

Town of Whitestown, Indiana

RESOLUTION NO. 2014 - ____

**A FISCAL POLICY RESOLUTION
FOR ANNEXING CONTIGUOUS TERRITORY
TO THE TOWN OF WHITESTOWN, INDIANA**

Eiteljorg/Pulte Super-Voluntary Annexation

WHEREAS, Ind. Code § 36-4-3-3.1 requires that the municipality has developed a written fiscal plan and has established a definite policy, by resolution of the legislative body that meets the requirements set forth in Ind. Code § 36-4-3-13(d), prior to annexing property under Ind. Code § 36-4-3; and

WHEREAS, it is the desire of the Town Council ("Council") of the Town of Whitestown, State of Indiana, to provide such written fiscal plan and comply with Indiana law; and

WHEREAS, the Council, in Resolution No. 2013-05, approved a fiscal plan, entitled "Fiscal Plan: East Side Consensual Annexation Area" and dated March 7, 2013 ("Fiscal Plan"), that outlined the provision of services to all of the territory contemplated in this annexation; and

WHEREAS, the Council seeks to ratify, restate, and adopt the Fiscal Plan for the annexation contemplated herein.

THEREFORE, BE IT RESOLVED by the Town Council of the Town of Whitestown, State of Indiana, that Exhibit A, as attached and incorporated herein, is adopted as the Fiscal Plan for the "Eiteljorg/Pulte Super-Voluntary Annexation" proposed by Ordinance 2013-23.

BE IT FURTHER RESOLVED THAT the sections, paragraphs, sentences, clauses and phrases of this Resolution and the Fiscal Plan are separable, and if any phrase, clause, sentence, paragraph or section of this Resolution or the Fiscal Plan shall be declared unconstitutional, invalid, or unenforceable by the valid judgment or decree of a court of competent jurisdiction, such unconstitutionality, invalidity, or unenforceability shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Resolution or the Fiscal Plan.

PASSED the ____ day of _____, 2014.

THE TOWN COUNCIL OF THE TOWN
OF WHITESTOWN, INDIANA

YAY/NAY

Julie Whitman, President

Dawn Semmler, Member

Susan Austin, Member

Kevin Russell, Member

Eric Miller, Member

ATTEST:

Amanda Andrews, Clerk-Treasurer
Town of Whitestown, Indiana

2459632_1

EXHIBIT A

ANNEXATION FISCAL PLAN – 2013 EITELJORG/PULTE SUPER-VOLUNTARY ANNEXATION

Whitestown, Indiana

Boone County

Fiscal Plan:

East Side Consensual Annexation Area

The Fiscal Plan may be reviewed in the offices of the Clerk-Treasurer located in the Whitestown Town Hall, 6320 South Cozy Lane, Whitestown, IN, 46075. Copies of the Fiscal Plan are available immediately at this location for a copying fee of \$0.15 per page (black & white), OR interested parties may obtain a copy of the Fiscal Plan from the Town's website, located at www.Whitestown.in.gov. For any questions regarding this annexation, the public should contact the Town Manager's office at 317/769-6557.

March 7, 2013

*Policy Narrative Prepared by:
Wabash Scientific, inc.*

Michael R. Shaver, President
3799 Steeplechase Drive
Carmel, IN 46032
(voice) 317/872-9529
(fax) 317/872-9885
(e-mail) wabsci@aol.com

*Financial Projections Prepared by:
Reedy Financial
Group, P.C.*

Eric F. Reedy, President
PO Box 943
Seymour, IN 47274
(voice) 812/522-9444
(fax) 812/522-9494
(e-mail) ereedy@reedyfinancialgroup.com

Annexation Consent Received From Majority of Property Owners

During the statutory annexation process, the Town has worked extensively with property owners in the Annexation Area. As a result, the Town has received signed consents to the annexation from a majority of the property owners in the revised Annexation Area.

Annexation Area Boundaries Revised in Response to Property Owners

As a result of direct discussions with property owners in the original Annexation Area, the Town has elected to revise the boundaries of the Annexation Area in order to conform to the preferences of the property owners, to the extent practical. The boundaries were revised out of a balanced respect for the preferences of the landowners, as well as a practical recognition of the importance of efficiency in municipal services. In addition, the Town Council worked cooperatively with Zionsville to practically address boundary issues.

“Right To Farm”

In response to the requests and inquiries of the landowners in the annexation area, the Town seeks to add language necessary to assure the Town’s intent to respect the right of property owners to farm.

It is the Town’s intent that maintaining agricultural uses and zoning classifications, as well as the flexibility of the Town ordinances be a priority in all decisions relating to development in the Annexation Area. Specifically, it is critical that new development respect the right to farm by neighbors, in order to protect agricultural operations in the Annexation Area. Accordingly, this annexation specifically includes provisions necessary to insure that landowners in the Annexation Area have a “right to farm” covenant which will be respected with regard to new development and any future expectations of occupants of new development, especially with regard to preclusion of complaints about noxious noises, lights and/or smells emanating from nearby agricultural operations.

