

RESOLUTION 2020-5

**A RESOLUTION ADOPTING A WRITTEN FISCAL PLAN ESTABLISHING A  
POLICY FOR THE PROVISIONS OF SERVICES TO AN ANNEXED AREA  
(HT 2 RENTALS PROPERTY)**

RECITALS

A. The Common Council of the City of Columbia City (respectively, the "Council" and the "City") has held a public hearing regarding Ordinance 2020-7 which contemplates the voluntary annexation of certain territory to be annexed into the City of Columbia City (the "Annexation Territory") pursuant to Ind. Code Section 36-4-3-5.1.

B. Ind. Code Section 36-4-3-3.1 requires that the City develop and adopt a written fiscal plan and establish a definite policy by resolution of the Council that meets the requirements set forth in Ind. Code Section 36-4-3-13, and that said resolution is adopted prior to adopting an annexation ordinance under Ind. Code Section 36-4-3-5.1.

C. It is the desire of the Council to provide such a written fiscal plan, and comply with Indiana law.

D. The written fiscal plan attached hereto as Exhibit A (the "Fiscal Plan") is acceptable and appropriate for the Annexation Territory.

E. The Fiscal Plan complies with the requirements of Indiana law to provide services of a non-capital nature to the Annexation Territory within one year after the effective date of the annexation 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.

F. The Fiscal Plan complies with the requirements of Indiana law to provide services of a capital nature to the Annexation Territory within three years after the effective date of the annexation in the same manner those services are provided to areas within the corporate boundaries, regardless of similar topography, patterns of land use, and population density and in a manner consistent with federal, state and local laws, procedures, and planning criteria.

THEREFORE, BE IT RESOLVED by the Common Council of the City of Columbia City, State of Indiana, that:

Section 1. The above recitals are incorporated herein by reference and shall be deemed part of the Fiscal Plan.

Section 2. The Fiscal Plan, including the summary of the plan and its Exhibits, is adopted for the annexation set forth in Ordinance 2020-7.

Section 3. The sections, paragraphs, sentences, clauses and phrases of this Resolution are separable, and if any phrase, clause, sentence, paragraph or section of this Resolution 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.

Section 4. The Fiscal Plan and the policies for implementing the Fiscal Plan provided in attached Exhibit A are incorporated into this Resolution and adopted as the fiscal plan for the annexation proposed by Ordinance 2020-7.

Section 5. This Resolution shall be in full force and effect from and after the date of its passage and any publication as is required by law.


Section 6. Introduced and filed on the 25 day of Feb, 2020. Duly resolved and passed the 25 day of Feb, 2020 by the Common Council of the City of Columbia City, Whitley County, Indiana, having been passed by a vote of 4 in favor and 0 opposed.

[Signature Page Follows]

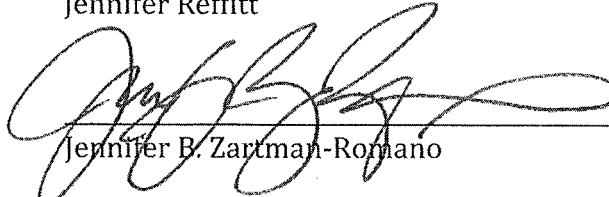
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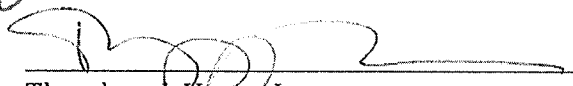
CITY OF COLUMBIA CITY, INDIANA, BY ITS COMMON COUNCIL

DATE: February 25, 2020

  
\_\_\_\_\_  
Walter C. Crowder

\_\_\_\_\_  
Jennifer Reffitt

  
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Jennifer B. Zartman-Romano

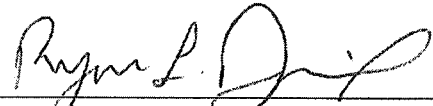
  
\_\_\_\_\_  
Theodore J. Varga, Jr.

