

RESOLUTION NO. 2021-2

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF MARKLE, INDIANA,
TO ADOPT A FISCAL PLAN FOR THE ANNEXATION OF CERTAIN TERRITORY
TO THE TOWN OF MARKLE, INDIANA**

WHEREAS, Petitioner is the owner of the following described real estate located outside the limits of the Town of Markle (“**Town**”) in Huntington County, Indiana:

[See Exhibit A]

(the “**Territory**”); and

WHEREAS, Petitioner, as owner of the Territory, has petitioned the Town Council (“**Council**”) of the Town of Markle, Indiana for the annexation of the Territory into the limits of the Town; and

WHEREAS, Indiana Code 36-4-3-3.1 requires the adoption of a written fiscal plan by the Council before the Town may annex the Territory; and

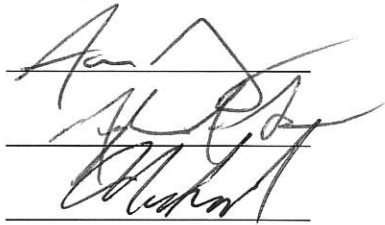
WHEREAS, the Town engaged the services of Baker Tilly Municipal Advisors, LLC to prepare a written fiscal plan for the annexation of the Territory.

NOW THEREFORE, BE IT RESOLVED by the Town Council of the Town of Markle, Indiana, that the written Fiscal Plan set forth in the attached “**Exhibit B**” is adopted as the Fiscal Plan of the Town of Markle, Indiana for the annexation of the Territory, the legal description for which is included herein.

Resolution 2021-2 was duly adopted this 31st day of March 2021, by a vote of 7 in favor and 0 in opposition.

MARKLE, INDIANA by its TOWN COUNCIL

Voting in Favor:



Aaron McClary

Matthew Doss

Nicolas Lund

Voting in Opposition:

ATTEST:

By Stephenie Hensley as Clerk-
(Stephenie Hensley) Treasurer

This description, prepared by Aaron J. Carl, Professional License Number LS20800123 and employed by T-E Incorporated, was created as part of a Retracement and an Original Survey for Job No. 4583 on August 3, 2018. Part of the Northwest Quarter of Section 36, Township 28 North, Range 10 East of the Second Principal Meridian, Union Township, Huntington County, Indiana, also being part of a tract of land conveyed to Day Warpup Farms, LLC in Document 2008000651 as recorded in the Office of the Recorder of Huntington County, and more particularly described as follows:

Commencing at the West Quarter Corner of said Section 36, being marked by a Harrison Monument; thence North 00 degrees 53 minutes 49 seconds West (being the basis of all bearings this description), on and along the West line of said Northwest Quarter, a distance of 890.67 feet to the Point of Beginning and being marked by a mag nail with an identification disk stamped "T-E INC FIRM #0070" (from herein referred to as "T-E Mag"); thence continuing North 00 degrees 53 minutes 49 seconds West, on and along the West line of said Northwest Quarter, a distance of 763.04 feet to the Southwest corner of a tract of land conveyed to Kyle E. and Lisa M. Lund in Document 2001225906 and being marked by "T-E Mag"; thence North 89 degrees 09 minutes 50 seconds East, on and along the South line of said Lund tract, a distance of 2647.79 feet to the West right-of-way of Interstate 69 and being marked by a 5/8-inch diameter rebar with an identification cap stamped "T-E INC FIRM #0070" (from herein referred to as "T-E Cap"); thence South 00 degrees 01 minutes 30 seconds West, on and along said West right-of-way, a distance of 759.30 feet to a "T-E Cap"; thence South 89 degrees 04 minutes 50 seconds West, a distance of 2635.57 feet to the Point of Beginning, containing 46.158 acres more or less, being subject to and/or together with all easements and rights-of-way of record.

