

1<sup>st</sup> Reading 04/17/2018

2<sup>nd</sup> Reading 05/01/2018

Received electronically 4/9/2018 @ 4:01pm

## RESOLUTION 05-2018

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

#### SUMMARY

This Resolution adopts a Fiscal Plan to support the annexation of the Taylor Rental Property located at 2224 State Road 8. The Fiscal Plan includes details about the annexation area, the provision of capital improvements and non-capital services, and financing of those improvements and services.

_____ Recorder's Office	_____ Publish Public Hearing
_____ Auditor's Office	_____
_____ Clerk's Office	_____ Publish O/R after adoption
_____ Other	_____

Building Department

Engineering Department

DeKalb County Plan Commission

Internet Code Site

**RESOLUTION 05-2018**

**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 2018-09 which is an ordinance to annex territory specifically known as the Taylor Rental Property 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 2018-09 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 \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
**JAMES FINCHUM, Council Member**

**ATTEST:**

\_\_\_\_\_  
Patricia Miller, Clerk-Treasurer

Presented by me to the Mayor of the City of Auburn, Indiana, this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
**PATRICIA MILLER, Clerk-Treasurer**

**APPROVED AND SIGNED** by me this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
**NORMAN E. YODER, Mayor**

**VOTING:**

**AYE**

**NAY**

James Finchum

Dennis Ketzenberger

Dennis (Matthew) K. Kruse II

Wayne Madden

Michael Walter

Michael Watson

Kevin Webb

[Exhibit A]

# Taylor Rental Annexation

## Fiscal Plan

City of Auburn, Indiana  
Department of Building, Planning & Development  
April 2018

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### Summary

This Fiscal Plan is for the Taylor Rental property at 2224 State Road 8, 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 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 Taylor Rental property is in Keyser Township, DeKalb County. The parcel is 1.67 acres and presently falls under the City's Extra-Territorial Jurisdiction. The Taylor Rental property is an island, surrounded on all sides by Auburn City Limits. It is 100% contiguous to the City of Auburn.



Generally, the property is bounded by:

- North – State Road 8 right-of-way;
- East – Block A and Smaltz Way as platted in the Amended 8@69 Development Secondary Plat, Section 1;
- South – Block A and Shook Drive as platted in the Amended 8@69 Development Secondary Plat, Section 1; and
- West – Lot 2 in the 8@69 Development Secondary Plat, Section 2.

It should be noted, there is a .091 acre tract of land that is State Road 8 right-of-way that is part of the proposed annexation area.

*Council District*

The proposed annexation area will be incorporated into the City of Auburn’s Common Council – District 5 that represents the areas on all sides of the proposed annexation area.

*Development Characteristics*

The Taylor Rental property soil type is Blount Silt Loan (BaB2) which is somewhat poorly drained soil with 1 to 4 percent slopes. There is presently one 8,500 square foot commercial building owned and operated by Taylor Rental. Two accessory structures used for commercial storage are also on the property.



*Zoning*

The property is zoned C-2 (General Commercial) and that zoning will not change as a result of the annexation.



### *Population*

There are no dwellings or residential lots in the proposed annexation area. Therefore, Auburn's population will not change as a result of this annexation.

### *Future Development*

The owner of the proposed annexation area intends to combine the annexation area with adjacent land to make a single larger parcel, construct a new multi-tenant commercial building, and demolish the buildings that exist today.

### *Assessment and Taxation*

The 2017 pay 2018 assessed value of the proposed annexation area according to the DeKalb County Auditor's Office is \$209,700. The assessed value is anticipated to change as the property is combined with adjacent property into a single lot, new multi-tenant commercial buildings are constructed, and the existing building is demolished. The City anticipates the land being assessed higher, as well as the improvements (newly constructed buildings). How much higher, depends on many things. The DeKalb County Assessor's Office was unable to provide an estimate, but encourages the use of construction costs to estimate assessed value. Construction costs estimates for the Taylor Rental project are not available.

