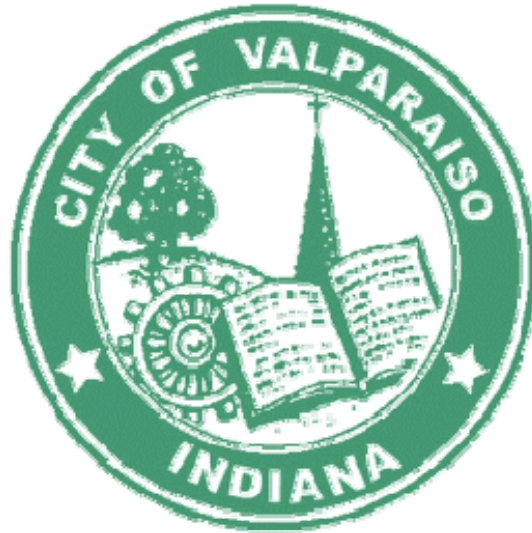


Ordinance 33-2008 Exhibit "A"
Plan Commission Case A08-003/RZ08-004



RAMSEY/VHC ANNEXATION
FISCAL PLAN

DRAFT

Prepared by:
Craig A. Phillips, AICP
City of Valparaiso
Planning Department
August 2008

RAMSEY/VHC ANNEXATION FISCAL PLAN

SUBJECT: A08-003/RZ08-004 – Ramsey Real Estate Enterprises Ltd. LP – Request to annex property known as Ramsey Annexation, Washington Township, T 35N, R5W.

DATE: August 1, 2008

The Planning and Building Department and the Clerk/Treasurer, Sharon Emerson-Swihart prepared this fiscal plan, with the cooperation and assistance from the following departments:

Engineering Department Fire Department Park and Recreation Department
Police Department Public Works Department Utilities Department

This report contains projected revenues and expenditures as well as a description of services to be provided to the newly annexed area, as required by law. While the City is committed to providing services in the same manner as similar areas within the city limits, dollar figures presented are estimates and are subject to some change. Variations are dependent upon the rate and extent of future development, future property assessments, and changes in the cost of providing services. Since this is a developing area, revenues and costs have been estimated based on a forecasted buildout of the areas in the proposed annexation. Assumptions were made with respect to assessed valuation and were based on estimates from developers of the property or existing comparable values. This report also assumes that property will develop substantially in accordance with the City of Valparaiso Growth Management Plan.

POLICY FOR PROVISION OF CAPITAL AND NON-CAPITAL SERVICES

Non-Capital Services

As required by IC 36-4-3-13 (d) (4), all non-capital services of the City including police protection, fire protection, street and road maintenance, and all other non-capital services normally provided within the corporate limits of the City of Valparaiso, will be provided to the annexed territory within one (1) year after the effective date of the annexation and they will be provided in a manner equivalent in standard and scope to those non-capital services provided to areas within the corporate boundaries regardless of similar topography, patterns of land use, and population density.

Capital Services

As required by IC 36-4-3-13 (d) (4), all capital services of the City including street construction, street lighting, sewer facilities, water facilities, and stormwater facilities will be provided to the annexed territory within three (3) years after the effective date of the annexation and they will be provided in a manner equivalent in standard and scope to those capital services provided to areas within the corporate boundaries regardless of similar topography, patterns of land use, and population density in a manner consistent with federal, state, and local laws, procedures, and planning criteria.

GENERAL INFORMATION

Location

The area included in this annexation consists of property located in Washington Township east of the current city limits at the southeast and northeast corners of Silhavy Road and Vale Park Roads more particularly described as follows:

See attached description

Total Acreage	47.80 Acres
Number of Dwelling Units	153 Proposed – Assisted and Independent Living Units, 1 Existing to be demolished
Number of Non-Residential Unit	100,000 SF of Office Space Proposed, 1 Existing – NIPSCO Flint Lake Substation
Percent Contiguous Existing Zoning (County)	22.8% RR Rural Residential (County)
Proposed Zoning	R-1A Low Density Res. and MOT Medical, Office and Technology District

The annexation area consists of vacant land to be developed in the form of a senior living campus community consisting of 153 total units including assisted living, memory care, independent living villas, and approximately 10 acres (100,000 SF total) professional park speculative space. The existing NIPSCO Flint Lake Power Substation is located within the proposed annexation area on the northeast corner of Vale Park and Silhavy Roads.

