

Town of Whitestown, Indiana

RESOLUTION NO. 2014-31

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

2014 Whitestown Parkway 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) and is adopted prior to adopting an annexation ordinance under Ind. Code § 36-4-3-4; and

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

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 “2014 Whitestown Parkway Annexation” proposed by Ordinance 2014-15.

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

Eric Miller, President

Julie Whitman, Vice President

Dawn Semmler, Member

Susan Austin, Member

Kevin Russell, Member

ATTEST:

Amanda Andrews, Clerk-Treasurer
Town of Whitestown, Indiana

2633829_2

EXHIBIT A

ANNEXATION FISCAL PLAN – 2014 WHITESTOWN PARKWAY ANNEXATION

Whitestown, Indiana

Boone County

Fiscal Plan:

Whitestown Parkway Annexation Area

The Fiscal Plan may be reviewed in the offices of the Clerk-Treasurer located in Whitestown Town Hall. Copies of the Fiscal Plan are available immediately at this location for a copying fee of \$0.10 per page (black & white), OR interested parties may obtain a copy of the Fiscal Plan from the internet web page at www.Whitestown.in.gov. For any questions regarding this annexation, the public should contact the Town Manager's office at 317/732-4530.

August 25, 2014

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Map #1



2014 Annexation - Whitestown Pkwy Whitestown, Indiana

- Legend**
-  Whitestown Corporate Limit
 -  Township Boundary
 -  Parcel Boundary
 -  2013 Pending Annexation
 -  2014 Whitestown Parkway Annexation

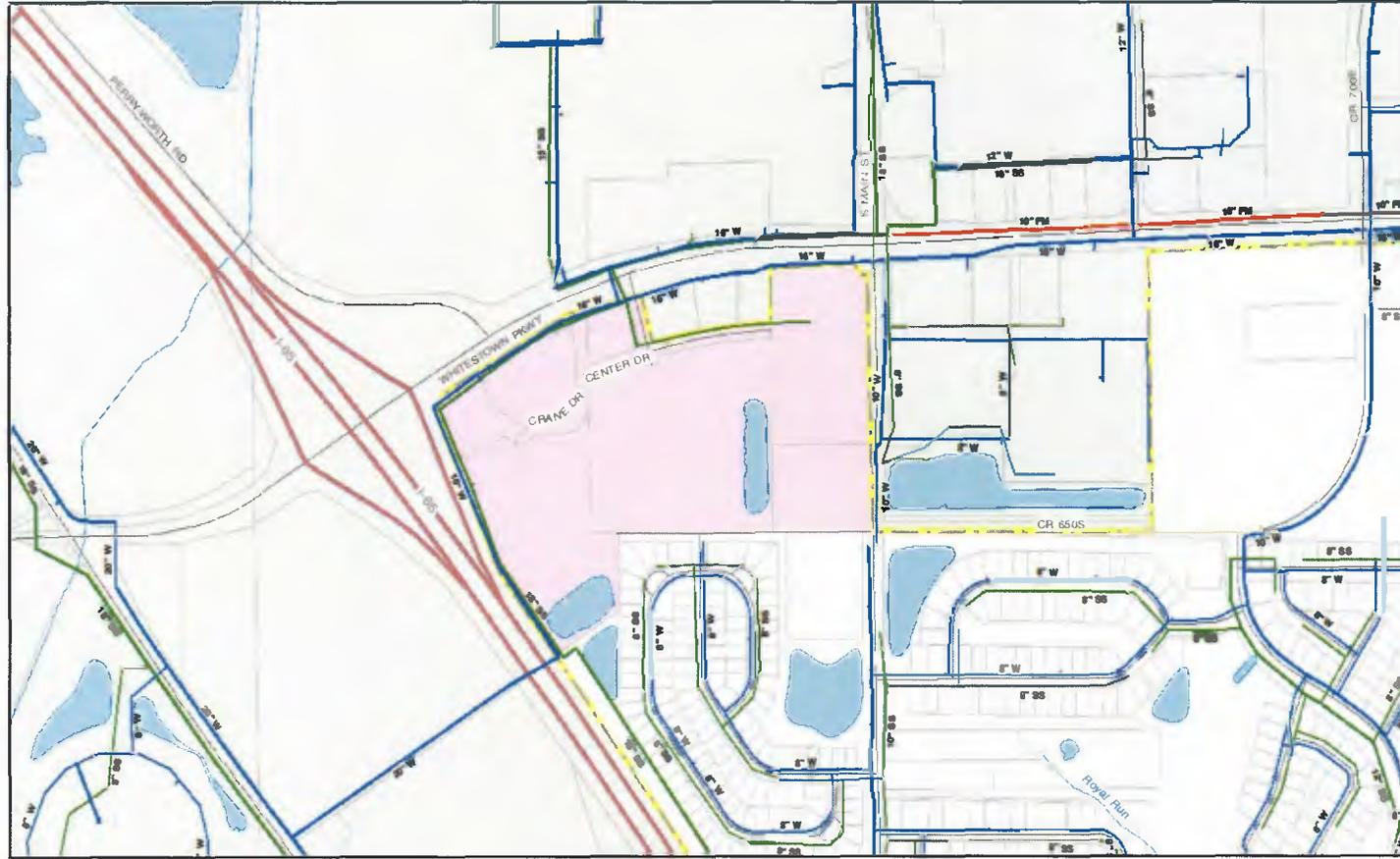


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Map #1A: Whitestown Parkway Annexation Area (with Utilities)