The 2017 pay 2018 total tax rate for Keyser Township is 2.0483. That same rate for City of Auburn-Keyser Township is 2.8779. Keyser Township is subject to fire territory rate and the library rate for Keyser Township is greater than that of City of Auburn-Keyser Township.

## **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 36-7-4-3-5.1 provides a more streamlined process for these annexations.

The Taylor Rental 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 Taylor Rental property is 100% contiguous to the Auburn Corporate Limits.

The City of Auburn will adopt an annexation ordinance annexing the Taylor Rental property, and adopt, by Resolution, this Fiscal Plan that includes:

1. The cost estimate of planned services to be furnished to the 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 Taylor Rental property have requested annexation into the City of Auburn. The Taylor Rental property is in the process of being combined with an adjacent property. The resulting larger parcel will be developed with a new multi-tenant commercial development that includes Taylor Rental, a restaurant, and other leasable space.

The new development will be connected to City Utility Services, all of which are already accessible to the Taylor Rental property.

The Taylor Rental property is 100% 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 redevelopment of the property.

## **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 the DeKalb County Sheriff's Department is unavailable.

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 each side 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 does not include any public streets or public sidewalks. State Road 8 is owned and maintained by the Indiana Department of Transportation and that will not change once the annexation is complete. Shook Drive and Smaltz Way are already inside Auburn Corporate Limits.

Sidewalks exist along Shook Drive and Smaltz Way around the annexation area. There is no sidewalk along State Road 8 in this area regardless if the property is within the Auburn Corporate Limits or not.

### *Sanitary Sewer / Storm Sewer*

The annexation area currently has storm sewer and sanitary sewer available at its south property line. 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.

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.