  
\_\_\_\_\_  
Daniel Weigold

ATTEST:

  
\_\_\_\_\_  
Rosie Coyle, Clerk-Treasurer

Approved this 2<sup>nd</sup> day of March,  
2020 by:

  
\_\_\_\_\_  
Ryan L. Daniel, Mayor

**City of Columbia City  
Annexation Fiscal Plan  
HT 2 Rentals, LLC**

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|                         |                   |
|-------------------------|-------------------|
| Ryan L. Daniel          | Mayor             |
| Jennifer Reffitt        | Council Member    |
| Jennifer Zartman Romano | Council Member    |
| Dan Weigold             | Council Member    |
| Walt Crowder            | Council President |
| Tad Varga               | Council Member    |
| Rosie Coyle             | Clerk-Treasurer   |
| Marcia McNagny          | City Attorney     |

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(2/19/2020)

Prepared by Chip Hill, Community Development

## **INTRODUCTION**

This annexation fiscal plan has been developed in response to the Indiana Code of Regulations for annexation procedures. This annexation plan outlines the Code for annexation activities. Additionally, cost estimates for the proposed annexation area with a strategy for extending municipal services has been included.

The City of Columbia City, in cooperation with county and government officials and the City Common Council has produced the City's Comprehensive Plan that serves as a guide for developing a balanced, efficient, and healthful community that meets the needs of its citizens. This Comprehensive Plan guides future physical growth and development of the community. The Comprehensive Plan recommends annexation as the most viable approach to increase the City's population and to enhance its tax base.

In accordance with this recommendation, this annexation plan supports the City's continuing efforts for orderly growth. The City of Columbia City has carefully analyzed the direction in which the community must grow and has further identified the areas most critical to future development.

The proposed annexation area is currently improved and is zoned General Business - GB. The Comprehensive Plan's future land use map has identified this area's potential to be Commercial. The annexation area will add approximately 4.02 acres as identified on the Whitley County Beacon site.

## BASIC INFORMATION

### *Location and Size*

The area proposed for annexation is located in an unincorporated area of Whitley County and is contiguous to the southeast corporate limit of Columbia City south of the intersection of SR 9 and E. Radio Road. The area consists of approximately 4.02 acres. The property parcels are shown as an attachment to this document.

### *Current Land Use/Zoning Regulations*

The proposed annexation area has improvements on the parcels. The properties have a current zoning classification of General Business –GB.

The Columbia City Planning Commission maintains a two-mile jurisdiction for land use planning beyond the municipal limits. This annexation area falls within this jurisdiction.

### *Population*

The area proposed for annexation has only business improvements on the parcel. Therefore, it will not contribute to a change in the current population of 9,044 as estimated by Census 2017 data.

### *Assessment*

The proposed annexation area has an assessed value of \$156,900 (listed from the Beacon Whitley County site for 2019 assessment figures). It is assumed the assessed valuation of the area of this annexation will not exceed the maximum allowable valuation increase of 15% of the City's current assessed valuation.

% increase in assessed valuation for the City of Columbia City

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| Proposed Annexation<br>Assessed Valuation (2018) | Current City Total<br>Assessed Valuation (2018) | % Increase after this<br>Annexation |
|--|---|-------------------------------------|
| \$156,900  | \$306,330,019                                   | 0.051%                              |

### *Current Tax Rate*

The current tax rate comparison for each taxing district is as follows:

Columbia Township Rate: \$1.4920  
Columbia City Rate: \$.8788

## INDIANA LAW REQUIREMENTS

When pursuing an annexation, a municipality must comply with the state law, as established in the statutes of Indiana Code Chapter 3 – Municipal Annexations.

Indiana Code - Section 36-4-3-1.5: Contiguous territory; determination

For purposes of this chapter, territory sought to be annexed may be considered "contiguous" only if at least one-eighth (1/8) of the aggregate external boundaries of the territory coincides with the boundaries of the annexing municipality.

Indiana Code – Section 36-4-3-5.1: Petition Signed by 100% of Landowners

For purposes of this Section, owners of land located outside but contiguous to a municipality file a petition with the legislative body of the municipality:

- (1) requesting an ordinance annexing the area described in the petition; and
- (2) signed by one hundred percent (100%) of the landowners that reside within the territory that is proposed to be annexed.
- (3) The petition circulated by the landowners must include on each page where signatures are affixed a heading that is substantially similar to the following:  
"PETITION FOR ANNEXATION INTO THE CITY OF COLUMBIA CITY."

