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RESOLUTION 10-2022

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 Thomas L. Smith property located at 3483 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	_____ 09.20.2022@6pm
_____ Clerk's Office	_____ Publish O/R after Adoption
_____ Other	_____
<u> X </u> _____ Building Department	
_____ Engineering Department	
_____ DeKalb County Plan Commission	
<u> X </u> _____ Internet Code Site – Council Ordinances	

RESOLUTION 10-2022

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 2022-11 which is an ordinance to annex territory specifically known as the Thomas L. Smith property at 3483 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 2022-11 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 _____, 2022.

DAVID BUNDY, Council Member

ATTEST:

Patricia Miller, Clerk-Treasurer

Presented by me to the Mayor of the City of Auburn, Indiana, this _____ day of _____, 2022.

PATRICIA MILLER, Clerk-Treasurer

APPROVED AND SIGNED by me this _____ day of _____, 2022.

MICHAEL D. LEY, Mayor

VOTING:

AYE

NAY

David Bundy

Natalie DeWitt

James Finchum

Dennis Ketzenberger

Dennis K. Kruse II

Michael Walter

Kevin Webb

1st Reading _____

2nd Reading _____

[Exhibit A]

Thomas L. Smith Annexation Fiscal Plan

City of Auburn, Indiana
Department of Building, Planning & Development
September 2022