CONTIGUITY

The northeast annexation area is 22.8% contiguous to the existing City limits

“Needed & Can Be Used”

The RAMSEY/VHC Annexation area is ‘needed and can be used by the City for its development at this time. The City of Valparaiso has taken steps to demonstrate this need and the intent to annex this land in the form of adopted city planning documents such as the Growth Management Plan. As the plans indicate, the areas included in this annexation are of vital importance to the positive development of the City as it continues to grow in the future. The inclusion of these areas within the city limits is crucial to protecting the character of the City, including existing commercial areas and downtown.

City Established Planning Jurisdiction/Influence

In agreement with Porter County government, any time a development is proposed that lies outside the official corporate boundaries of the City of Valparaiso, and the developer is seeking connection to municipal utilities the project is required to go through a joint city-county site review/DRC process. In this case however, the developer wishes to wait until annexation of the land is complete in order to develop or obtain building permits. In this case, the City development or site improvement standards apply as a condition of receipt of municipal utilities.

City of Valparaiso Growth Management Plan (2000)

The Growth Management Plan is a component of the Valparaiso Comprehensive Plan. The plan identifies the future land use goals for the areas outside of the corporate limits that the City sees as within its sphere of influence, and will eventually annex. Furthermore, the areas included in the plan are closely tied to the corporate boundaries, and thus more accurately describe the limits of the Valparaiso “community”. The plan details future land use goals within the RAMSEY/VHC Annexation Area, and indicates that the area falls within a five-year annexation boundary.

Council District

It is recommended that the annexation area be assigned to the 5th Councilmanic District until the next redistricting.

ESTIMATED ANNUAL REVENUES

The principal source of revenue for the City is through local property tax. True Tax Valuations (TTV) are based on information provided by the Porter County Auditor’s Office. The 2005 payable in 2006 City tax rate of \$1.0242/100 TTV will be used for revenue estimates. This rate is now subject to a tax cap known as a circuit breaker. In the case of Commercial property, the cap is 3.0%, or the maximum tax that is paid on the property is 3.0% of the Assessed Value (AV).

Total True Tax Value (AV)**	\$ 135,200.00 Existing AV
	\$ 26,000,000.00 AV as proposed
Total Tax Rate (Valparaiso)	\$3.2657/100 AV
City Net Tax Rate	\$0.9689 (w/o HC) /100 AV
City % of total tax	29.7%
Total Tax before cap	\$(4,415.22) \$849,082.00
City portion of total tax before cap	\$(1,309.95) \$251,914.00
Maximum Tax Rate (Circuit Breaker)	3.0% commercial
Maximum tax after circuit breaker	\$(4,056.00) \$780,000.00
Total property tax revenue **	\$1,204.63 Existing AV
	\$231,660.00 As proposed
Total Estimated Annual Revenues	\$1,204.63 Existing AV
	\$231,660.00 As proposed

Garbage Collection Fee

The current \$9.00 per month per property garbage collection fee brings the City \$108.00 annually per property. The proposed 28 residential units in the villa portion of the development will bring the City a total of \$3,024.00 annually.

Storm Water Management Fee

The current Storm Water Management Fee of \$3.00 per month per property will be applied to the development. Based on the proposed development, the project will raise \$5,508.00 annually for the senior living component of the project and an additional \$360.00 for the anticipated office park portion of the project, for a total of \$5,868.00 annually as proposed.

Population- Based Tax Revenues

Another method by which various City functions are funded is population-based tax revenues. These revenues are paid in various ways, including through individual paycheck deductions and through the purchase of products such as cigarettes and alcohol. Revenues are also available to the City by State distribution through riverboat gaming revenues in locations throughout Indiana. It is reasonable to assume that as the City’s population grows, including by way of annexation, that the City stands to benefit from the additional tax revenue from these sources. It is important to note that these revenues are based on population as certified by a decennial census or special

census only, and do not automatically adjust annually. The following describes the population based tax revenues the City may collect. The City is eligible for increases to these funds based on the upcoming 2010 Census, or upon an accepted special census.