**ANNEXATION FISCAL PLAN
FOR THE
TOWN OF MARKLE, INDIANA**

Midland, LLC

March 26, 2021

Prepared by:



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INTRODUCTION

The following fiscal plan (the "Fiscal Plan") is for the proposed annexation of a parcel to the north of the existing corporate limits on the north side of Markle (the "Annexation Area"). The Annexation Area is adjacent to the Town of Markle, IN (the "Town"). The requirements of the Indiana Code mandate the development and adoption of a written fiscal plan and the establishment of a definite policy by resolution of the Town Council. The Indiana Code 36-4-3-13(d) states that this Fiscal Plan must include and provide:

- 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 non-capital nature, including police protection, fire protection, street and road maintenance, and other non-capital services normally provided within the corporate boundaries will be provided 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 non-capital services provided in 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 stormwater 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;

INTRODUCTION

- 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; and
- 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 Fiscal Plan may include additional materials in connection with the foregoing. It was developed through the cooperative efforts of the Town's various administrative offices and the Town's financial advisors, Baker Tilly. This Fiscal Plan is the result of an analysis of the proposed Annexation Area.

The Annexation Area is contiguous to the Town for the purposes of Indiana Code 36-4-3-1.5, and there is a written Fiscal Plan, herein provided, that has been approved by the Town Council.

SECTION I

AREA DESCRIPTION

A. Location, Area Size and Contiguity

The proposed Annexation Area is located on the north side of the existing corporate boundaries on the north side of the Town. A map and legal description of the area to be annexed has been included in attached Appendix II.

The Annexation Area is approximately 46 acres. The perimeter boundary of the Annexation Area is over 25% contiguous to the existing corporate boundaries of the Town.

B. Current Land Use

The Annexation Area consists of vacant agricultural land.

C. Zoning

Existing Zoning: Agricultural

Proposed Zoning: Manufacturing (M-1)

D. Current Population

The current population of the Annexation Area is estimated at 0, as there does not appear to be any occupied homes within the Annexation Area.

E. Real Property Assessed Valuation

The estimated net assessed valuation for land and improvements in the Annexation Area is \$65,600. This represents the assessed value as of January 1, 2021 for taxes payable 2022.

SECTION II

NON-CAPITAL SERVICES

A. Cost of Services

The current standard and scope of non-capital services being delivered within the Town and the Annexation Area were evaluated by each municipal department to determine the personnel and equipment necessary to provide such non-capital services in a manner equivalent in standard and scope to services that are currently provided within the existing Town's municipal boundary.

The Town will provide all non-capital services to the Annexation Area within one (1) 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 Town regardless of topography, patterns of land use, and population density.

B. Police Protection

The Huntington County Sheriff's Department currently provides police protection and law enforcement services to the Annexation Area. However, all non-capital services of the Town of Markle Police Department ("Police Department") will be made available in the Annexation Area within one (1) year of the effective date of this 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.

The Police Department's primary purpose is the prevention of crime. The Police Department consists of three full-time officers and two part-time officers. The Police Department patrols the boundaries of the Town on a daily basis and responds to all alarm calls. In addition, the Police Department provides other services such as detection and apprehension of offenders, traffic control, and preservation of civil order. The Police Department does not distinguish between different areas of the Town. The same services are provided throughout the Town. Due to the location and character of the Annexation Area, the Town does not anticipate needing to hire additional officers as a result of the annexation. It is anticipated that an increase in fuel and vehicle maintenance will be necessary in the amount of \$300 (plus inflation) per year as a result of the annexation. The Police Department's budget within the Town's General Fund will fund any additional costs.

C. Fire Protection

The Markle Fire Department ("MFD") serves the corporate Town limits of Markle and four surrounding townships, including Union Township. The MFD currently has 30 fire service personnel. The MFD operates 2 fire engines, a tanker, a grass rig, a rescue truck, a rescue boat, and a medical truck. The MFD already serves the Annexation Area; therefore, there will be no increase in costs to the Town to provide these services as a result of the annexation.

SECTION II

(Cont'd)

NON-CAPITAL SERVICES

D. Emergency Medical Services

Currently, Parkview Hospital Systems provides emergency medical services to the Annexation Area, with first responder assistance from the Markle Fire Department. This will not change as a result of the annexation; therefore, there will be no increase in costs for the provision of emergency medical services as a result of annexation.

E. Street Maintenance

All dedicated streets and county roads in the Annexation Area are currently maintained by Huntington County. However; all non-capital services of the Markle Street Department will be made available in the Annexation Area within one (1) year of the effective date of this 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.

The Markle Street Department is responsible for the repair, cleaning and maintenance of all Town streets and alleys, sign maintenance, and storm water drainage. It performs snow and ice removal and leaf and limb collection. The Annexation Area contains 0.15 miles of streets that the Town will be responsible for maintaining. Currently, the Town has approximately 8.75 miles of streets. The Town anticipates additional operating costs for supplies and repairs and maintenance of approximately \$1,700 (plus inflation) per year as a result of the annexation. The Local Road and Street and Motor Vehicle Highway Funds will fund any additional costs.

