

RESOLUTION 2019-002

A Resolution Adopting a Fiscal Plan Establishing a Policy for the Provision of Services to an Annexed Area in Ordinance 2017-004

WHEREAS, the Town of Culver desires to annex real estate owned by Cord Associates Ltd., located on W Cass Street, containing 2.67 acres, more specifically described in Ordinance 2019-004 and supplemental Exhibits A and B as the result of a voluntary petition for annexation from the property owner.

WHEREAS, the town desires to adopt a fiscal plan and a definite policy for the provision of services to the annexed area, and

WHEREAS, such a fiscal plan has been developed and presented to the Town Council entitled “Annexation Fiscal Plan Cord Associates.”

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF CULVER, INDIANA THAT:

1. The Town Council of the Town of Culver hereby approves and adopts “Annexation Fiscal Plan Cord Associates,” which plan is attached hereto, made a part of, marked as “Exhibit A,” and hereby approves and adopts the specific policies for implementation of the plan as set out therein.
2. Any monies necessary for the provision of services as described and itemized in the attached plan shall be budgeted and appropriated from the applicable funds pursuant to State law and the Town’s budgetary procedures. It is not anticipated that there will be any additional costs to the town for the extension of infrastructure to the Cord Associates annexation property as per the fiscal plan, “Exhibit A”.

3. A performance bond for the value of utility extension will not be required as total developer costs for the extension are anticipated to be less than \$10,000.
4. It is anticipated that this annexation will not result in the elimination of jobs for employees for other governmental entities.

Passed by the Town Council this 9th day of April, 2019.

**CULVER TOWN COUNCIL
TOWN OF CULVER, INDIANA**

By Ginny B. Munroe
Ginny Bess Munroe, President

By Bill Githens
Bill Githens, Vice-President

By W.C. Cleavenger
William Cleavenger, Member

By Joel Samuelson
Joel Samuelson, Member

By Rich West
Rich West, Member

ATTEST:

Karen Heim
Karen Heim, Clerk-Treasurer

ANNEXATION FISCAL PLAN CORD ASSOCIATES LTD.

EXHIBIT A

GENERAL DESCRIPTION

This Fiscal Plan is for approximately 2.67 acres of real estate bounded to the south partially by West Cass Street, herein after called "Territory." The Territory is owned by Cord Associates Ltd., herein referred to as "Developer" and is currently undeveloped land.

LIST OF PARCELS

PARCEL NO.	OWNER NAME	ASSESSED
502117000046000013	Cord Associates Ltd.	\$11,900

ARTICLE I- GENERAL ADMINISTRATION

The Town of Culver Administration includes a Town Manager, a five (5) member Town Council, and a Clerk-Treasurer. The Town also employs a Building Commissioner; a Deputy Clerk; and a Utilities Superintendent. The administrative staff, as presently composed, has the capability of meeting the needs of the Territory upon annexation in the same manner and to the same extent it does with the rest of the community. The hiring of additional administrative personnel is not anticipated.

ARTICLE II - FIRE PROTECTION

The Territory is presently located in Union Township. Therefore, the Territory to be annexed is within the current service area of the Culver-Union Township Volunteer Fire Department. This fire department is a well-equipped department with a variety of special purpose firefighting vehicles and rescue equipment. The Territory to be annexed will result in approximately 0 new residents upon annexation. The additional area is not expected to necessitate any additional firefighters. Upon full residential development of the Territory, expected population growth is approximately 0 residents as the parcel is intended for use as a daycare facility. This addition is not expected to require the addition of any full-time fire personnel.

ARTICLE III - POLICE PROTECTION

The Town of Culver Police Department currently consists of five full-time officers. There is currently a ratio of 1 full-time police officer for every 275 residents. The Territory to be annexed is estimated to result in 0 new residents at the time of annexation, therefore, no additional police officers are anticipated.

ARTICLE IV – EMERGENCY MEDICAL SERVICES

The Territory is located in Union Township. Therefore, the Territory to be annexed is within the current service area of the Culver-Union Township EMS. The Territory to be annexed will result in approximately 0 new residents upon annexation. The additional area is not expected to necessitate any additional Emergency Medical Services staff or equipment at this time.

ARTICLE V- SANITARY SEWERS

The Town of Culver owns and operates a municipal sanitary sewer collection system and wastewater treatment plant. The Territory to be annexed will be provided with access to municipal sanitary sewers, which are currently located approximately 220 feet south of the property line in the alley between Clymax Street and North White Street. The cost of extending sanitary sewers from the current location to the Territory shall be the responsibility of the Developer.

A one-time sewer development charge will be assessed to this development based on the size of the water line installed. Per local ordinance, the system development charge is \$726 when a 1-inch water line is installed.

ARTICLE VI - PUBLIC WATER FACILITIES

The Town of Culver owns and operates a municipal water distribution system and water treatment plant. The Town currently has an existing water main near the Territory on the West Cass Street, approximately 75 feet from the property line. A tap charge will be assessed for the water water line extension. It is anticipated that the necessary water line for the day care will be 1 inch, and thus the tap fee shall be \$1,100 per local ordinance. It is estimated that the actual cost of the water tap and installation of water lines to the curb stop will be covered by

the tap fee. Costs associated with the extension of water services to the Cord Associates property will be paid for with existing water fund balances.

ARTICLE VII- MUNICIPAL ELECTRIC FACILITIES

The Town of Culver does not operate a municipal electric facility.