Legend		Sanitary Sewer		Water System	
	Interstate Highway		Lift Station		Pump Station
	U.S., State Highway		Force Main		Water Line Size
	Railroad		Sewer Pipe Size		10" - 20"
	Stream or Ditch		12" - 24"		2" - 6"
	Lake or Pond		6" - 10"		
	Corporate Limit				
	Proposed Annexation				
	Parcel Boundary				

**Whitestown Parkway
Existing Water & Sewer Map
Whitestown, Indiana**

Scale in Feet
Printed August, 2014



Annexation Background

The Town of Whitestown has experienced extraordinary growth in recent years for a number of reasons, briefly summarized as follows:

- The Town is located adjacent to the I-65 Corridor and is essentially located at the first two interchanges outside of Marion County/Indianapolis (Exit 130 and Exit 133), making the area highly accessible and highly visible to a high volume of interstate highway traffic.
 - Traffic counts at these interchanges are estimated to approach 67,000 vpd, which equates to 24 million vehicles per year and as many as 33 million persons per year.
 - The Whitestown area is among the highest visibility areas of Indiana from the perspective of traffic and passengers.
 - (In terms of contrast, vehicle traffic along I-65 drops by more than 50% within the 30 miles north of Exit 133.)
 - The Annexation Area is located in the southeast quadrant of I-65 Exit 130.
- The Town purchased the bankrupt Boone Utilities which included a Certificate of Territorial Authority (CTA) providing the Utility with exclusive service rights to a substantial geographic area, including the two I-65 Interchanges cited above.
 - Ownership of the Utility makes the Town responsible for planning, designing and serving the CTA with utility services for water and wastewater.
 - Consistent with the CTA, Whitestown Utilities (WU) has developed and installed water and sewer utilities on all four sides of the Annexation Area (see Map 1A).
- Boone County approved and designated an expansive development proposed by Duke Realty, called "Anson," which has resulted in extensive new economic development driven and marketed actively by the private sector.
 - The County-approved Anson development is located immediately north of the Annexation Area and is served by WU.
- In addition to Duke Realty, a substantial amount of the real estate within the Utility CTA is owned/optioned/controlled by several developers with direct and active intents to develop the real estate which they control, thereby generating even more economic development.
- None of this private-sector economic development can occur without the utility support provided by Whitestown Utilities.
- In order for growth to be adequately managed and controlled, extensive utility planning must be undertaken by the Town.
 - Utility planning serves all ratepayers by controlling utility rates, affecting all utility customers (including those located outside of the Annexation Area).
 - WU has already constructed sewer and water facilities to serve the Annexation Area.
- Economic development generates additional population, as well as additional traffic congestion.
 - In order to avoid gridlock, transportation planning must be undertaken and traffic improvements must be smoothly integrated into the transportation infrastructure in order to serve the population of the area, including areas outside of Whitestown boundaries.
- In addition to other development pressures, the Regional Metropolitan Planning Organization (MPO) has continued to implement plans for the Ronald Reagan Parkway, connecting I-65 to I-70, beginning at Exit 133 and crossing Whitestown Parkway west of the Annexation Area.
 - The Ronald Reagan Parkway is being implemented incrementally, with several sections already complete, and the sections near Brownsburg preparing to go to construction.
 - Boone County officials have testified that they expect to finalize planning and design of the Boone County segments within the next 5 years (2019).
 - Completion of the Ronald Regan Parkway segments in Boone County are expected to amplify development pressures in areas served by the Whitestown CTA.

- Completion of the RRP Corridor is projected to add traffic to both Exit 130 and Exit 133, which would have a direct impact on the Annexation Area and its development.
- In order to properly coordinate utility planning and control development in a manner that controls utility rates, the Town of Whitestown must consider annexation as a method for planning, preparation and execution of growth in a fashion that provides municipal services at cost-effective rates.
 - In real world terms, utility pipelines can be extended from virtually anywhere, however, the resulting utility rates from non-cost-effective alternatives serve no real public interest when unnecessarily high utility rates constrain economic activity and have unnecessarily negative fiscal impact on families and businesses.
 - In the case of the Whitestown Parkway Annexation Area, WU has already installed sewers and water lines on all four sides of the Annexation Area.
 - Any other utility provider would be required to duplicate the WU sewer and water facilities causing redundant investment, and violating the spirit and terms of the WU CTA.
- The objective findings of multiple interests have reasonably concluded that the Town of Whitestown is the most appropriate and most cost-effective provider of utility services to the Annexation Area.