Landowners May Petition for Re-Zoning to Agricultural

This Annexation Fiscal Plan is also revised to include provisions enabling and allowing the current landowners to petition the Town Council to have their property re-zoned to ‘agricultural,’ if the landowner so desires, and the Town Council hereby commits to act favorably on such petitions, so long as the landowner has not initiated land uses or improvements on the property which would violate agricultural zoning requirements and/or parameters.

Annexation Proposed in Order to Plan & Provide Municipal Services & Responsible Growth As Development Requires

Whitestown has been growing at a brisk pace, despite the economic recession, however,

responsible growth requires that capital extension of municipal services be carefully planned and executed. Even now, nearby communities are extending their boundaries without concrete capital improvement planning.

Some areas which are now inside nearby municipal corporate boundaries could be more cost-effectively served by Whitestown. When municipal boundaries are expanded without concern for cost-effective services (including both “municipal” and “utility” services), the residents or customers generally end up paying higher taxes and utility bills than would otherwise be required. High municipal and utility costs (including both service and extensions) generally reduce/retard economic development, and reduce land values for current owners.

Whitestown is pursuing the East Side Annexation with the primary intent of establishing a coherent long-term plan for extending municipal services and utility infrastructure on the most cost-effective basis possible, while giving due regard to the current nature of the area. The East Side Annexation Area is immediately adjacent to the current eastern municipal boundary, and would represent only a nominal extension of Whitestown utility infrastructure and other services until projected growth requires. However, the time to plan for the extension of services is now.

Conversely, adjacent municipalities would arguably have difficulty in providing municipal and utility services to the East Side Annexation Area at a cost competitive with Whitestown. In cases where the cost of extending municipal services is unnecessarily high, the value of the land is decreased, because the high costs must be factored into the developed value of the land. Such situations effectively reduce the wealth of the current landowners by reducing the effective value of their property for future development.

During the annexation process, current landowners will be afforded the opportunity to consider these issues from the perspective of potentially competing proposals, and decide which alternative is in the best interests of the landowners, themselves. Whitestown is prepared to engage in that discussion with the landowners, and believes that annexation by Whitestown under the proposed process ultimately includes terms that are in the long-term mutual interest of the community, including those already in the Town and those in the annexation area.

Contiguity

The East Side Annexation Area is more than 25% contiguous to the existing corporate limits of the Town of Whitestown.

Developmental Intensity Has Increased

This Fiscal Plan expressly notes that the area along the I-65 corridor is under extreme development pressure from a broad range of developers, including residential, commercial and industrial development, and these developers are expecting the delivery of Whitestown municipal services, and particularly utility services, in order for their development proposals to be viable.

The previous and ongoing developments include residential development, as well as commercial/industrial development, substantially increasing the development density and urbanization of the area, both now and in the reasonably near future, as these developments are

built-out. Increased developmental intensity will predictably increase the demand for municipal services as the annexation territory becomes more urbanized. Whitestown is preparing to increase and extend its municipal services in a planned and managed fashion as this development takes place. The East Side Annexation Area is projected to develop in the future, and Whitestown is prepared to structure this annexation in a manner that assures the extension of municipal services as development occurs, in a planned and organized fashion, and in a manner that ensures proper services in the future without other immediate impact to the property owners now. Adding the area now also gives residents in the East Side Annexation Area more direct input in Town government and services, and therefore a greater voice in the development of the area before the growth occurs.

Population Growth

The Town of Whitestown had a 2000 population of only 471 people. The 2010 population was cited at 2,867 persons, which represents a growth rate of more than 600% between 2000 and 2009 (when 2010 population figures were collected). Multiple subdivisions and major commercial, industrial and mixed-use developments have recently been approved, and development continues, but at a slower pace than in 2006/7. Even at the slower pace, the Town continues to work to plan for efficient extension of services.

The Town is, therefore, engaged in an effort to determine the reasonable service area of its utilities and other municipal services and to prepare to bring those areas into the municipal boundaries in a planned and methodical manner.

Population Density

The current, estimated population density of the annexation area is less than 3.0 persons per acre.

60% Subdivided

The annexation area is currently less than 60% subdivided and urbanized, in accordance with statute, at this time.