The municipality must adopt a written fiscal plan. The fiscal plan must show the following:

- (1) The cost estimates of planned services to be furnished to the territory to be annexed. The plan must present itemized estimated costs for each municipal department or agency.
- (2) The method or methods of financing the planned services. The plan must explain how specific and detailed expenses will be funded and must indicate the taxes, grants, and other funding to be used.
- (3) The plan for the organization and extension of services. The plan must detail the specific services that will be provided and the dates the services will begin.
- (4) That planned services of a noncapital nature, including police protection, fire protection, street and road maintenance, and other noncapital services normally provided within the corporate boundaries, will be provided to the annexed territory within one (1) year after the effective date of annexation and that they will be provided in a manner equivalent in standard and scope to those noncapital services provided to areas within the corporate boundaries regardless of similar topography, patterns of land use, and population density.
- (5) That services of a capital improvement nature, including street construction, street lighting, sewer facilities, water facilities, and storm water drainage facilities, will be provided to the annexed territory within three (3) years after the effective date of the annexation in the same manner as those services are provided to areas within the corporate boundaries, regardless of

similar topography, patterns of land use, and population density, and in a manner consistent with federal, state, and local laws, procedures, and planning criteria.

(6) The estimated effect of the proposed annexation on taxpayers in each of the political subdivisions to which the proposed annexation applies, including the expected tax rates, tax levies, expenditure levels, service levels, and annual debt service payments in those political subdivisions for four (4) years after the effective date of the annexation.

(7) The estimated effect the proposed annexation will have on municipal finances, specifically how municipal tax revenues will be affected by the annexation for four (4) years after the effective date of the annexation.

(8) Any estimated effects on political subdivisions in the county that are not part of the annexation and on taxpayers located in those political subdivisions for four (4) years after the effective date of the annexation.

(9) A list of all parcels of property in the annexation territory and the following information regarding each parcel:

(A) The name of the owner of the parcel.

(B) The parcel identification number.

(C) The most recent assessed value of the parcel.

(D) The existence of a known waiver of the right to remonstrate on the parcel. This clause applies only to a fiscal plan prepared after June 30, 2016.

### **Justification of Annexation Area**

The proposed annexation area exceeds the 1/8 contiguous requirement of its external boundaries with approximately 32% being contiguous. Additionally, since this proposed annexation area has a single property owner; it meets the requirement for 100% of the land owners residing within the territory proposed to be annexed petitioning for the annexation.

### **Written Fiscal Plan**

The requirements of a written fiscal plan for the proposed annexation area are met within this document. The nine (9) specific items which must be met are addressed in the subsequent sections of this document and satisfy Indiana Code for Municipal Annexations.

### **Summary**

The proposed annexation area can be annexed into the City of Columbia City because it meets the annexation test, as established by Indiana Code. In addition, its inclusion within the City would provide potential for additional residential development.



## **MUNICIPAL SERVICES AND COSTS**

The proposed annexation area is a blend of improved business ground and bare ground. It is zoned General Business GB. This area is contiguous to the existing corporate limits of the southwest side of the City. The area is accessible for municipal water, sewer, and electric.

The City of Columbia City is committed to providing municipal services to the proposed annexation area. These municipal services as provided by the City will be equivalent in standard and scope to those capital and non-capital services provided to the areas within the corporate boundaries regardless of similar topography, patterns of land use, and population density.

The City of Columbia City is required to provide the same capital and non-capital services to the proposed annexation as that which is provided within the current City boundary. Per regulations set forth in Indiana Code, all *non-capital* improvements shall be provided upon the effective date of annexation. These services include, but are not limited to police protection, fire protection, and street maintenance.

Additionally, the City must provide the annexation area with all *capital* services within three (3) years of the effective date of annexation. These services include sanitary sewers, municipal water, and street intersection lighting. Through its Common Council and Board of Public Works, the City has set policies for construction of new public works facilities in Joint Resolution No. 1995-23, made a part of this document in the Appendix. These capital services are currently available to the proposed annexation area.

The following sections discuss each of the municipal services in detail, the cost of providing these services, and the requirements for obtaining both capital and non-capital services.

### **Cost of Services**

The cost of services to the annexation area has been determined by consulting with the agency, department, or individual responsible for each service type. The City may assist in the cost sharing of these expenses, depending upon its existing public policies, funding availability, and the agreed participation of the property owner. Federal and State funding sources are also considered where applicable. The provisions of these services will follow the City's established policies for the construction of new public works facilities (Joint Resolution No. 1995-23).

### **Police Protection Service**

The Columbia City Police Department patrols the boundaries of the City on a daily basis and responds to all alarm calls. The department does not distinguish between different parts of the City. Therefore the same police protection services that are currently provided to the City will also be provided to the proposed annexation area.