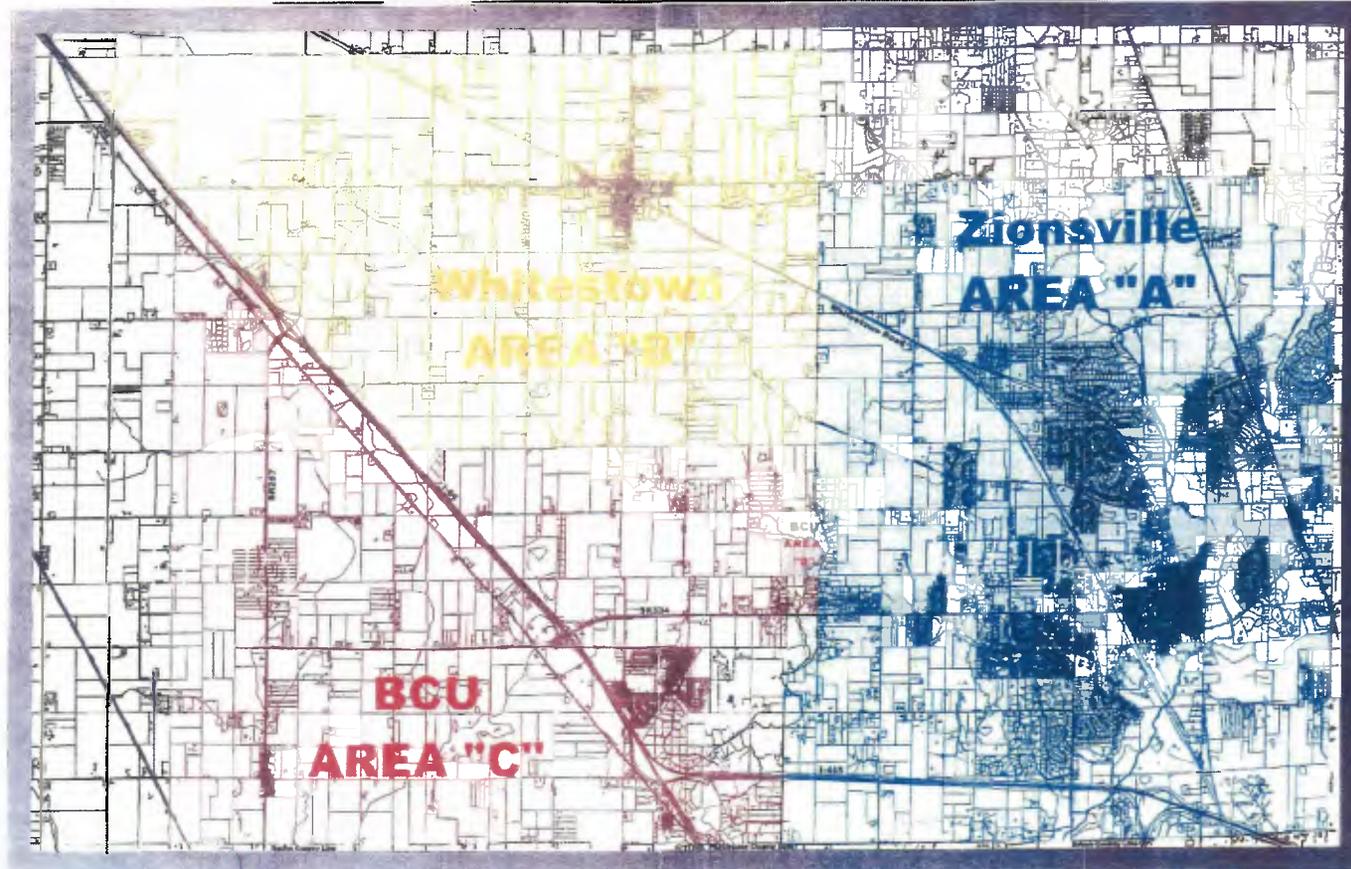
General Location of the Whitestown Parkway Annexation Area

The Whitestown Parkway Annexation Area is shown on Map #1 on page 2, and generally represents the southeast quadrant of the intersection of I-65 and Whitestown Parkway (SR334). This is a very high visibility area including Whitestown Parkway/SR334 frontage and north of existing residential development. The area is considered developmentally sensitive, requiring accommodation of existing development through buffered interfaces and design features, but the area has clearly been planned for business development (including sizing of sewer and water facilities to serve the anticipated future development).

Map #2, below, shows that Exit 130 is clearly within the CTA of BCU, as well as the service area of Whitestown.