Zoned for Business Use

IC36-4-3-13(b) includes provisions that note “the territory is zoned for commercial, business, or industrial uses” as a factor that may be used in evaluating annexation. As noted previously, the annexation area is changing and developing at a dramatic pace, due largely to the actions of government entities other than the Town of Whitestown. At this time, the East Side Annexation Area is not zoned for business use, however, it is noted that Planned Unit Development (PUD) has been a dominant form of development proposal in this region, and PUD would be an expected type of development proposal, when the East Side Annexation Area is developed. Generally speaking, a primary feature of PUD development proposals includes a substantial ‘commercial, business, or industrial uses.’ Whitestown seeks to be prepared in the event that such a proposal is received.

Waivers of Remonstrance

The Town does not intend to require that existing rural development connect to Whitestown

Utilities immediately in areas where there are not existing facilities, however, as the area becomes increasingly urbanized, it is possible that existing residences on wells and septic tanks will request to be connected to Whitestown Utilities.

As this annexation is pursued, Whitestown sought to determine the preferences of landowners in the East Side Annexation Area with regard to municipal services, as well as the terms and conditions under which the area would be annexed. Whitestown respect the preferences of the landowners and has discussed issues of municipal service extensively with landowners in order to achieve an annexation with consent from a majority of landowners.

Deferral of Effective Date of Annexation

The Town's intent is also to offer to delay the effective date of this annexation, as provided in the ordinance, under IC36-4-3-8. Therefore, with the expectation that the annexation will be finalized in 2013/14, it would be reasonably projected that the effective date would be deferred until at least 2016/17. During this period, the landowners in the Annexation Area would not be required to pay property taxes to the Town of Whitestown, and those landowners would continue to receive county services, rather than municipal services.

Intent to Offer 10-Year Exemption from Municipal Property Taxes

It is the intent of Whitestown to also offer a 10-year exemption from municipal property taxes for the agriculturally-zoned land in the East Side Annexation Area, as provided in statute. This is considered by Whitestown to be both "fair" and "equitable" for the landowners, and is proposed to run consecutively with the deferral of the effective date under IC 36-4-3-8, as noted above.

Under this combination of statutory provisions, the agricultural property in the East Side Annexation Area would be exempt from municipal property taxes from 2013/14 until 2026/27, unless the land is re-zoned for development.

Offer of Annexation Tax Abatement Under IC 36-4-3-8.5

It is the intent of the Town to offer annexation tax abatement as provided under IC 36-4-3-8.5 to any property which is not considered to be agricultural in the Annexation Area. Inasmuch as the agricultural tax exemption (above) would likely not be available to non-agricultural parcels, it is the intent of the Town to extend the tax abatement provisions afforded by statute.

Therefore, under these applicable circumstances, non-agricultural parcels would receive the 3-year deferral under IC 36-4-3-8 (projected to be between 2013/14 and 2016/17), and then consecutively receive the annexation tax abatement provided under IC 36-4-3-8.5. Under this combination of statutory provisions, it is projected that the first assessment of municipal property taxes would take place: in approximately 2017 at 25% of the Whitestown property tax rate; in approximately 2018 at 50% of the Whitestown property tax rate; in approximately 2019 at 75% of the Whitestown property tax rate; and in approximately 2020 (and thereafter) at 100% of the Whitestown property tax rate. These projected dates are subject to change/delay based on the time required to fully execute the annexation process.

“Needed & Can Be Used”

The East Side Annexation Area is ‘needed and can be used by the Town for its development’ at this time. The Town of Whitestown has performed preliminary examination of the East Side Annexation Area and has determined that the area can be cost-effectively served by Whitestown and its utilities, with appropriate planning. Inasmuch as the cost of service from other utility providers would likely be higher than the cost of extending service by Whitestown, the value of land in the Annexation Area would be best preserved by offering utility service from Whitestown. The Town is operating under the reasonable presumption that the lowest cost of providing services would generate the highest residual value of land for development purposes.

Established Written Annexation Policies Addressing the Area

The Whitestown Town Council also specifically undertook an effort to formally establish written Annexation & Growth Policies which were developed and passed by the Town Council prior to this annexation. These policies outlined the Town’s expectations with regard to service delivery, as well as defining what services were to be delivered as a result of annexation and clearly separating “municipal services” from “development standards.”

These annexation/growth policies clearly stated the intent of the Town Council that the Town’s growth policies expect annexation of the entirety of the service area of Whitestown Utilities as such areas are developed. This East Side Annexation is consistent with those policies.

Town Established Utility Service Area

The Town of Whitestown purchased the assets of the bankrupt Boone Utilities, including its utility service area jurisdiction. It is the intent of the Town to annex areas served by Whitestown Utilities in accordance with relevant provisions of IC36-4-3, unless otherwise provided by prior agreement.