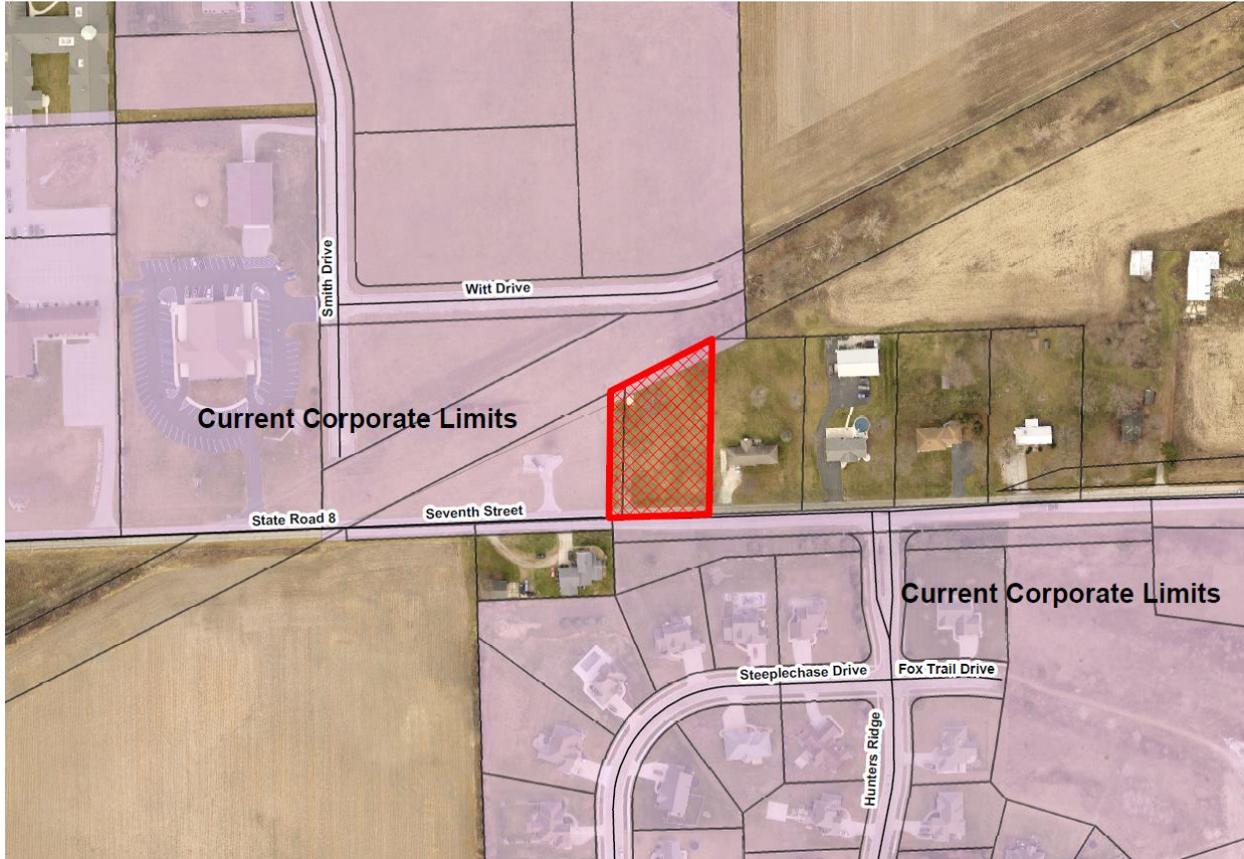
Summary

This Fiscal Plan is for the Thomas L. Smith property at 3483 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 property is in Union Township, DeKalb County. The parcel is 0.911 acres and presently falls under the City's Extra-Territorial Jurisdiction. The Thomas L. Smith 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 – Former Detroit, Eel River & Illinois railroad right-of-way;
- South – State Road 8 right-of-way;
- East – A .91-acre tract of land also owned by Donovan Ray Adams Carper. This tract is currently a single-family residence.
- West – a 1.09-acre undeveloped tract of land owned by Paul D. Smith; Thomas L. & Walter Smith; and Sue Walter.



It should be noted, approximately 0.070-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 0.911-acres.

Council District

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

Development Characteristics

The property is currently undeveloped land comprised of mostly grassy area. The property gently slopes to the north. There is a gravel drive access off State Road 8. State Road 8 is a rural section of roadway with no curb and open side ditches. Posted speed limit is 45 MPH.

Zoning

The property is zoned C2 (General Commercial District) and that zoning will not change as a result of the annexation.

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 owner of the proposed annexation area intends to sell the property upon annexation into the City. The prospective owner has discussed future commercial development of the property for a retail store.

Assessment and Taxation



The proposed annexation area includes two separate parcels under common ownership.

Parcel #1 [Parcel ID# 14-06-28-451-004] is .107 acres in size and is assessed as residential excess acreage.

Parcel #2 [Parcel ID# 14-06-28-451-005] is .80 acres in size and is assessed as residential excess acreage.

2021 pay 2022 assessed value of the proposed annexation area according to the DeKalb County Auditor's Office is \$5,400. The assessed value is anticipated to change as the property is developed for commercial purposes.

The 2021 pay 2022 total tax rate for the property, which is within Union Township, is 1.8791. The 2021 pay 2022 rate for the City of Auburn-Union Township, if the property was annexed into the City, is 2.4896.

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 Thomas L. Smith 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 property is 66% contiguous to the Auburn Corporate Limits.

The City of Auburn will adopt an annexation ordinance annexing the Thomas L. Smith 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 Thomas L. Smith property have requested annexation into the City of Auburn. Upon annexation, the property is proposed to be sold to a developer for a new retail commercial building. The new development will be connected to City Utility Services.

The Thomas L. Smith property is surrounded on three sides by land that is currently within the corporate limits of Auburn. The boundary of the 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.

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. As 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 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 south side of Witt Drive. 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 as sanitary sewer service lines to individual businesses cannot cross through another private property.

A storm sewer catch basin exists near the northwest corner of the annexation area. This basin may be a discharge point for stormwater runoff as part of future development of the annexation area. There is a general slope of the annexation area towards the catch basin.

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 main along the north side of Witt Drive and a 16-inch main along the south side of State Road 8. 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.