Map #2

Exhibit A to the UTILITY SERVICE AREA SETTLEMENT AGREEMENT



Town of Zionsville by: *[Signature]*
President of the Town Board

Town of Whitestown by: *[Signature]*
President of the Town Board

Boone County Utilities, LLC by: *[Signature]*
Managing Director

W-003556

‘Best Interests’ Considerations are Complicated by Multiple Conflicting Interests & Statutory Requirements

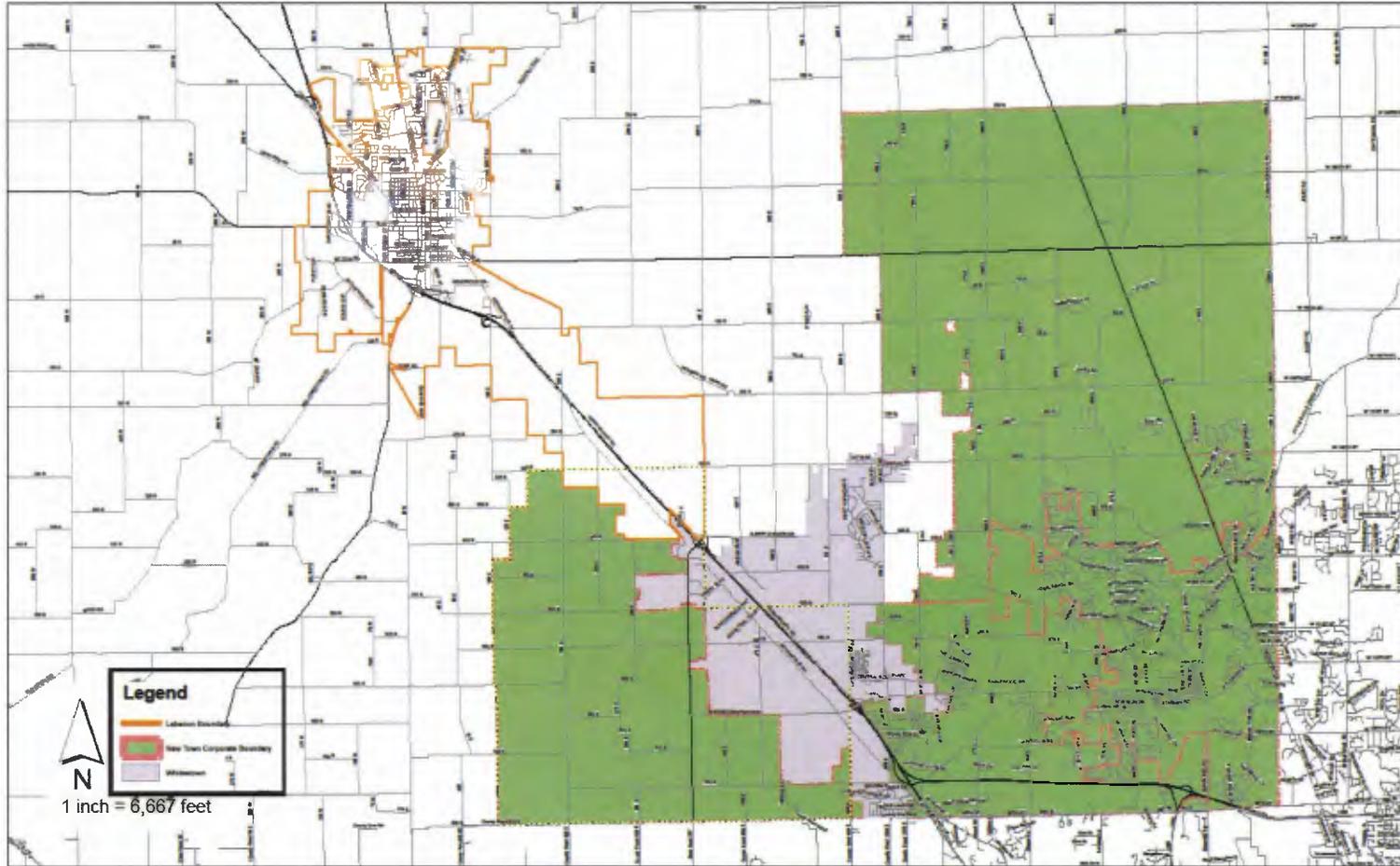
A fair analysis of the ‘best interests’ of the Area landowners is made more complicated by a series of incremental, conflicting and competing interests relative to the future development of the area. A brief factual summary of these conflicting/competing interests is as follows:

