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RESOLUTION 07-2019

**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 DeKalb Properties LLC property located at 2144 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 07-2019

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 2019-21 which is an ordinance to annex territory specifically known as the DeKalb Properties LLC property at 2144 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 2019-21 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 _____, 2019.

JAMES FINCHUM, Council Member

ATTEST:

Patricia Miller, Clerk-Treasurer

Presented by me to the Mayor of the City of Auburn, Indiana, this _____ day of _____, 2019.

PATRICIA MILLER, Clerk-Treasurer

APPROVED AND SIGNED by me this _____ day of _____, 2019.

NORMAN E. YODER, Mayor

VOTING:

AYE

NAY

James Finchum

Dennis Ketzenberger

Dennis K. Kruse II

Wayne Madden

Michael Walter

Michael Watson

Kevin Webb

1st Reading _____

2nd Reading _____

[Exhibit A]

DeKalb Properties LLC Annexation Fiscal Plan

City of Auburn, Indiana
Department of Building, Planning & Development
November 2019

Summary

This Fiscal Plan is for the DeKalb Properties LLC property at 2144 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 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 DeKalb Properties LLC property is in Keyser Township, DeKalb County. The parcel is 0.91 acres and presently falls under the City's Extra-Territorial Jurisdiction. The DeKalb Properties LLC property is surrounded on three sides by Auburn City Limits. It is 66% contiguous to the City of Auburn.



Generally, the property is bounded by:

- North – State Road 8 right-of-way;
- East / South – A 53-acre tract of land also owned by DeKalb Properties, LLC. This tract is currently undeveloped, but there is a proposal for a senior living facility on the portion of the tract that borders the annexation area.
- West – a 1.3 acre tract of land owned by David Gafken developed as a medical office.

It should be noted, approximately 0.088-acres of the proposed annexation area is State Road 8 right-of-way. The total area to be annexed into the City of Auburn is 0.998-acres.



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

There is presently one 1,200 square foot dwelling unit with an attached garage and a utility shed on the property proposed to be annexed. There is a commercial driveway to the property that was permitted by the Indiana Department of Transportation.

Zoning

The property is zoned IS (Institutional) and that zoning will not change as a result of the annexation.

Population

There is one dwelling unit in the proposed annexation area. The average persons per household according to the 2010 Census is 2.38 for DeKalb County. Therefore, Auburn's population will have an insignificant change as a result of this annexation.

Future Development

The owner of the proposed annexation area intends to sell the annexation area, along with a portion of the parcel east and south (already in the City Limits) of the annexation area. The new owner has proposed combining the annexation area with adjacent land to make a single larger parcel for the development of a senior living facility. The existing dwelling will be demolished, but the commercial driveway will be maintained as part of the senior living development.

Assessment and Taxation

The 2018 pay 2019 assessed value of the proposed annexation area according to the DeKalb County Auditor's Office is \$51,100. The assessed value is anticipated to change as the property is combined with adjacent property into a single lot, a new senior living facility is constructed, and the existing dwelling unit 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 Sterling Senior Living project exceed \$10 million.

The 2018 pay 2019 total tax rate for Keyser Township is 2.0344. That same rate for City of Auburn-Keyser Township is 2.8425. 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 DeKalb Properties LLC 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 DeKalb Properties LLC property is 66% contiguous to the Auburn Corporate Limits.

The City of Auburn will adopt an annexation ordinance annexing the DeKalb Properties LLC 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 DeKalb Properties LLC property have requested annexation into the City of Auburn. The DeKalb Properties LLC property is in the process of being combined with an adjacent property. The resulting larger parcel will be developed with a new senior living facility. The new development will be connected to City Utility Services.

The DeKalb Properties LLC property is 66% 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.

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 three sides 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. 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 sanitary sewer available on the north side of State Road 8. 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 storm sewers in this area as the property naturally falls towards the Peckhart Legal Ditch located just to the east.

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 the annexation area, a municipal water main is located on the north side of State Road 8. There are multiple existing fire hydrants less than 200 feet away from the annexation area. The Auburn Water Department also 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 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. That will continue after the property is annexed.

Utility Map



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 only one dwelling to be demolished, there is no projected population increase from the annexation. Parks and Recreational facilities and animal control facilities will not be impacted.

Library

The annexation area is presently served by the Garrett Public Library. Because the annexation area is being combined with property already in the Auburn City Limits served by Eckhart Public Library, each library board will need to pass a resolution determining which library will service the area. It should be noted, both libraries have been contacted and are aware of the need for a resolution. 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. As the existing residential dwelling unit is proposed to be demolished, there will be no change in services. The annexation area, since it will be 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 City serves property on three 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 three sides by 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 to the City of Auburn from the annexation area is property tax revenue. Based on today's assessed value, that increase will be approximately \$750 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.

Conclusion

Annexation of the DeKalb Properties LLC 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.