There will be a nominal increase in property tax revenue from the annexation area, estimated at \$2,749.54. There will also be a nominal increase in city street mileage. Any additional revenue from Motor Vehicle Highway (MVH), Local Road and Street (LR&S), Alcohol and Beverage Tax, Cigarette Tax, or CEDIT will be nominal.

The only increase in revenue to the City of Auburn from the annexation area is property tax revenue. Based on today's assessed value, that increase will be approximately \$2,749.54 annually.

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## **Conclusion**

Annexation of the Thomas L. Smith CR 35 property is a natural expansion of the Corporate Limits of the City of Auburn. Annual expenditures are negligible and will be offset by property tax revenue gained from the annexation area. Completion of this annexation is desired by the property owners and makes sense for the City of Auburn.