- Whitestown & Boone County competed to purchase the assets of the bankrupt Boone County Utilities (BCU).
 - Boone County had no known contractual obligations with BCU which would affect the bankruptcy proceedings at the time.
 - During the bankruptcy proceedings, various parties presented contractual obligations between themselves and BCU in order to arrive at a viable solution to the bankruptcy.
 - Interactive negotiations between various interested parties resulted in Whitestown emerging with the bankruptcy alternative that was most viable, and as a result Whitestown was approved to purchase BCU assets.
 - BCU assets included a Certificate of Territorial Authority (CTA) approved by the Indiana Utility Regulatory Commission (IURC), as shown in Map #2.
 - The CTA included the service area of BCU, as well as the service area of Whitestown (see Map #2).
 - This sequence of actions made Whitestown (and Whitestown Utilities) responsible for providing non-capital and capital sewer and water utilities to the areas shown in Map #2.
 - These service responsibilities include the financial burden of establishing utility rates necessary to cover capital and operating costs for serving the IURC-designated area(s).
 - In addition, the CTA responsibility of WU has resulted in the provision of non-capital and capital utility services already being provided to the area surrounding Exit 130 (including the Annexation Area), where sewer and water facilities were planned, designed and constructed to serve the Annexation Area at the current cost of WU ratepayers.
- Whitestown has also invested in the capital sewer service of developing new WWTP capacity in order to serve future development needs, including the areas covered by the Zionsville ‘merger.’
- The Zionsville merger (see Map #3) indirectly suggests that The Annexation Area would receive municipal services from Zionsville.
 - IC 36-1.5 does not mandate the provision of municipal services at the same level of specificity as IC 36-4-3 (annexation), thus creating conflicting service policies between the two statutes.
 - An inherent contradiction exists with regard to critical utility services under the provisions of IC 36-1.5.
 - Zionsville’s capacity for providing sewer and water utilities to the Annexation Area has not been established as a technical matter.
 - In addition there is the obvious question raised relative to the public policy interface between the IURC-designated utility service areas and how Zionsville could extend municipal services to the Annexation Area.
 - Absence of a clear plan for extending utility infrastructure under the ‘merger’ creates an inherent conflicting interest between Zionsville and Whitestown with regard to the best long term interests of the landowners in The Annexation Area.
- All of these disparate, competing interests are effectively combined into a public policy cacophony of conflicting interests which can realistically only be resolved by addressing Whitestown’s legal obligations to provide utility services to the Annexation Area.
 - Setting political considerations of the merger aside, Whitestown is the only realistic, cost-effective provider of utility services to the Annexation Area (any other alternative would

- require replication of existing facilities, which is the express public policy reason for establishing Certificates of Territorial Authority.
- Any utility service alternative other than Whitestown will likely result in unnecessarily high utility rates which would unnecessarily constrain future economic development for the Annexation Area.
 - This means unnecessarily higher utility rates for existing Annexation Area residents and businesses.
 - This means unnecessarily lower values for undeveloped land which might otherwise be considered for economic development purposes, if the Annexation Area parcels are required to obtain utility service from an entity other than WU.
 - Lower development intensities resulting from inadequate utility service means fewer new jobs created.
 - This means unnecessarily lower assessed values (AV) for future development due to the inability to provide utility services necessary to support industrial and commercial development.
 - Lower AV means lower long-term property tax revenues to the County, municipalities and schools.
 - This raises questions as to claims of lost value by WU and others resulting from the failure of the merger to specifically address utility service issues.

The proposed annexation represents a viable alternative to resolve the broad range of conflicting and competing interests of multiple parties. Annexation of the Whitestown Parkway Annexation Area will result in a single, unified platform to serve the long-term best interests of the landowners. Whitestown is arguably the only single-source provider of the services necessary to fulfill the stated intent for economic development in this area, as well as the only viable provider of the utility services critical to economic development and enhanced land values. Moreover, in this case, the ‘best interests’ provisions of IC 36-4-3-13 are clearly required to address the best interests of landowners, while provisions of IC 36-1.5 fail to adequately accommodate the best interests of landowners. It is asserted, therefore, that it is in the best interests of landowners in the Whitestown Parkway Annexation Area to be annexed by Whitestown in order to be able to connect to Whitestown Utilities, which have already been constructed and are available for immediate connection. Inasmuch as many of these landowners represent business interests, the savings in economic cost as well as time are both considerations that represent the best interests of landowners.

Map #3



Annexation is Being Proposed in Order to Plan & Provide Cost-Effective Utility Services

Whitestown has been growing at a brisk pace, despite the economic recession, however, responsible growth requires that capital extensions of municipal services be carefully planned and executed. Even now, nearby communities are extending their boundaries without concrete capital improvement planning. However, history has demonstrated that proper and adequate capital improvement planning is necessary to control utility rates, which have a significant impact on residents of the Town.

Comparative Example of Disparities in Cost-Effective Utility Rates

As a comparative example, the City of Carmel provides utilities to an area located in the vicinity of 146th Street and Spring Mill Road. Another utility provided utility service to the adjacent area. Over the past two decades, the utility rates in Carmel appear to remain at less than 50% of the utility rates for the adjacent utility, due largely to superior planning and management by Carmel Utilities.

When municipal boundaries are expanded without careful consideration of cost-effective utility service, the utility customers generally end up paying higher utility bills than would otherwise be required. High utility costs (including both service and capital extensions) generally reduce/retard economic development, and also generally reduce land values for current owners, especially in cases of business property.

Whitestown is pursuing the Whitestown Parkway Annexation with the intent of establishing a coherent plan for extending utility infrastructure on the most cost-effective basis possible. The Whitestown Parkway Annexation Area is immediately adjacent to the current eastern Whitestown municipal boundary, and Whitestown municipal infrastructure has already been extended, effectively surrounding the Annexation Area.