CEDIT Funds

CEDIT Funds, or County Economic Development Income Taxes otherwise known as EDIT funds, are collected via individual paycheck deductions or personal income tax, and may be used for funding projects or other activities or programs considered to be related to economic development. The current EDIT tax rate is 0.25% of total personal income. Any increase in population is a direct positive influence on the amount of EDIT funding available for the municipality. The city currently collects \$1.4 Million annually in EDIT funds. This annexation will likely NOT result in the collection of a significant amount of additional EDIT funds (although a small number of villa residents may work in part-time jobs after their retirement) distributed to the City based on a rate of \$31.00 per capita (City is currently 18.68% of county population), at an annual estimate of \$11,625.00 from the addition of the 153 homes based on a median family income of \$66,457 per household for Center Township Unincorporated from the 2000 Census due to the fact that only a very small number of the residents of the proposed development are expected to be a part of the working population since the residential component is primarily in the form of assisted living and memory care facilities.

Cigarette Tax and ABC Gallonage Tax Revenues

Like CEDIT funds, cigarette tax and ABC (Alcoholic Beverage Commission) Gallonage Tax revenues are collected and distributed by the State based on city population. These funds are determined by the total cigarette and alcohol sales in the State and the distribution to cities proportionally based on a formula including total population. Based on the population numbers and estimates in this annexation (approximately 300 residents, the city should expect to generate an increase in funds in annual cigarette taxes based on a formula of a total \$4.43 per capita or an estimated \$1,329.00 from the development as proposed. Alcohol tax revenues generated by the annexation based on a formula of \$2.01 per capita are estimated to be an additional \$603.00 annually from the development as proposed.

Riverboat Gaming Fund revenues

Riverboat gaming money is a method of funding for communities that are located within a county that does not contain a casino, and therefore is less likely to derive direct financial benefit from a casino. This money is distributed to municipalities by the State, and is based on population of the municipality. Communities receiving this money may use it as they wish, and its use is subject to Council appropriation and approval. Currently, the City of Valparaiso receives \$172,000.00 in Riverboat gaming money from the State. This annexation and the population increase should result in additional money to the City. It is estimated that this annexation could result in an increase of \$1,881.00 based on current population ratios of \$6.27 per capita.

Vehicle Excise Tax

Based on a formula of \$100.00 per new or transfer vehicle registration, this annexation is expected to generate an additional \$2,800.00 (from residents of the senior villas, driving an average of one vehicle per household) in revenue to the City based on the development as proposed.

Other Income Tax revenues (future)

Other income tax revenue possibilities exist, including either CAGIT or COIT but not both. These funding mechanisms are also distributed based on population if they are collected. CAGIT stands for County Adjusted Gross Income Tax and is collected through personal paycheck deductions then redistributed by the State, and COIT, or County Option Income Tax is a second option collected in the same manner.

Other State Distributed Revenues

Local Road and Streets

Based on a formula of \$2,282.44 per mile (LRS receipts divided by 136 certified lane miles in City), this annexation is expected to generate an additional \$570.61 in LRS funds due to the fact that this annexation will result in the addition of .25 Miles of new lane miles to the city.

Motor Vehicle Highway

Based on a formula of \$6,023.25 per mile (MVH receipts divided by 136 certified lane miles in City), this annexation is expected to generate an additional \$1,505.81 in MVH funds due to the fact that this annexation will result in the addition of .25 Miles of new lane miles to the city.

Total Estimated Annual Revenues (All Sources)	\$1,204.63 Existing
	\$249,240.00 as proposed

ONE TIME REVENUES

Building and Engineering Permit Fees

The construction of the proposed 153 Units Total of residential will bring the City \$386,240.00 in revenues based on a total permit fee. This includes a charge per unit due to the Glendale/Silhavy Sewer Reimbursement District.

The construction of the proposed 100,000 SF of office (10,000 SF Buildings Avg.) will bring the City \$61,759.00 in revenues based on a total permit fee. This number includes an estimate of charges due to the Glendale/Silhavy Sewer Reimbursement District.

Recreation Impact Fees

The construction of a total of 153 dwelling units is expected to bring the City \$173,043.00 at time of permits based on the current fee of \$1,131 per dwelling unit.

Total One Time CITY Revenues \$621,042.00

ANTICIPATED ANNUAL COSTS AND IMPACT ON CITY SERVICES

Administrative Services:

Administrative functions of the City, including Mayor's Office, Clerk-Treasurer, Economic Development, Human Resources, Project Management, and Information Technology, and Legal services affected by this annexation will be handled with current staffing levels and resources funded by the current and future City General Fund revenues generated by the tax levy.