Plan to Provide Municipal Services

The Town of Whitestown recognizes the following municipal departments and agencies as providing municipal services to residents of the Town:

- Administration/Town Council/Town Manager (non-capital services only)
- Clerk-Treasurer (non-capital services only)
- Police Department (non capital services only)
- Fire Department (non capital services only)
- Street Department (capital & non-capital services)
- Whitestown Utilities (capital & non-capital services)
- Planning Department (non capital services only)
- Redevelopment Commission (non capital services only)
- Parks Department (capital and non-capital services)
- Town Court (non-capital services only)

Providing All Non-Capital Services

All non-capital services will be provided to the annexed territory within one year after the effective date of annexation, and will be provided in a manner equivalent in standard and scope

to the non-capital municipal services provided to the areas within the corporate boundaries of the Town with the intent for complete conformity to all requirements of IC36-4-3. The Town Council, Town Manager, and Clerk-Treasurer have already begun the planning for extension of both capital and non-capital municipal services, and have initiated efforts to organize resources necessary to assure that the extension of services occurs in a smooth and efficient a manner. The projected effective date of the annexation is likely to be between July 1, 2016 and March 1, 2017, with all non-capital services to be in place within one year after the effective date, as required by statute. For further clarification, municipal services are defined in the growth & annexation policies of the Town of Whitestown, as passed by the Town Council.

MUNICIPAL ELECTIONS

Residents of the East Side Annexation Area will become eligible to vote for municipal officers, including the Clerk Treasurer, Town Council, etc., in regular and special elections beginning on the effective date of the annexation.

TOWN ADMINISTRATION

The Town Administration develops and administers municipal policy, as well as dealing with citizen requests of various types. The elements of the Town Administration includes the Town Council, Town Clerk-Treasurer, Town Manager and all Department leaders, who work cooperatively to address issues and concerns of citizens, as well as other issues related to the execution of municipal services. While the cost of additional administrative services are not yet completely known, the Town Council suggests that the increasing administrative duties of municipal government due to the growth of the Town would be mostly allocable to new development as it occurs, and only minimally allocable to this annexation, itself.

The Town Administration will initiate the plans for service delivery implementation, and the Town Administration will prepare or cause to be prepared any necessary documents or other material necessary to assure that both capital and non-capital municipal services will be extended to the annexation area on a timely basis, in accordance with statute.

In addition, this Fiscal Plan notes that some of the services of the Town Administration are already available to the residents of the East Side Annexation Area by virtue of receipt of, and response to, telephone calls and requests for information related to various municipal services, including zoning matters, development proposals, proposed annexation(s), as well as other matters germane to the common interests of the residents of the general area, including the area within the corporate limits and surrounding areas. Residents from outside of the town limits routinely appear before the Town Council to simply be informed, to express concerns and to air grievances. Therefore, a significant portion of the Town's administrative services are already afforded to residents of the annexation area.

The services of the Town Administration will be available to the residents of the annexation area on the effective date of the annexation, and will be extended in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the Town.

CLERK-TREASURER

The Clerk-Treasurer serves as the Chief Financial Officer for the Town. The office is responsible for maintaining the Town's financial records, receiving and paying invoices for goods and services, as well as managing and investing revenue streams received by the Town. The services of the Clerk Treasurer are provided on behalf of the residents of the Town, but do not accrue directly to the individual residents of the Town, per se. The records of the Clerk-Treasurer are public. We do not project a significant change in the services of the Clerk-treasurer as a result of this annexation.

The services of the Clerk Treasurer's office will be available to the residents of the annexation area on the effective date of the annexation, and will be extended in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the Town.

TOWN COUNCIL

The Town Council serves as the Executive & Legislative branches of municipal government, with 5 councilors elected by residents of the Town. The opportunity to present issues to the Town Council and other municipal offices will be extended to the residents of the East Side Annexation Area immediately upon the effective date of the annexation. However, it must also be added that the Whitestown Town Council already extends many of the services of the Town Council to the residents of the annexation area. Such services include the opportunity to testify before the Town Council at public hearings, the opportunity to address the Council at Council meetings, and the opportunity to informally discuss issues deemed important by the residents of the area, either individually or collectively. The Town Council has often afforded residents of this and other annexation areas the opportunity to express their views in shaping development policy for the community at large, despite the fact that annexation area residents were not residents of the incorporated Town.

That said, the services of the Town Council will be available to the residents of the East Side Annexation Area on the date the annexation becomes effective, and will be extended in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the Town.

TOWN COURT

The proposed annexation will have no projected impact on the operation or financing of the Town Court. Currently, the County Sheriff patrols the roads in the annexation area and any traffic infractions or citations are sent to county courts in Lebanon for adjudication. After the effective date of annexation, the Whitestown Police Department will patrol the area and traffic infractions, as well as other activity, will be adjudicated in the Town Court. This is projected to increase the court case load, and the cost of operating the Town Court. The Town will continue to work directly with the Town Judge to determine a court budget, however, research with

comparable courts has indicated that the increased case load should also result in increased revenues from fines and court costs, with the Town court ultimately paying for its operations through the court's internal revenues. As Whitestown Police begin to write traffic tickets in the annexation area, the services of the Town Court will be extended into the annexation area.