F. Storm Water and Drainage

Storm water and drainage facilities throughout the Annexation Area will be consistent with the Town's current storm water and drainage system throughout the Town. The Town and county have maintained their drainage areas very similarly, therefore it is not anticipated that there will be any additional cost to the Town. Any future development in the area will have to have their storm water plan approved by the Town, and any associated storm water and drainage costs will be borne by the developers. Nevertheless, all non-capital storm water services of the Town will be made available in the Annexation Area within one (1) year of the effective date of this 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.

SECTION II

(Cont'd)

NON-CAPITAL SERVICES

G. Parks

There are currently four (4) parks in corporate Town limits, including Markle Fish & Game Club Park, Old Mill Park, Veterans Park, and Walkway Park. The parks include many amenities, such as baseball diamonds, playground areas, picnic shelters, a swimming pool, tennis courts, basketball courts, cabin rental, picnic tables, a gazebo, and bicycle/walking trails.

It is anticipated that no additional parks will be added as a result of the annexation, therefore there will be no additional costs to the Town. Nevertheless, all non-capital services of the Markle Parks Department will be made available to the 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 areas inside the corporate limits of the Town.

H. Street Lighting

Huntington County does not provide streetlights in the Annexation Area. After annexation, the Town may approve street lighting on a case-by-case basis. If approved, the Town pays all costs for installation and maintenance of streetlights. At this time, the Town does not anticipate adding any streetlights within the Annexation Area. Therefore, there will be no additional costs to the Town related to street lighting.

I. Governmental Administrative Services

The Town does not anticipate that the addition of the Annexation Area will result in a demand for Governmental Administrative Services that cannot be met by the existing staffing of the Town's offices, agencies and departments. All non-capital services of the administration of the Town will be made available in the 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.

The Governmental Administrative Services of the Town include, but are not limited to, the services provided by the following:

- Town Council
- Clerk-Treasurer's Office
- Park Board
- Chamber of Commerce

SECTION III

CAPITAL IMPROVEMENTS

A. Cost of Services

The Annexation Area was evaluated to determine the services and facilities required to provide the same type of services in the same manner as services that are currently provided within the existing Town's corporate limits.

The Town will provide the following capital services to the Annexation Area no later than three (3) years after the effective date of the annexation in the same manner as those capital services provided to areas within the Town regardless of topography, patterns of land use, and population density and in a manner consistent with federal, state and local laws, procedures and planning criteria. It is currently assumed that the annexation will be effective as soon as practically possible, but no later than December 31, 2021.

B. Water Service

The Annexation Area is currently not served by any water utility. The Markle Water Department provides water service in the surrounding area and has the capacity and capability to serve the Annexation Area if and when connection is desired. The cost of these hook-ups will be based on equivalent dwelling unit charges and will be covered by the payment of availability, tap, and/or connection fees. It is estimated to cost \$282,500 to extend water services to the Annexation Area and will be funded by cash on hand and the issuance of bonds, which will be paid back with future Tax Increment Financing (TIF) proceeds. It is important to note that the water utility is a separate proprietary fund of the Town that maintains separate books and records.

C. Wastewater Service

The Annexation Area is currently not served by any sewage works. The Markle Wastewater Department provides wastewater service in the surrounding area and has the capacity and capability to serve the Annexation Area if and when connection is desired. The cost of these hook-ups will be based on equivalent dwelling unit charges and will be covered by the payment of availability, tap, and/or connection fees. It is estimated to cost \$282,500 to extend wastewater services to the Annexation Area and will be funded by cash on hand and the issuance of bonds, which will be paid back with future Tax Increment Financing (TIF) proceeds. It is important to note that the sewage works is a separate proprietary fund of the Town that maintains separate books and records.

SECTION III

(Cont'd)

CAPITAL IMPROVEMENTS

D. Storm Water and Drainage

Storm water and drainage facilities throughout the Annexation Area will be consistent with the Town's current storm water and drainage system throughout the Town. The future development in the Annexation Area will have to have their storm water plan approved by the Town, and any associated storm water and drainage costs will be borne by the developers, therefore it is not anticipated that there will be any additional cost to the Town. Regardless, all capital storm water services of the Town will be extended to the Annexation Area within three (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.