Conversely, Zionsville would arguably have difficulty in providing utility services to the Whitestown Parkway Annexation Area at a cost which is competitive with Whitestown's rates. The cost of Zionsville's duplication of already-existing utility infrastructure would have an unnecessary negative impact on economic development in the Annexation Area. In cases where the cost of extending utility services is unnecessarily high, the value of the land is decreased, because the high utility 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 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.

Developmental Intensity Has Increased Near Exit 130

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 for an extended period of time. These developers have planned for and are expecting the delivery of Whitestown Utility services in order for their development proposals to be viable. Both time and financial cost are direct considerations of those business interests. In obvious and undeniable response to multiple development proposals, it is clear that landowners planning new businesses, as well as existing businesses have factored in the WU cost of utilities, rather than obtaining utilities from other providers. The development of Anson, accompanied by the purchase of BCU assets by Whitestown have stimulated a series of economic development consequences which are clearly being implemented. Therefore, the Town of Whitestown has little choice but to consider annexation of such areas as new development reaches a level where significant urbanization – and hence significant demand for municipal services – is occurring.

The previous and ongoing developments in the overall area, including the immediate boundaries of the Annexation Area, include substantial residential development, as well as high-intensity commercial development. These surrounding developments (including Anson) were also stimulated by the presence of Exit 130 and the traffic demand and visibility of the Annexation Area. Increased developmental intensity in the surrounding area is predictably increasing the demand for municipal services as the Annexation Area and the surrounding area become more urbanized. Whitestown is preparing to increase and extend its municipal services in a planned and managed fashion as this development takes place. The Whitestown Parkway Annexation Area is already developing and will continue to develop in the future, and Whitestown has already installed the infrastructure to support that new development.

Contiguity

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

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. 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 population density of the Annexation Area is less than 3.0 persons per acre.

60% Subdivided

The Annexation Area is determined to have been more than 60% subdivided and urbanized for commercial development purposes, in accordance with statute.

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. At this time, the Whitestown Parkway Annexation Area is zoned for business use, and is in a location best suited for business development, adjacent to Exit 130 of Interstate I-65. WU utility infrastructure which has been installed on all four sides of the Annexation Area was designed to meet the demands of business consumption and to provide optimal business access to utilities in the absence of equitable remedies.

Waivers of Remonstrance

It has been Whitestown’s policy that any utility extension be covered by waivers of remonstrance. Similarly, it has been the intent of the Town that municipal utilities would *not* be extended into areas inside the corporate limits of other municipalities. Therefore, if the Whitestown Parkway Annexation Area becomes incorporated by another municipality, it is unlikely that Whitestown would extend utility service to the area.

As this annexation is pursued, Whitestown will seek to determine the preferences of landowners in the Whitestown Parkway Annexation Area with regard to municipal services, as well as the terms and conditions under which the area will be annexed.

“Needed & Can Be Used”

The Whitestown Parkway Annexation Area is ‘needed and can be used by the Town for its development’ at this time for the following reasons:

- The Annexation Area is directly located in the southeast quadrant of Exit 130 of I-65, making it a location with extremely high-visibility and extremely high transportation access;
- Demand for business development in such areas is very high and the Area is within the CTA of Whitestown Utilities;
- Portions of the Annexation Area are already developed for business purposes;
- The Town of Whitestown has determined that the area can be cost-effectively served by Whitestown Utilities, with appropriate planning, as well as having constructed utility infrastructure on all four sides of the Annexation Area (a specific fiscal affirmation of ‘needed and can be used.’)
- Inasmuch as the cost of utility service from other utility providers would likely be higher than the cost of extending utility 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 utility services would generate the highest residual value of land for development purposes.)

Established Written Annexation Policies Addressing the Area

The Whitestown Town Council has also specifically established 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 Whitestown Parkway 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 Certificate of Territorial Authority (CTA), as shown on Map #2. 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.

It should also be noted that the Town may, at its sole discretion, decide to alter the rate structure of Whitestown Utilities to provide for "inside/out" rates, where utility customers located outside the corporate limits of the Town are required to pay higher utility rates than customers inside the corporate limits of the Town. Any decision to establish "inside/out" utility rates will be established in accordance with Indiana law, and is permitted as a result of the "Farley Neighborhood Association v. Town of Speedway" decision of the Indiana Supreme Court (765 N.E.2d 1226 (Ind. 2002)). The decision to implement "inside/out" utility rates may also be affected by the results of annexation actions pursued by nearby municipalities.

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 (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)
- Redevelopment Commission (non capital services only)
- Parks Department (capital and non-capital services)
- Town Court (non-capital services only)

Providing Non-Capital Municipal 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 and Clerk-Treasurer have already begun the planning for extension of both capital and non-capital municipal services from all municipal departments, 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 January 1, 2015 and April 1, 2015, 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.