The services of the Town Court will be provided in a manner equivalent in standard and scope to services provided to the other areas within the corporate boundaries of the Town upon the effective date of the annexation.

EMERGENCY COMMUNICATIONS

The Town receives emergency communications services through a cooperative venture with the County. As such, emergency communications are not a municipal service of the Town of Whitestown. This will not change as a result of annexation, and is budgeted separately.

POLICE DEPARTMENT

The proposed annexation includes extending the services of the Whitestown Police Department into the annexation area, within one year of the effective date of the annexation. The Town has begun adding resources to its Police department as the Town continues to grow, and the Town Council projects that it will continue to pursue these same patterns of increasing service resources as the Town develops and grows.

The annexation of The East Side Annexation Area is not anticipated to require the addition of new police officers unless and until the area is developed. The size and scope of existing development already is embraced and accommodated by the Town Council, and the resources necessary to provide municipal police service have grown in close approximation to the level of growth. Inasmuch as the police department resources are growing with new development, it is projected that the existing levels of development in the East Side Annexation Area will not generate a need to add full-time police officers to the Town. Instead, any need for additional patrols in the annexation area is projected to be met by using reserve officers, and by re-assigning patrol routes to existing officers, after the annexation becomes effective.

In all cases, it is expected that the level of police service coverage provided by the Town of Whitestown will exceed the level of police coverage currently provided by the Boone County Sheriff.

The Town Council and Town Manager are intensely conscious of the need for efficiency in providing all municipal services, and will seek to control costs at optimal levels of efficiency for all city departments, including police services, even to the extent of considering other alternatives for providing services such as police services. This would potentially include development of service contracts with the County Sheriff, if appropriate.

The Whitestown Police Department will assume jurisdiction over the East Side Annexation Area within one year of the effective date of the proposed annexation, and services will be extended in a manner equivalent to the standard and scope of services which the Police Department provides to the other areas within the corporate boundaries of the Town.

FIRE DEPARTMENT

The Town of Whitestown currently provides fire protection services to the East Side Annexation Area. The fire services are provided pursuant to a long term inter-local agreement between Whitestown and Worth Township. Whitestown has incurred significant debt for the benefit of Worth Township and Whitestown in the long term provision of service in both areas, and in recognition of the debt taken on by Whitestown, the East Side Annexation Area has made a long-term commitment to make contractual payments through Worth Township as long as that debt is outstanding. The Fire Department continues to develop with the growth in the area in a manner that is beneficial to both Whitestown and Worth Township.

Fire services will be afforded to the residents of the East Side Annexation Area in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the Town

STREET DEPARTMENT (NON-CAPITAL SERVICES)

The Street Department will require a full year to plan and program the extension of its services to the annexation area, with Street Department non-capital services (i.e., street and road maintenance) beginning one year after the effective date of the annexation and provided in a manner equivalent in standard and scope to the services provided by the Street Department in the other areas of the Town. As is outlined below, the planning for capital growth will occur on an ongoing basis taking into consideration deferrals of the effective date and tax abatements and/or exemptions in such a manner that the Town anticipates little to no immediate non-capital increases until growth occurs and the corresponding exemptions or abatements subside.

Municipal street department services will be afforded to the residents of the East Side Annexation Area in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the Town, within one year of the effective date of the annexation.

WHITESTOWN UTILITIES: WATER SERVICE

The Town of Whitestown previously acquired the bankrupt Boone Utilities, including the utility service area of Boone Utilities, and re-named the organization “Whitestown Utilities,” which has been organized as a municipal department. Whitestown Utilities provides sewer and water utility services to and around the Town of Whitestown, however, the development levels in the unincorporated areas near Whitestown (including portions of The East Side Annexation Area) has not yet achieved sufficient uniformity to provide service throughout the annexation area.

Generally, all new development in the East Side Annexation Area is projected to be afforded water service by the Whitestown Utilities (“WU”), and provision of water service is negotiated as part of the development proposal. This Fiscal Plan projects that the Town’s policies for extending water utility service will continue in its existing form, and that municipal water service to existing rural areas will not be extended until such service is requested and the cost of such service can be reliably determined.

There are several important premises for understanding the town's intent with regard to providing water utility services to the East Side Annexation Area.

1. WU will extend utilities to any parcel in accordance with Town utility extension policies. It is likely that any parcel requesting WU water service will be required to pay the capital cost of extension of that water service.
2. WU will allow existing rural residences to connect to the WU water system as the system continues to develop over time, at costs prescribed by WU. As the undeveloped areas continue to develop, WU anticipates that it will become increasingly more practical to provide water service at a competitive cost to existing rural residences.