ARTICLE VIII - ROADS AND STREETS

The Territory is currently bordered by one public street, West Cass Street. There will be no new street mileage incorporated into the town's roadways upon annexation. The Territory has approximately 165 feet of existing street frontage on an incorporated section of Cass Street.

As further development occurs to the west of the Territory on Cavalier Drive, it is possible that the town will pursue a street and/or bicycle and pedestrian connection from Cass Street to Cavalier Drive, a distance of approximately 400 feet. This potential connection may not be completed within 3 years of annexation, and if completed, will be paid for with Town funds. Funding for a street or trail connection could be paid for using motor vehicle highway, local roads and streets, redevelopment (TIF), cumulative capital development funds, general fund balance, INDOT grants, or some combination thereof. A street connection in compliance with town specifications would be expected to cost approximately \$200,000 if completed in the next three years, a trail connection would be expected to cost approximately \$50,000 to complete.

At the current time, it is expected that the Town will require the Developer to install approximately 165 feet of sidewalk parallel to Cass Street and in the public right of way. This requirement may be reconsidered or altered as a plan for connecting Cass Street to Cavalier Drive is finalized.

ARTICLE IX- STORM DRAINAGE FACILITIES

The Territory will be provided access to the municipal storm sewer if necessary via an existing storm drain near the southwest corner of the Territory. Drainage within the site will have to be detained onsite and released at a predevelopment rate or slower. All drainage improvement within the site would be constructed at the expense of the developer. The developer will be

required to retain or detain storm water runoff in a manner acceptable to the Marshall County Drainage Board and Surveyor and applicable town and Marshall County development standards.

ARTICLE X- PARK & RECREATION FACILITIES

The Culver Park & Recreation Department is proud to provide high quality parks and programming for its residents, centered around Culver Park, a 5-acre municipal park on Lake Maxinkuckee. It is not anticipated that annexation of the Territory will require additional park space.

EFFECT ON TAXPAYERS

The total property tax rate for the Town of Culver for in 2018 was 0.6914% including General, Motor Vehicle Highway, Parks & Recreation, and Cumulative Capital Funds. Combined Town and all other political subdivision tax rates for 2018 were 1.6042% for Culver, Union Township, Marshall County properties as reported by Indiana Gateway's Tax Bill Estimator and Stats Indiana. Based on the current exemptions and non-homestead status of the property, this Territory is not currently affected by Indiana's property tax cap system as the current cap for the Territory is 2% based on the current non-homestead residential use. It is anticipated that the property will be used for commercial purposes beginning in 2019 and will then be subject to a property tax cap of 3% moving forward.

It is currently estimated that other political subdivisions will not lose tax revenue as a result of the annexation of the proposed Territory during the next four years due to the current tax rate on the property being under the 3% tax cap for commercial use. If development does occur within the Territory over the next four years as is anticipated, the increase in assessed value within the Territory will help stabilize overall rates for taxpayers in the following political subdivisions which overlay the Territory: Town of Culver, Union Township, Culver Community School Corporation, Culver Public Library, Marshall County, and Marshall County Solid Waste Management District.

It is anticipated that annexation of the territory will coincide with the construction of a new commercial building in the Territory which will bring approximately \$400,000 in new assessed value to the overlaying political subdivisions. It is anticipated that this growth in assessed value would likely result in lower overall tax rates for municipal tax payers, based on existing state property tax control formulas. Utility rates will not be significantly impacted by the annexation of the Territory as existing water and sewer infrastructure has excess capacity sufficient enough to include the new commercial service for a home based daycare without additional capital investment beyond the initial tap costs.

As the total current property tax revenue from this Territory is approximately \$140 annually to all political subdivisions, and the tax rate on the parcel in the Territory is not currently over the statutory tax cap of 2%, annexation of the Territory is unlikely to substantially impact other political subdivisions in Marshall County over the next four years. It is anticipated that any new assessed value would lower the overall property tax rate for current taxpayers in those political subdivisions.

SUMMARY

It is estimated that there will be no direct cost to the Town of Culver to extend non-capital services to the annexation area, and it will be completed within one year of annexation as no new administrative, police, park, or fire expenses are anticipated for the next five years as a direct result of the annexation. These services will be available to the annexed Territory in the same manner as they are made available to areas within the current corporate boundaries.

The cost of extending capital services (water, storm sewer, and sanitary sewer extensions) to the property line of the territory will be approximately \$1,100 and shall be completed within three years of annexation. These services (once extended to the Territory property line) will be made available in the same manner as services are provided within the corporate boundaries.

Effects on taxpayers outside of Culver will be minimal as existing property tax revenue from the Territory has not exceeded \$140 for all political subdivisions in a given year and the tax

rate for Union Township, Marshall County has been consistently under the tax cap rate for commercial properties.

There will be no extension of public streets required as a result of the annexation. The expense of connecting the sewer to the Territory shall be the responsibility of the developer, who will also be required to pay a sewer system development charge to connect to Culver utilities. The added assessed value from new construction and new monthly utility customer revenue for the existing water, sewer, and storm water utilities will help decrease individual tax and utility rates within the municipality by spreading the cost of municipal services over new assessed value and an additional utility customer.

ATTACHMENTS

A map of the territory to be annexed is “Exhibit B” (Annexation Map).

EXHIBIT B ANNEXATION MAP



Parcel to be annexed is outlined in light blue.