During the first year after the effective date of annexation, the Town Administration expects to formally initiate plans for all service delivery implementation. 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.

MUNICIPAL ELECTIONS

Residents of the Whitestown Parkway 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.

In addition, this Fiscal Plan notes that some of the services of the Town Administration are already available to the residents of the Whitestown Parkway 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, utility extensions, proposed annexation(s), as well as other matters germane to the common interests of the residents of the general area, including areas within the corporate limits and surrounding areas. Residents and owners from various areas outside of the town limits routinely appear before the Town Council to simply be informed, to express concerns, ask questions, and to air grievances. Therefore, a significant portion of the Town's administrative services are already afforded to residents and owners of the Annexation Area.

Due to the configuration of the Whitestown Parkway Annexation Area, and the potential for conflict with nearby municipalities, the staff and consultants have not yet reached a consensus regarding the allocable long-term cost of Town Administration resulting from the Whitestown Parkway Annexation. As individual departmental costs are reliably estimated, a Summary Table of estimated municipal service costs will be developed by the Town Manager, in cooperation with the Town Council.

Services of the Town Administration will be made available to the residents of the Whitestown Parkway 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.

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. No a significant change in the services of the Clerk-Treasurer are projected 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 Whitestown Parkway 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 landowners 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.

That said, the services of the Town Council will be available to the residents of the Whitestown Parkway 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

Currently, the County Sheriff is cited as the police presence in the Annexation Area, however Whitestown Police already patrol Whitestown Parkway and represent the primary police presence in this vicinity. 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 Town 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, even though the Whitestown Police already patrol Whitestown Parkway. The Town has methodically 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 internal rate of development of the Town, within corporate limits is sufficiently high that the Town can accommodate the addition of police officers as a result of internal growth at the same time as the Town Council considers the demand for police officers to serve annexation areas. As such, there is no need for the Town Council to act separately to serve the increase in demand for additional police services from a small Annexation Area, especially in cases where the primary Annexation Area road corridor is already patrolled by the Town Police.

The annexation of The Whitestown Parkway Annexation Area is not anticipated to require the addition of new police officers. The surrounding area is developed as business real estate and police service is already provided to most of the surrounding area, as well as existing patrols along Whitestown Parkway. 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 and/or the Zionsville Police.

The Whitestown Police Department will assume formal jurisdiction over the Whitestown Parkway Annexation Area within one year of the effective date of the proposed annexation, and police 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

Fire protection services are provided by the Town of Whitestown. The provision of fire protection services has evolved over the last decade. At one point, fire service was provided through a cooperative fire service agreement in conjunction with Worth Township, however, that relationship has evolved into fire as a municipal service, relying upon professional firefighters. These new fire service policies are currently being implemented in a planned and methodical fashion to assure proper continuity of service.

At this time, the Town is working toward the purchase of a new Town Hall facility. When that purchase is completed, it is the Town's intent to relocate the Town's administrative offices to the newly refurbished Town Hall, while converting the existing Town Hall to a fire station located to serve the southern portions of Whitestown (including the Annexation Area). These plans serve to enhance and insure adequate provision of fire service to the southern portion of Whitestown, including the Exit 130 area. These steps are being taken to provide public safety services in the best interests of landowners in the Annexation Area, as well as confirming that the Annexation Area is needed and can be used for the future development of Whitestown.

Fire services will be afforded to the residents of the Whitestown Parkway 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 Whitestown Parkway Annexation Area includes only a nominal number of streets internal to the business development which was approved. Whitestown Parkway (formerly SR334) is already under Whitestown jurisdiction.

The Street Department will use the first 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. The Town Manager is currently exploring the matter of extending street department services to the Whitestown Parkway Annexation Area, and that planning will be developed more fully as the statutory annexation process unfolds.

Winter of 2014 Provided a Direct Comparison Between Whitestown Street Services and Other Street Service Providers

Various roadways within the ‘rural’ designated area of Zionsville are designated to be maintained by the Boone County Highway Department. During the winter of 2013, road maintenance services provided by Boone County were proven to be functionally inadequate. Various roads in the ‘rural’ areas of Zionsville (which are the responsibility of Boone County Highways) did not receive adequate snow removal services, and as a result, Zionsville Schools and bus routes were left vulnerable to being open. Whitestown generously filled the non-capital service gap and rectified the situation.

Municipal street department non-capital services will be afforded to the residents of the Whitestown Parkway 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 it “Whitestown Utilities,” which has been organized as a municipal department. Whitestown Utilities (WU) provides sewer and water utility services to two Certificates of Territorial Authority (CTA) which have been approved by the IURC. **WU has already provided BOTH non-capital and capital utility services to the Annexation Area for both water and sewer.**

SEWER SERVICE

BOTH non-capital and capital sewer utility services to the Annexation Area are ALREADY provided by WU. Such service will be further customized as new development occurs, but sewer access has **already** been planned, designed and constructed.