Currently, the Columbia City Police Department is comprised of 19 full-time officers when fully staffed. This department effectively provides police protection services for the entire Columbia City population of 9,044 (2017 Census estimates). The estimated population post-development of the proposed annexation area will remain unchanged. The United States Department of Justice recommends a patrol officer to persons served ratio of 2.2 per thousand residents. This ratio suggests that a population of 9,044 may necessitate 20 patrol officers. However, the department is currently serving the community with a ratio of slightly less than 2.1 officers per thousand residents. The addition of 1 officer will bring the recommended ratio of officers per thousand residents close to the DOJ suggested ratio. An additional squad car will likely not be necessary for the additional officer if the department continues with its current take home patrol car program.

### **Street Maintenance**

There will be no additional costs as part of this annexation.

### **Government Administration Services**

Immediately upon annexation the administrative functions of the City will become available to the proposed annexation area. These services include, but not limited to the Mayor's office, Joint Whitley County/Columbia City Planning & Building Commission, Board of Public Works, City Utilities office, and the City Clerk-Treasurer's Office.

The City departments will expand their jurisdictional areas accordingly once the proposed area has been annexed into the City. The funding for the services will come from various sources, including the City general fund, and also State and Federal government programs. Due to the varying nature of these services, it is difficult to include the individual costs for the services. However, it is anticipated that these costs will be less than \$2,000 per year. There is not expected to be any need for upgrading or improving these services due to this annexation.

### **Emergency Ambulance Service**

Emergency ambulance service is provided for all of Whitley County by the Whitley County Emergency Medical Service (EMS). The funding for this service is provided by the County and through assessed user fees. The proposed annexation area will not result in any additional services or costs since the service is already provided.

### **Fire Protection Service**

The fire department serves the corporate boundary of the City. Since this area is outside the area, there will be a nominal change in the cost to the City for fire protection services.

The cost was estimated based on the number of firefighters to that of persons served. Currently, the City fire department has twelve (12) full-time firefighter, one (1) part-time

firefighter and twenty-four (24) volunteer firefighters, including two cadets to 9,044 persons based on 2017 Census estimates. The current ratio is 1:822 for full-time and 1:377 for part-time. Since this area is currently used as commercial use, the population served will remain unchanged. Therefore, it will not result in the need for additional apparatus or firefighters.

### **Parks and Recreation**

The City has eight (8) recreational areas: Morsches Park, Baker Park, Southside Park, Patriotic Park, Aquatic Center, Devol Field, Every Kid's Dreamland, and Blue River Trail.

The 5-year Park and Recreation Plan for Columbia City was updated in 2015. Some highlights from the Plan include a new multi-faceted aquatics facility to replace the existing pool facility (completed 2019). Connectivity between the parks and residential areas of the City is important. The trail system has been a source of pride for Columbia City and continued extensions will continue to be a priority. One of Columbia City's proposed projects is the Blue River Trail extension south to the school campus located just outside of the city boundary on SR9. Creating new events is also a priority listed.

Since the increased population resulting from the proposed annexation will not provide significant changes to the present composition of the City through age or labor force, there are no anticipated additional costs to the park and recreation.

### **Sanitary Sewer Service**

The City of Columbia City has the capacity to provide service to this proposed annexation property and its development. The City's wastewater treatment facility has a design capacity of 3.5 million gallons a day (MGD) during dry weather flows. Currently, the City is treating approximately 1.6 (MGD) of wastewater flows. This utilization is about 46% of the treatment facility's capacity. The proposed annexation and its development is expected to have a negligible increase with an unknown gallons per day (GPD) discharged to the treatment facility at this time. Based on the acreage and existing uses nearby in the business park, it is anticipated the flows post-development will be easily handled by our WWTP. However, there will be a nominal increase in the operation and maintenance (O & M) costs for additional chemicals, sludge hauling, routine maintenance, and electric usage. Pursuant to agreement with the City, the property owner will not be forced to hook into the City's sanitary sewer within 15 years of the annexation of the annexation area but shall maintain the option to do so once the utility is installed.

### **Sidewalks**

Sidewalk construction is the responsibility of the property owner. In the case of this proposed annexation area, there are no requirements for sidewalk installation. In the event the City elects to install a trail system across the property, the subsequent property owner (purchaser of the proposed annexation area) will not be responsible for the costs of construction of such trail

but will cooperate with the construction and installation and documentation needed for such construction and installation, including, but not limited to, easements for the construction and installation of the trail.

### **Storm Drainage Facilities**

Joint Resolution No. 1995-23 states the design, construction and cost of new public works facilities is the responsibility of the developer. The storm water facilities are currently in place for the business park. Therefore, there is no anticipated cost for storm drainage facilities in the proposed annexation area. However, if, upon or after 15 years of annexation of the proposed annexation area, such fees are imposed, the property owner shall be required to pay such fees.