Inspection Services:

Zoning, building, and engineering inspection services within this annexation area as well as other annexation areas are not expected to require additional resources based on expected growth in this area over the next five to ten years.

Refuse Collection:

Trash and recycling pick up for residential properties of 4 units and less is the responsibility of the city. The current waste collection and recycling cost to the city annually is \$265.50 per property. Therefore, with 28 homes, the anticipated cost to the city will be **\$7,434.00** annually based on a 2009 budget of \$2,124,050.00 including vehicle maintenance.

Trash and recycling pick up for commercial and residential properties of more than 4 units per building is the responsibility of the commercial building owner. Therefore, the expected cost of the proposed development is **\$0** annually.

Police Protection:

Police protection will be furnished by the Valparaiso Police Department within one year of the effective date of annexation as required by law. For the purposes of estimating the number of calls expected in the annexation area, the number of calls to a comparison development will be used. In 2007 the comparison property (Pines Village and Alterra) received 9 and 10 calls respectively, and for office comparison Glendale Medical Center @ 1101 Glendale Medical Center received 8 calls for an anticipated cost to the city of approximately **\$8,425.00** per year as proposed for the entire development. This figure is calculated by dividing the total 2007 department budget of \$3,496,713.00 by the number of calls in 2007 (24,900), for a value of \$140.43 per call.

Fire Protection Services:

The Valparaiso Fire Department currently provides fire protection service to the area included in the annexation. The area is estimated to produce approximately eighty-five (85) calls per year based on calls received to a similar facility Pines Village and Alterra (75 calls) and a similar office building of 10,000 SF (1 call). The annexation area will be served by Station No. 2, located at 2605 Cumberland Drive. The annual cost is anticipated to be **\$139,045.55** per year for the proposed development. This figure is calculated by dividing the total Fire/EMS Department Budget of \$4,184,456.00 by the number of calls in 2007 (2,558), for a value of \$1,635.83 per call.

Street and Road Maintenance:

The annexation will result in the addition of .25 miles to the City street system. Currently there are 136 State certified miles in the city. The annual maintenance cost per mile is \$14,018.00. This will result in the expenditure of approximately **\$3,504.54** annually for road maintenance for this annexation. This value is based on a formula in which the 2009 Street Department Budget of \$1,708,713.00 plus half of the \$395,520.00 in annual maintenance costs (1/2 for solid waste, 1/2 for street) or a total of \$1,906,473.00 is divided by the 136 existing certified miles in the City.

The annual cost of road surface replacement based on a 15-year resurfacing schedule is \$100,188.00 per centerline mile. With 0.25 centerline miles included divided by a 15-year replacement schedule at \$6,679.20 per mile per year, the road replacement cost is **\$1,669.75** annually.

Finally, the yearly cost of salt for 0.25 centerline miles is based on a cost of \$50.00 per ton, and requiring 41.66 tons per mile, and would be **\$520.75** based on this formula.

In total, the overall cost for streets and roads is **\$5,695.04** annually.

Total Annual Costs to City and Services **\$160,599.59 as proposed**

ANTICIPATED ONE-TIME COSTS (Infrastructure Improvements)

Water Utility Service:

Municipal water service is available to the annexation area at this time via an 20 -inch water main along Silhavy Road. The developers of the subdivision will provide water infrastructure throughout the subdivision at their cost. The city cost of providing water service to this area is **\$0**

Sewer Utility Service:

Municipal sanitary sewer service is available at this time to the site via force main connection to the nearby Maple Creek lift station located south of the annexation area. The developers of the subdivision will provide extension of the sewer utility throughout the development at their cost. Total cost to the City is **\$0**.

Total One Time Costs to Utilities **\$0**

Water Service Extensions

The Valparaiso City Utilities owns and operates the water department that will serve this area with potable water. The policy of the Valparaiso City Utilities with respect to water service is and shall be to provide areas within the city with access to city potable water. However, this “access” does not include direct connection and/or construction of water lines in front of every residential and business. Valparaiso City Utilities will construct water lines for new developments at the expense of the developer. In the case of off site water mains for such developments, Valparaiso City Utilities will allow the developer to recoup off site water main expenses from those who directly connect to said off site water main¹.