WHITESTOWN REDEVELOPMENT COMMISSION (WRC)

It is currently unclear whether any portion of the Whitestown Parkway Annexation Area are suitable for designation as an Economic Development Area, or as a Tax Allocation Area, to be under the jurisdiction of the WRC.

Beginning on the effective date of the annexation, the WRC will 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 Whitestown Parkway Annexation Area. Services of the WRC 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.

PARKS DEPARTMENT

The Town's park development policies require that new development set aside green spaces and public spaces for recreational purposes as development standards, however, the Annexation Area was approved for development by a planning entity other than Whitestown. The Town's Parks Department works with developers to develop and maintain park areas within new development, largely at the expense of the developer/development. In addition, the Town charges a park impact fee for the purpose of addressing park needs in the Town. The Town also has a full-time parks staff person who oversees various park tasks and initiatives.

The Town anticipates that the extension of non-capital parks services into the Annexation Area will take place within 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 that are not already extended will be extended to the Whitestown Parkway 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 of the annexation.)

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. Assuming an effective date of 2015, municipal capital street services would be projected to commence in 2018, however the Town reserves the right to commence capital services prior to that time, if development patterns, or other circumstances, demand.

As stated previously, the primary roadway in the Annexation Area is Whitestown Parkway (formerly SR334), which the Town took over from INDOT. Additional roadways inside the approved commercial development will be the responsibility of the developer to construct, as development moves forward. These idiosyncrasies suggest that no capital municipal street services will be necessary for this Annexation Area. Regardless of these idiosyncrasies, the Town will extend capital street department services to the Annexation Area within 3 years in the same manner as those services are provided in other municipal areas.

The 3-year assurance does not necessarily mean that road reconstruction by the Town will begin in 2018. 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 2018 for initial capital expenditures in 2018/19 or thereafter, depending upon priorities, fund availability and

development proposals. 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.

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. However, major capital street projects in the Annexation Area are anticipated to have been considered as part of a specific development proposal. 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. Any capital street projects undertaken in the Annexation Area will be pursued in accordance with the Town's priority list developed and maintained for all capital street projects and will be undertaken in accordance with IC 36-4-3-13.

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, and is expected to have been negotiated as part of the development proposal. 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. Generally, business development is expected to pay for its own lighting, however, those provisions can be adjusted depending upon the circumstances.

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.

CAPITAL WATER SERVICES BY WHITESTOWN UTILITIES

Whitestown landowners receive capital water services from Indianapolis and from Whitestown Utilities (WU). Indianapolis water utility (currently Citizens) supplies wholesale water to Whitestown Utilities, while WU is responsible for storage and distribution.

WU has already provided capital water services to the Annexation Area, as stated previously. Any further request for water service which is received from the landowners of the Annexation

Area will be addressed within the statutory time frame (see water and sewer utility service explanations, above).

CAPITAL SEWER SERVICE BY WU

Capital sewer utility services to the Whitestown Parkway Annexation Area are already provided by WU. Generally, the Whitestown Parkway Annexation Area has existing access to interceptor sewers and/or collection sewers, which afford reasonable connection opportunities into the Annexation Area. WU has also constructed a new WWTP to serve new development in the Town.

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. In this case, however, the commercial development in the Annexation Area was approved by a planning entity other than Whitestown. Generally, the cost and installation of stormwater retention facilities are the responsibility of the developer. Based on this definition, the Town of Whitestown already provides the Annexation Area with capital stormwater 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

Whitestown Annexation Whitestown Parkway: Five-year Projection of Revenues and Costs
September 2, 2014

	Property Tax Revenue	Income Taxes	Other Tax Revenues	Gasoline Tax Revenue	Other Revenue	Total Revenues	Total Minimum Costs	Total Maximum Costs	Projected Revenues over Minimum Costs	Projected Revenues over Maximum Costs
Year 1	15,146	-	553	575	19	16,293	13,034	14,663	3,259	1,629
Year 2	30,291	11,116	1,106	592	20	43,125	34,500	38,813	8,625	4,313
Year 3	45,437	22,231	1,660	610	20	69,958	55,966	62,962	13,992	6,996
Year 4	60,583	33,347	2,213	628	21	96,791	77,433	87,112	19,358	9,679
Year 5	62,400	44,462	2,213	647	22	109,744	87,795	98,769	21,949	10,974

NA for this annexation

- (1) See Wabash Scientific narrative in the fiscal plan. Maximum costs include a 3% increase annually after year 1 that is subject to the annual budget process.
- (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 annexation area properties will have an abatement of property taxes of 75% in year 1, 50% year 2, 25% year 3, and no abatement in year 4 and after. As the area develops, the Town is expected to request additional adjustments to the property tax levy that is consistent with the Town's tax rate policy, and State law.
- (3) CAGIT, 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.
- (6) Property tax revenue is netted against an 8.35% circuit breaker reduction.

Population distributed revenues will not occur until after a special census is certified and received by the Auditor of State's office.

Future annexation adjustments to the property tax levy should be addressed in a subsequent fiscal plan amendment