### **Street Lights**

Indiana Code 36-9-9-8 states a municipality shall install, maintain, and operate at each street intersection lighting facilities that are at least equal to those in other parts of the lighting system. The cost of the City's standard fixtures and poles are the responsibility of the developer of the annexation area (Resolution No. 1995-23).

There will be no new costs associated with street lighting as part of this annexation.

### **Telecommunications**

The Telecommunications Department serves as the central communications center for the City. In addition to dispatching Police, Fire, and Utilities personnel, the department also responds to E911 calls and monitors the City's outdoor warning siren system. The department has a staff of 10 employees.

The delivery of these services to the annexation area will not require additional staffing. No additional upgrades to the current system are required due to the annexation of this area.

### **Water Distribution Services**

The City has adequate capacity to provide municipal water to the proposed annexation area equivalent to the balance of the area served with City water. The existing water distribution system has a pumping capacity of 3.3 million gallons a day (MGD), with an average demand on the system of 1.4 MGD. The addition of the proposed annexation area development represents a negligible increase to the demand since the distribution lines already exist for the proposed annexation area. Pursuant to agreement with the City, the property owner will not be forced to hook into the City's water system within 15 years of the annexation of the annexation area but shall maintain the option to do so once the utility is installed.

Post-developed, there will be a slight increase in the O & M costs that will include, but not limited to the purchase of chemicals and routine maintenance.

**Estimated effect of annexation of each on the political subdivisions to which the annexation applies**

1. City of Columbia City – The City does not currently receive tax revenue from the property. Upon Annexation, the City will receive additional property tax revenue and if developed into a commercial or industrial use, the City would receive County Adjusted Gross Income Tax (CAGIT) or County Economic Development Income Tax (CEDIT). Adding in the land to the City limits should also raise the City’s net Assessed Value (AV), and if the property were to be developed, the maximum tax levy for the City might be able to be raised since it is based on AV.
2. Whitley County – The County currently collects property tax on this property bill.
3. Whitley County Consolidated Schools – The school district currently collects property tax on this property bill.
4. Columbia Township – The Township currently collects property tax on this property bill.
5. Peabody Public Library – The library currently collects property tax on this property bill.

Note, although the annexation would be effective in 2020, the first change in the property tax bill would not be until May 2021.

**Estimated effect on municipal finances for the four (4) years after annexation effective date**

The City would not receive any property tax revenue from this Territory until the tax year 2022 (for the tax year 2021) at the earliest. At the time of authoring this report (February 2020), we do not believe that the zoning will be changed as the properties have a current zoning classification of General Business –GB. However, it can be speculated that the gross AV will increase with future improvements made to the property. This would then potentially allow for a higher maximum tax levy as it is based on AV.

**Estimated effect on political subdivisions in the county that are not part of the annexation**

Other political subdivisions in the County (i.e. Thorncreek Township, Union Township, etc.) would not be impacted by this annexation.

**Parcel information**

The territory consists of two (2) parcels:

|            |                             |
|------------|-----------------------------|
| Parcel ID: | Gross Assessed Value (2019) |
|------------|-----------------------------|

|                          |           |
|--------------------------|-----------|
| 92-06-14-000-402.900-003 | \$154,400 |
| 92-06-14-000-403.000-003 | \$2,500   |

Summary of estimated expenditures for proposed annexation area / development

| Municipal Service    | Cost    |             |
|----------------------|---------|-------------|
|                      | Capital | Operating   |
| EMS                  | 0       | 0.00        |
| Fire Protection      | 0       | 0.00        |
| Gov't Admin Services | 0       | \$ 2,000.00 |
| Park & Recreation    | 0       | 0.00        |
| Police               | 0       | 0.00        |
| Sanitary Sewer       | 0       | 0.00        |
| Storm Drainage       | 0       | 0.00        |
| Electric Service     | 0       | 0.00        |
| Street               | 0       | 0.00        |
| Telecommunications   | 0       | 0.00        |
| Water Services       | 0       | 0.00        |

This Fiscal Plan meets the requirements of IC 36-4-3. The Plan shows the proposed annexation area is in accordance with applicable Indiana Statutes. This area fits the direction for future land use in the City's Comprehensive Plan. Since this area meets the requirements for consideration, it may be annexed into the City of Columbia City.

**APPENDIX**

Petition for Voluntary Annexation

Property information from Beacon Whitley Co.

2017 Population estimate - <https://www.census.gov/quickfacts/columbiacitycityindiana>

Joint Resolution No. 1995-23