The cost of water utility service will be paid entirely by the water utility user fee/revenue system, and will not be a part of the municipal budget, per se.

The capital and non-capital services of the water utility will be made available to residents of the annexation area immediately upon the effective date of annexation. However, it might behoove residents of the annexation area to consider that the growth and development near and surrounding them might ultimately bring water utility service to their property at a lower cost than paying for those service extensions privately.

SEWER SERVICE

The sewer utility services to the annexation area are generally provided WU, which has installed interceptor sewers, collection sewers and more recently a sewage treatment plant expansion serving a portion of the East Side Annexation Area. Whitestown owns and operates the WU sewer utility and requires all connections to the WU sewer system to be accompanied by a waiver of remonstrance against annexation by Whitestown.

There are two important premises for understanding the town's intent with regard to providing sewer utility services to the East Side Annexation Area.

1. WU will extend utilities to any parcel in accordance with Town utility extension policies. It is likely that any parcel requesting WU sewer service will be required to pay the capital cost of extension of that sewer service.
2. WU will allow existing rural residences to connect to the WU sewer system as the system continues to develop over time, at costs prescribed by WU. As the undeveloped areas continue to develop, WU anticipates that it will become increasingly more practical to provide sewer service at a competitive cost to existing rural residences.

Virtually all of the new development in Whitestown was required to provide waivers of the right to remonstrance against annexation. As new development occurs, this provision further demonstrates that the annexation area is needed and can be used by the Town for its growth and development. Sewer utility service will be paid entirely from revenues generated through sewer utility user fees and will not be part of the municipal budget, per se.

The capital and non-capital services of the sewer utility will be made available to residents of the annexation area immediately upon the effective date of annexation.

WHITESTOWN PLANNING DEPARTMENT

Planning, zoning and land use services are provided through the Whitestown Planning Department. This service is contracted by the Town, and is funded from fees collected by the department. Planning services, including comprehensive planning, economic development planning, development review, zoning, land use, trails and alternative transportation planning/programming are administered through the Whitestown Planning Department.

Municipal planning services are already largely being provided to the annexation area by the Town of Whitestown. Any municipal planning services which are not already being provided by the Town, will be provided immediately upon the effective date of the annexation, as the area comes under Whitestown's planning and zoning jurisdiction.

WHITESTOWN REDEVELOPMENT COMMISSION (WRC)

There are no areas within the East Side Annexation Area which are designated to be under the jurisdiction of the WRC. Economic Development Areas near Whitestown either have been or are projected to be designated by the County. In addition, Whitestown has also established Economic Development Areas for the purpose of encouraging economic development. None of these areas are located in the East Side Annexation Area, however, the Town will fairly consider future development proposals in the East Side Annexation Area which might require designation of an economic development area.

On the effective date of the annexation, the WRC can consider any request to designate an economic development area or redevelopment area within the annexation area under Indiana law, for the purposes of promoting economic development in the East Side Annexation Area.

PARKS DEPARTMENT

The Town's Parks Department maintains existing municipal parks, as well as administration of park activities, including community-wide functions. The Town's Parks Department is in the process of developing and considering a park impact fee which would provide that new development pays a part of the cost of capital parks for newly developed areas. The Town's park development policies also require that new development set aside green spaces and public spaces for recreational purposes.

The Town anticipates that the extension of non-capital parks services into the annexation area will take place one year after the effective date of the annexation in a manner equivalent in standard and scope to the parks services delivered to the incorporated portions of the town.

Providing Capital Services

All capital services of the Town of Whitestown will be extended to the East Side Annexation Area within 3 years of the effective date of this annexation in the same manner as those services are provided to areas inside the corporate limits, and in a manner consistent with federal, state and local laws, procedures and planning criteria. IC36-4-3 identifies capital services as street construction, street lighting, sewer facilities, water facilities and stormwater drainage facilities.

(As with non-capital services, the commencement of capital services will depend upon the final effective date after any deferral of annexation.)

This Fiscal Plan is premised on the offer of a 3-year deferral of the effective date, as explained above. Therefore, it is anticipated that the effective date of this annexation will take place in 2016/17, after the proposed deferral.

STREET DEPARTMENT (CAPITAL STREET CONSTRUCTION SERVICES)

The Street Department also offers the capital services of road construction and re-construction which will be provided to the annexation area beginning three years after the effective date of annexation. Using the previous deferral premise, municipal capital services would therefore be projected to commence in 2019/2020, however the Town reserves the right to commence capital services prior to that time, if development patterns, or other circumstances, demand.

This does not necessarily mean that road reconstruction will begin in 2019/20. Instead, it means that the road construction needs of the annexation area will be included in the project priorities of the Town of Whitestown beginning in 2019/20 for initial capital expenditures in 2020/21. The Capital programming of the Street Department is based on several factors:

- Road/pavement inspections;
- Existing and projected traffic volumes;
- Existing Thoroughfare Plans;
- Project Cost;
- Available Funding;
- Right of way acquisition required;
- Citizen support and
- Completed/approved engineering designs.