For developed areas, Valparaiso City Utilities will develop a project to serve those property owners who request water service, to the extent enough property owners request such service. Typically, fifty-one percent of the property owners must request the service and commit to the payment of the service. However, if the cost of the project to serve an developed area is excessively high, such as the need to extend a long length of off-site main, the board of Directors may require a commitment from a larger percentage of property owners. In each case, the Board of Directors makes the final determination.

Sewer Service Extensions

The Valparaiso City Utilities owns and operates the water reclamation department that will serve this area with sanitary sewers. The policy of the Valparaiso City Utilities with respect to sewer service is and shall be to provide areas within the city with access to city sewer. However, this “access” does not include direct connection and/or

¹ Assessment will include one-half of the cost of the off-site main for the frontage of the connector’s frontage. Reimbursement period is limited to 10 years.

construction of sewer lines in front of every residential and business parcel. Valparaiso City Utilities will construct sewer lines for new developments at the expense of the developer. In the case of off-site sewer mains for such developments, Valparaiso City Utilities will allow the developer to recoup off-site sewer main expenses from those who directly connect to said off site sewer main.²

For developed areas, Valparaiso City Utilities will develop a project to serve those property owners who request sewer service, to the extent enough property owners request such service. Typically, fifty-one percent of the property owners must request the service. However, if the cost of the project to serve an developed area is excessively high, such as the need to extend a long length of off-site main, the Board of Directors may require a commitment from a larger percentage of property owners. In each case, the Board of Directors makes the final determination. If the sewer service is requested and the Board directs it, an assessment roll will be created to assess each property owner an equitable share of the project. Valparaiso City Utilities will then use Barrett Law to construct the project and assess each property owner a share the cost. Payment will be made per provisions of Barrett Law.

Parks and Recreation:

It is not anticipated that the proposed annexation will result in the need for additions to existing City recreation facilities and will not necessitate the addition of new City parks or additional links to the city pathway system.

² A developer may be given a sewer reimbursement district contract in order to recoup the costs of the off-site sewer expenses. The City Engineering Dept. will determine the amount of area, which could reasonably connect directly and/or indirectly into the said off-site sewer and create a district. District fees will be calculated by the Engineering Dept. for said district.

RAMSEY/VHC ANNEXATION FISCAL PLAN SUMMARY

Location

The area included in this annexation consists of property located in Washington Township east of the current city limits at the southeast and northeast corners of Silhavy Road and Vale Park Roads more particularly described as follows:

Total Acreage	47.80 Acres
Number of Dwelling Units	153 Proposed – Assisted and Independent Living Units, 1 Existing to be demolished
Number of Non-Residential Units	100,000 SF of Office Space Proposed, 1 Existing – NIPSCO Flint Lake Substation
Percent Contiguous Existing Zoning (County)	22.8% RR Rural Residential (County)
Proposed Zoning	R-1A and MOT

The proposed annexation complies with the following criteria:

- (1) The area is 22.8% contiguous to the corporate limits of the City, exceeding the minimum 12.5% contiguity requirement of the State annexation law.
- (2) The site lies within a Priority Annexation Area as outlined in the City of Valparaiso Annexation Policy.
- (3) The area does not have an acceptable cost/benefit ratio over the short term, but is favorable over the long term due to the proposed development within one year as proposed by the petitioner.