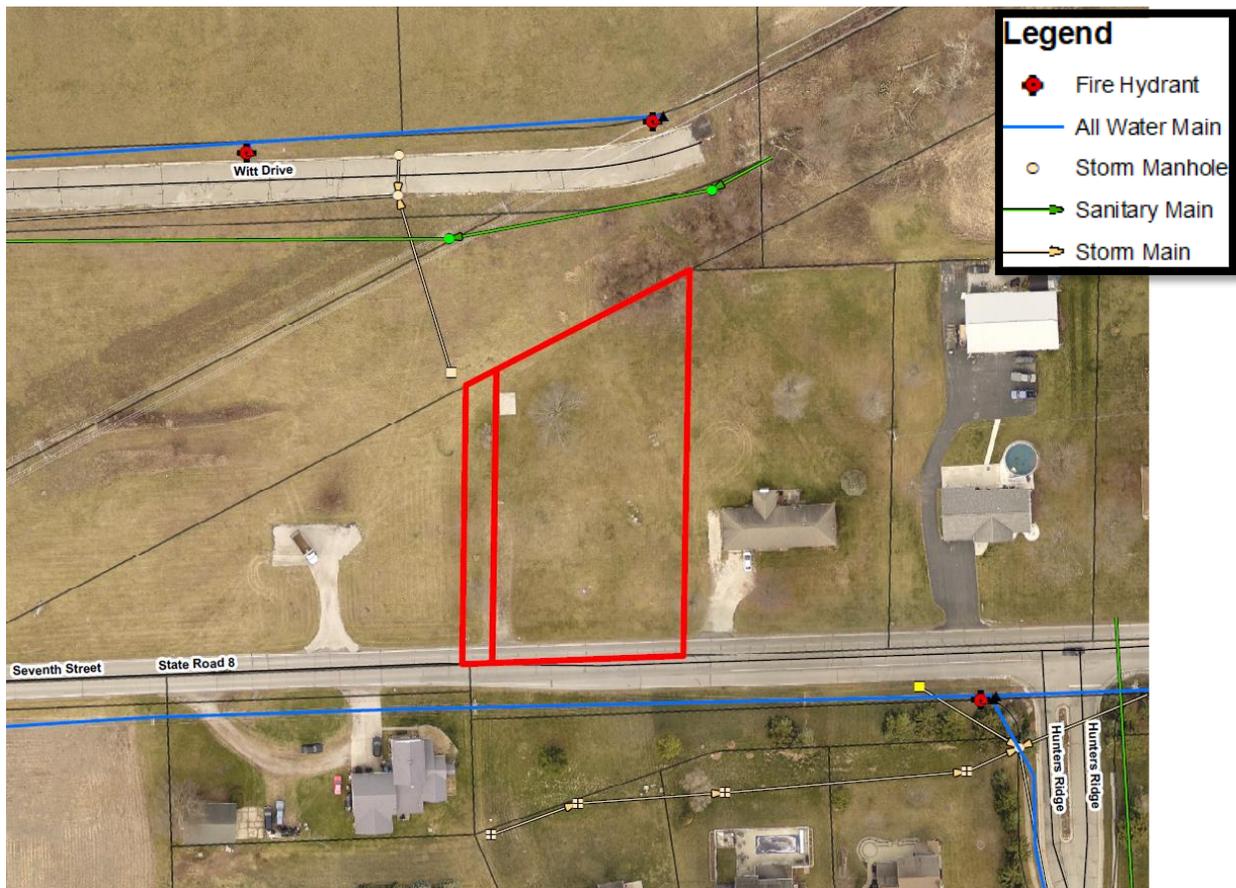
There are no additional costs to provide non-capital services to the annexation area. Likewise, no capital projects will be required to provide water service to the annexation area.

Electric and Essential Services

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

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.

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 the land currently being undeveloped, and with commercial development proposed for the annexation area, 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 Eckhart Public Library located in Auburn, Indiana. Because the annexation area is zoned commercial and is being proposed to be developed as a commercial retail building, there will be no 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. As there are no proposed residential dwelling units in the annexation area, there will be no change in services for the areas. 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 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 on three sides around the annexation area. Providing services to one additional lot will add virtually no cost. Any services not provided will be provided upon the effective date of annexation.

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 \$33 annually.

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 Thomas L. Smith 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.