Current Street Department policy requires that the condition of all roads be examined annually (on multiple occasions if potholes, cracking, washboarding or other pavement deterioration is detected). The results of these inspections are then to be pooled into a comprehensive list based on condition of the roads, existing and projected traffic, extent of repairs or reconstruction needed, cost of the project and funding available. Once the road projects are identified, organized and prioritized, the Town's Consulting Engineer will work with the Town Council and the Street Department to establish a funding plan based on available funding from potential sources identified by the Town's Financial Advisor. At this time, it is anticipated that the MVH and LRS funding received from the annual budget will comprise the majority of the budget of the Street Department.

In addition, the negotiation of development proposals routinely includes requiring developers to repair or upgrade certain streets/roads, at the developer's expense, as part of the development. Such improvements cannot be projected in the absence of a development proposal, per se, but it is possible that the East Side Annexation Area could benefit from such practices.

It is difficult to project when construction of any specific road project will begin, due to the growth rate of the Town and the myriad of issues associated with such construction projects (right of way purchases, design/approval delays, funding cutbacks/availability, etc.). In some

cases, when specific revenue streams can be identified to pay off the debt, the Town can pursue a special road construction bond, however, it is too early to tell if such a bond is possible for this specific annexation.

Some projects in other municipalities (including Indianapolis) have been on the road construction list for several years. Therefore, the need to prioritize such projects will be the same for the annexation area as for areas within the corporate limits of the Town. In addition, it appears that Boone County participates in the Indianapolis MPO, which is responsible for prioritizing federal and state funding for major road projects. Since Whitestown is such a small part of the overall MPO, and is new to the MPO endeavor, it is difficult for Whitestown to predict whether a major project inside the Whitestown boundaries could be funded with federal funds in the near future.

Generally speaking, given the policy details presented above, the Town of Whitestown expects to deal with capital street projects in two major steps. First, the Town provides for improvements to key intersections to improve the efficiency of the flow of traffic through those intersections as a result of new development. Second, the Town widens the thoroughfare between the intersections to increase the traffic-handling capacity of the roadway corridor. The entire process takes several years to complete under normal circumstances, and in most municipalities the priority list for improvements is continually updated, based on traffic levels and roadway conditions, among other things.

Projects will be pursued in accordance with the priority list. It is possible that a bond issue would be considered in order to address thoroughfare needs for the annexation area, but that decision has not yet been made. If a bond issue is generated, the roadways will be improved earlier than if the roadway improvements must be funded through annual revenues.

STREET LIGHTING

Whitestown does **not** provide street lighting as a capital service of the Town. Street lighting is considered a development standard, rather than a municipal service. Street lighting differs in design between developments, depending upon the target demographic of the development and the negotiations of the developer and plan commission for approval of the subdivision/development. Since the provision of street lighting differs widely, homeowners' associations are responsible for the maintenance of street lighting in each subdivision.

In cases where there is an unusual need for street lighting, the Town's is prepared to receive and consider requests for the installation of street lighting in certain areas. The ability to present any street lighting service/request to the Town Council will be afforded to the annexation area within three years after the effective date of the annexation in the same manner as the service is afforded other areas of the incorporated Town.

WHITESTOWN UTILITIES: CAPITAL WATER SERVICES

Whitestown receives capital water services from Whitestown Utilities (WU). Any request for service which is received from the residents of the annexation area will be addressed within the statutory time frame (see water and sewer utility service explanations, above). Capital water service extensions are made at the expense of the property owner, and such capital water services will be provided to the annexation territory on the effective date of the annexation. In essence,

the landowners are generally required to pay for capital water extensions, and as such, the municipal water services of WU will commence immediately upon the effective date of the annexation. Under some circumstances, it is possible that WU water services could be extended prior to the effective date of the annexation, in cases where the landowner pays for such extensions.

CAPITAL SEWER SERVICE BY WU

Capital sewer utility services to the East Side Annexation Area are provided by WU. Generally, the East Side Annexation Area has access to nearby interceptor sewers and/or collection sewers, which could be reasonably extended into the Annexation area, if desired. WU also upgraded a sewage treatment plant serving a portion of the town. Capital sewer service extensions are generally made at the expense of the property owner, and such capital sewer services will be provided to the annexation territory on the effective date of the annexation.

CAPITAL DRAINAGE SERVICES

It is important to note that the Town of Whitestown does not provide “drainage services” as a municipal service of the Town. Traditionally, the term “drainage services” has been generally interpreted to mean the installation of storm sewers, combined sewers, drainage tiles or drainage ditches, which are paid through assessments levied by the county drainage board. The Town installs none of these, and generally does not consider itself to have the authority to levy such assessments. As such, the County Drainage Board will retain such authority in the annexation area.