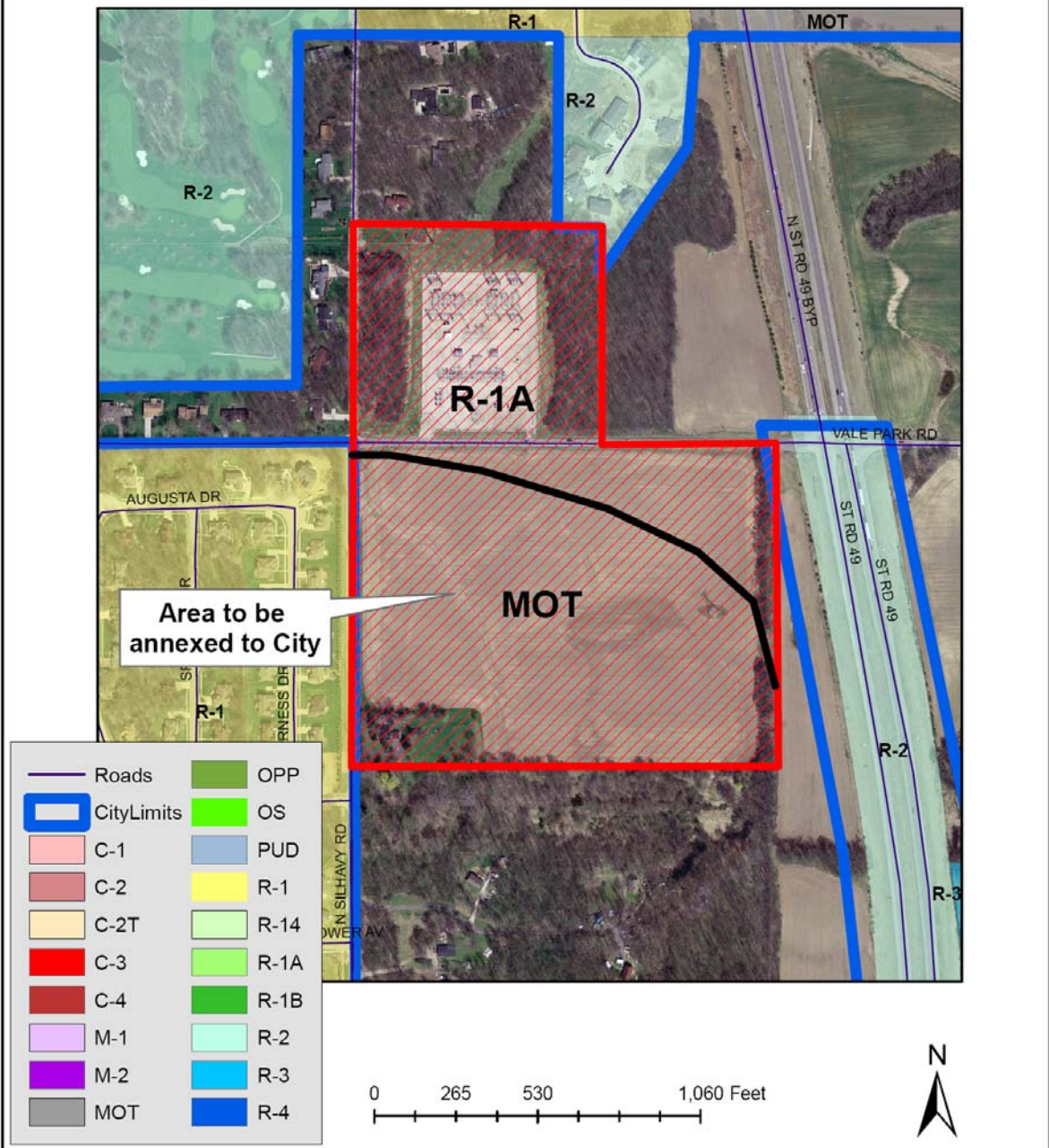
Total Estimated Annual Revenues (All Sources) \$249,240.00 as proposed
vs.

Total Annual Costs to City and Services \$160,599.59 as proposed

	Existing	As proposed
Annual City Revenues**	\$1,204.63	\$249,240.00
Annual Utility Revenues	\$	\$
Annual City Costs	\$405.93	\$160,599.59
One Time City Revenues	\$0	\$621,042.00
One Time Utility Revenues	\$	\$
One Time Utility Costs	\$	\$

CASE # A08-003/RZ08-004 Ramsey Real Estate Ltd. LP

SE And NE Corner of Silhavy and Vale Park Road



LEGAL DESCRIPTION

PROPOSED RAMSEY/VHC ANNEXATION

To be zoned MOT Medical, Office, and Technology District:

The Northwest Quarter of the Northwest Quarter of Section 17, Township 35 North, Range 5 West of the Second Principal Meridian, in Porter County, Indiana.

(1) EXCEPTING therefrom the South 10 rods of said Quarter Quarter Section;

(2) ALSO EXCEPTING therefrom a part of the Northwest Quarter of the North west Quarter of Section 17, Township 35 North, Range 5 West, Porter County, Indiana, described as follows:

Commencing at the Northwest corner of said Section; thence South 89 degrees 32 minutes 30 seconds East 20.00 feet, along the North line of said Section; thence South 00 degrees 27 minutes 30 seconds West 20.00 feet, to where the East boundary of County Road 200 East meets the South boundary of County Road 400 North and the **Point of Beginning** of this description; thence South 89 degrees 32 minutes 30 seconds East 1097.35 feet, along the South boundary of said County Road 400 North; thence South 67 degrees 44 minutes 25 seconds East 53.85 feet, along said boundary; thence South 89 degrees 32 minutes 30 seconds East 162.53 feet; along said boundary to the East line of said Quarter Quarter Section; thence South 00 degrees 26 minutes 25 seconds East 660.07 feet, along said East line; thence North 41 degrees 49 minutes 58 seconds West 405.53 feet; thence North 58 degrees 34 minutes 40 seconds West 349.86 feet; thence North 68 degrees 21 minutes 37 seconds West 428.98 feet; thence North 89 degrees 32 minutes 30 seconds West 347.35 feet to the East boundary of said County Road 200 East; thence North 00 degrees 27 minutes, 30 seconds East 45.00 feet, along the East boundary of said County Road 200 East, to the **point of beginning**;

(3) also excepting THEREFROM A PART OF THE Northwest Quarter of the Northwest Quarter of Section 17, Township 35 North, Range 5 West, Porter County, Indiana, described as follows:

Commencing at the Northwest corner of said Section; thence South 89 degrees 32 minutes 30 seconds East 1,117.35 feet, along the North line of said Section; thence South 00 degrees 27 minutes 30 seconds West 20.00 feet to the South boundary of County Road 400 North and the **Point of Beginning** of this description;

thence South 89 degrees 32 minutes 30 seconds East 215.32 feet; along the boundary of said County Road 400 North, to the East line of said Quarter Quarter Section; thence South 01 degrees 01 minutes 37 seconds East 20.01 feet; along said East line; thence North 89 degrees 32 minutes 30 seconds West 166.04 feet; thence North 67 degrees 44 minutes 25 seconds West 53.85 feet to the **Point of Beginning**.

To be zoned R-1A Low Density Residential District:

The South Seven Hundred (700) feet of the west Eight Hundred (800) feet of the Southwest Quarter of the Southwest Quarter of Section 8, Township 35 North, Range 5 West of the Second Principal Meridian, in Porter County, Indiana.

AND a part of the Northwest Quarter of the North west Quarter of Section 17, Township 35 North, Range 5 West, Porter County, Indiana, described as follows:

Commencing at the Northwest corner of said Section; thence South 89 degrees 32 minutes 30 seconds East 20.00 feet, along the North line of said Section; thence South 00 degrees 27 minutes 30 seconds West 20.00 feet, to where the East boundary of County Road 200 East meets the South boundary of County Road 400 North and the **Point of Beginning** of this description; thence South 89 degrees 32 minutes 30 seconds East 1097.35 feet, along the South boundary of said County Road 400 North; thence South 67 degrees 44 minutes 25 seconds East 53.85 feet, along said boundary; thence South 89 degrees 32 minutes 30 seconds East 162.53 feet; along said boundary to the East line of said Quarter Quarter Section; thence South 00 degrees 26 minutes 25 seconds East 660.07 feet, along said East line; thence North 41 degrees 49 minutes 58 seconds West 405.53 feet; thence North 58 degrees 34 minutes 40 seconds West 349.86 feet; thence North 68 degrees 21 minutes 37 seconds West 428.98 feet; thence North 89 degrees 32 minutes 30 seconds West 347.35 feet to the East boundary of said County Road 200 East; thence North 00 degrees 27 minutes, 30 seconds East 45.00 feet, along the East boundary of said County Road 200 East, to the **point of beginning**;

AND a part of the Northwest Quarter of the Northwest Quarter of Section 17, Township 35 North, Range 5 West, Porter County, Indiana, described as follows:

Commencing at the Northwest corner of said Section; thence South 89 degrees 32 minutes 30 seconds East 1,117.35 feet, along the North line of said Section; thence South 00 degrees 27 minutes 30 seconds West 20.00 feet to the South boundary of County Road 400 North and the **Point of Beginning** of this description; thence South 89 degrees 32 minutes 30 seconds East 215.32 feet; along the boundary of said County Road 400 North, to the East line of said Quarter Quarter Section; thence South 01 degrees 01 minutes 37 seconds East 20.01 feet; along said East line; thence North 89 degrees 32 minutes 30 seconds West 166.04 feet; thence North 67 degrees 44 minutes 25 seconds West 53.85 feet to the **Point of Beginning**.

Containing 47.80 acres, more or less.