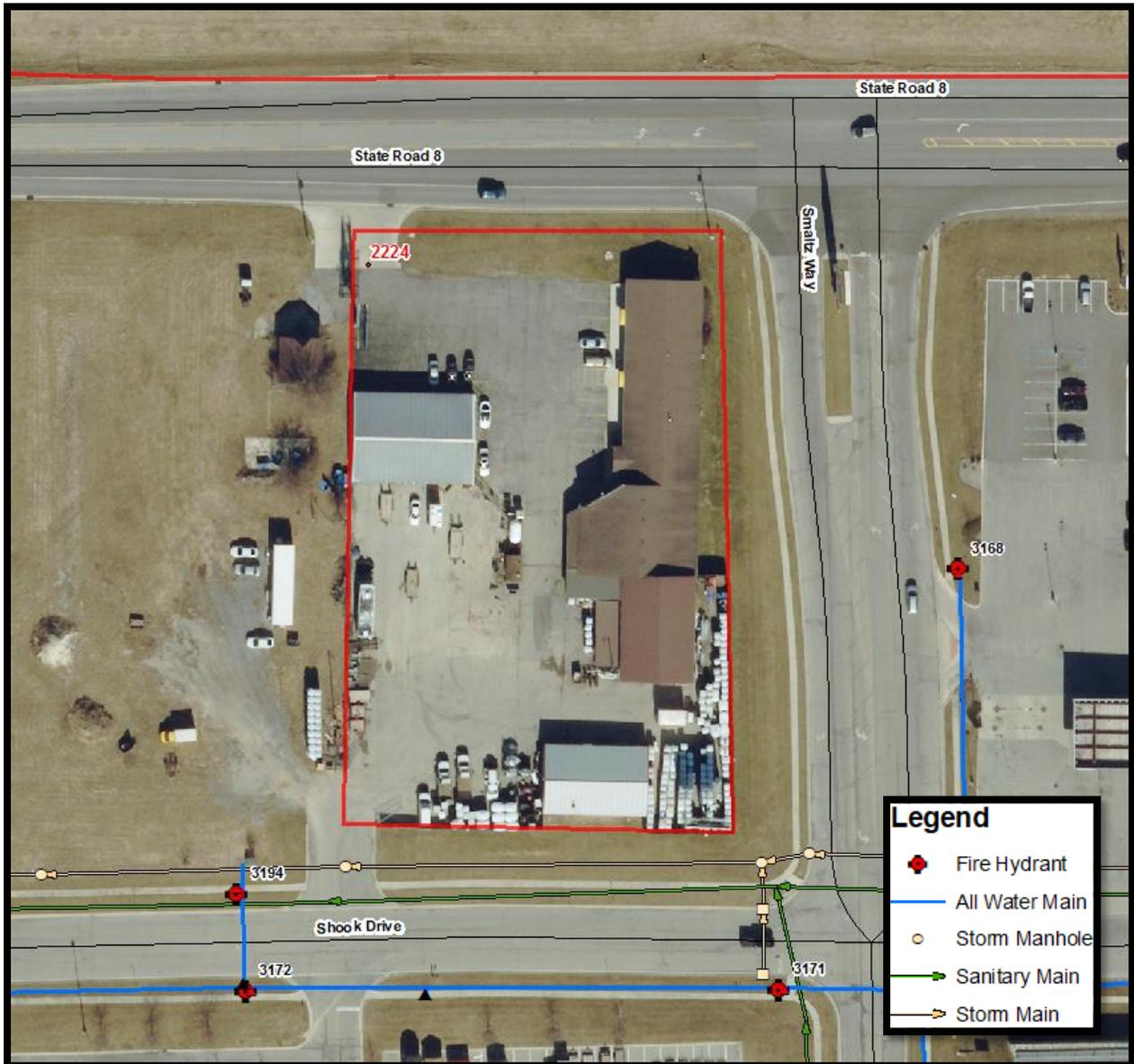
### *Water / Hydrants*

While the Auburn Water Department does not presently provide water service to Taylor Rental, the City water mains border the property. There are multiple existing fire hydrants less than 150 feet away from the annexation area. The Auburn Water Department also has the capacity to serve the Taylor Rental property. Owners of the annexation area are permitted to tap into these systems as any other property owner is within the City.

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 presently provides power and communication services to the annexation area and specifically to Taylor Rental. That will continue after the property is annexed.



### *General Governmental Administration*

The annexation area 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 no dwellings and no residential lots for development, there is no projected population increase from the annexation. Parks and Recreational facilities and animal control facilities will not be impacted.

### *Library*

Even though there are no dwellings or residential lots for development, the annexation area is presently served by the Garrett Public Library. Garrett's Library is part of the Evergreen Indiana System, as is the Eckhart Public Library in Auburn. This means if there were residents in the annexation area their library service would not change. They would continue to have access to both the Garrett Public Library and the Eckhart Library in Auburn. Also, it is important to note, the library tax rate for Auburn is less than the library tax rate for Keyser Township

### *Solid Waste Disposal (garbage/recycling)*

The City of Auburn contracts with Republic Services for residential garbage and recycling collection and disposal. Again, with no dwellings and no residential lots in the annexation area, there will be no change in services. The annexation area, since it 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 Keyser Township. The Keyser Township Trustee, Clinton Lay, confirmed there is no existing Keyser 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 annexation area is presently a donut hole in the City Limits. The City serves all sides around the annexation area. Providing services to one additional lot will add virtually no cost. Services not provided, will be provided upon the effective date of annexation. In many cases, the City has been providing these services for many years.

No capital projects will be required to provide services to the annexation area. As mentioned, the annexation area is surrounded on all sides to the City of Auburn.

### *Revenue*

With no increase in population and no addition in city street mileage, the City will not receive any additional revenue from Motor Vehicle Highway (MVH), Local Road and Street (LR&S), Alcohol and Beverage Tax, Cigarette Tax, or CEDIT.

The only increase in revenue from the annexation area is property tax revenue. Based on today's assessed value, that increase will be approximately \$2,000 annually. This takes into consideration the taxes the annexation area is already paying for fire protection services.

The proposed construction project will change the assessed value of the property. Without construction cost estimates, it is difficult to calculate how much. There is also the 3% tax cap that could be a factor in revenue calculations.

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## **Conclusion**

Annexation of the Taylor Rental property is a natural expansion of the Corporate Limits of the City of Auburn initiated by a development project. 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.