Whitestown’s development policies handle drainage issues as a “development standard” rather than a municipal service, by requiring the developer to install stormwater handling and retention facilities which retain stormwater runoff on the site of the development in order to minimize downstream flooding. (From time to time, the standards change, meaning that various stormwater retention facilities might be designed to address different standards, over time.) Generally, stormwater retention facilities are the responsibility of the development’s homeowners’ association for maintenance and the cost of constructing stormwater drainage or retention facilities is included in the cost of the development. This cost is generally conveyed to the purchasers in the price of their parcel. Based on this definition, the Town of Whitestown already provides the annexation area with capital drainage services in the form of development standards, and thus in the same manner as those services are provided to the property within the corporate limits.

Fiscal Impact Projections

The fiscal impact projections to be provided with this Fiscal Plan narrative will be prepared cooperatively by Reedy Financial Group, PC, and the Town Manager. The fiscal projections of costs and revenues is currently being developed with contingencies related to the timing of the annexation, including deferrals, property tax exemptions, and annexation tax abatement.

Town of Whitestown, Boone County
 East Side Annexation
 Revenues and Expenditures
 March 7, 2013

	<u>Property Tax</u> <u>Revenue</u>	<u>Income Taxes</u>	<u>Other Tax</u> <u>Revenues</u>	<u>Gasoline Tax</u> <u>Revenue</u>	<u>Other Revenue</u>	<u>Total Revenues</u>	<u>Minimum Costs</u>	<u>Projected</u> <u>Revenues over</u> <u>Minimum Costs</u>	<u>Maximum Costs</u>	<u>Projected</u> <u>Revenues over</u> <u>Maximum Costs</u>
Year 1	\$ -	\$ -	\$ -	\$ 11,940	\$ 1,000	\$ 12,940	\$ 5,000	\$ 7,940	\$ 8,000	\$ 4,940
Year 2	\$ -	\$ -	\$ -	\$ 12,299	\$ 1,000	\$ 13,299	\$ 5,250	\$ 8,049	\$ 8,400	\$ 4,899
Year 3	\$ -	\$ -	\$ -	\$ 12,668	\$ 1,050	\$ 13,718	\$ 5,513	\$ 8,205	\$ 8,820	\$ 4,898
Year 4	\$ -	\$ -	\$ -	\$ 13,048	\$ 1,103	\$ 14,150	\$ 5,788	\$ 8,362	\$ 9,261	\$ 4,889
Year 5	\$ -	\$ -	\$ -	\$ 13,439	\$ 1,158	\$ 14,597	\$ 6,078	\$ 8,519	\$ 9,724	\$ 4,873
Year 14	\$ 95,506	\$ 63,300	\$ 2,774	\$ 13,842	\$ 4,713	\$ 180,135	\$ 125,000	\$ 55,135	\$ 175,000	\$ 5,135

Current taxing district: Worth Township

(1) See Wabash Scientific narrative in the fiscal plan. Minimum costs include a 5% increase annually after year 1 that is subject to the annual budget process. After the abatements are completed in year 2014, the Town anticipates minimum costs of \$125,000, and maximum costs of \$175,000 that are subject to the annual budget process. These costs are expected to approximate the projected service needs for the East side annexation area.

(2) The property tax revenue is expected to be approved by the DLGF, and is based on current and future projected net assessed valuations of the annexation area. The East side annexation area projected increase to the net assessed valuation to the Town is 3.9%. The combined projected increase to the net assessed valuation of the Town for all three annexation areas is 11.0%.

IC 6-1.1-18.5-3 provides for an automatic increase to the Town's maximum property tax levy for increases in assessed valuation of 15% or less.

The Town expects to receive the automatic increase in year 14 after the delay and abatements are completed.

(3) COIT, and other tax revenues are distributed based on a ratio of property taxes.

(4) Gasoline tax revenue are distributed based on a combination of population and road mileage.

(5) Other revenue are distributed based on a ratio of population and fees.

(6) NOTE: Agricultural parcels, as areas develop, will lose the ag abatement and will pay property taxes. Therefore, the annexation adjustment to the maximum property tax levy will occur earlier in those circumstances.

(7) NOTE: To the extent costs are greater in the annexation areas than the revenues generated in the annexation areas, the Town has sufficient cash on hand to cover those costs.

(8) Fire Protection: The fiscal plan and ordinance provides that the Town will continue providing fire protection through the Worth Township fire contract during the delay period and the abatement period. After those periods are over, the Town anticipates, as outlined in #2 above, an adjustment to its maximum property tax levy limit to provide fire protection to the annexation area.