E. Street Construction

Construction of any new streets within the developments in the Annexation Area will be the responsibility of the appropriate developer in accordance with the applicable Town Code. The existing streets within the Annexation Area are in very similar condition to existing Town streets; it is not anticipated that any additional costs, will be required to improve them to Town standards. Regardless, all capital services of the Markle Street Department, including evaluation and construction services, will be extended to the Annexation Area within three (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.

F. Sidewalks

In general, construction and reconstruction of sidewalks is not the responsibility of the Town. Sidewalks are typically initially installed by developers as part of a subdivision. Currently, there is a mix of areas within the Town with and without sidewalks. There are currently no plans or requirements of the Town to provide additional sidewalks in the Annexation Area. If necessary, the developer will be responsible for sidewalks in any new developments within the Annexation Area. Regardless, all capital services of the Town will be extended to the Annexation Area within three (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.

SECTION IV

FISCAL IMPACT

As a result of this annexation, assuming that any incremental increase in assessed value is captured in a TIF, the net assessed value for the Town is estimated to increase by \$65,600 to \$43,357,196. This represents an increase of approximately 0.15%. The net impact of increasing the Town's assessed value will result in additional property tax revenues to the Town, and may assist in stabilizing property tax rates for Town residents.

It is assumed that the effective date of this annexation will be as soon as practically possible, but no later than December 31, 2021. Based on the assumed effective date, Annexation Area property owners will not pay property taxes to the Town until 2022 payable 2023 or until the parcel is no longer municipal tax-exempt due to its agricultural assessment. However, the Town will begin providing non-capital municipal services to the property owners within one (1) year after the effective date of the annexation, and it will begin providing capital municipal services to the property owners within three (3) years after the effective date of the annexation.

With the exception of utility extension costs as discussed on page 7, it is anticipated that there will be minimal additional costs to the Town as a result of the annexation. The remaining additional costs are related to the Police Department and Street Department. The causes of the anticipated increased costs are discussed on the prior pages, and a summary of the costs is demonstrated in Appendix I.

It is anticipated that the Town will realize an increase in its levy of approximately \$813 as a result of the annexation. However, the percentage increase in the levy will not exceed the percentage increase in the Town's assessed value; therefore; there is not anticipated to be a tax rate increase as a direct result of this annexation. If there is a shortfall in revenue from the annexation, the services described in this plan can be provided using funds on hand.

Based on the assumed annual growth factors noted on page 11, the additional levy will be approximately \$846 in 2024, \$881 in 2025 and \$916 in 2026. It is anticipated that the development within the Annexation Area will not hit tax caps after annexation. Therefore, estimated impacts on other taxing units will be negligible.

Assuming the development of a manufacturing building and an estimated increase in incremental net assessed value of \$7,500,000, it is estimated that the Town's Redevelopment Commission will receive an additional \$217,000 of annual TIF revenues beginning in 2022.

SECTION V

ASSUMED INDEBTEDNESS

As required by Indiana Code 36-4-3-10, the Town will assume and pay any unpaid bonds or other obligations of Union Township existing at the effective date of the annexation of the Annexation Area in the same ratio as the assessed valuation of the property in the Annexation Area bears to the assessed valuation of all property in Union Township, as shown by the most recent assessment for taxation before the annexation, unless the assessed property within the Town is already liable for the indebtedness.

Union Township currently has a fire truck loan with \$68,073 outstanding at an interest rate of 4.50%. Payments are due semi-annually on June 20th and December 20th and will be paid off on December 20, 2025. As a result of the annexation, the Town will be responsible for 0.06% of the remaining loan payments made during or after budget year 2022.

TOWN OF MARKLE, INDIANA

Midland, LLC

ESTIMATED ASSESSED VALUE AND TAX RATE IMPACT

(Assumes first year of tax collections from Annexation Area is 2022 pay 2023)

Assessment Year	Estimated Net Assessed Value of Annex. Area	Estimated Net Assessed Value of Town	Total Est. Net Assessed Value of Town	Est. Property Tax Levy of Town	Est. Property Tax Rate
	(1)	(2)	(3)	(4),(5)	(6)
2020 Pay 2021	N/A	\$40,806,482	\$40,806,482	\$426,632	\$1.0455
2021 Pay 2022	N/A	42,030,676	42,030,676	445,000	1.0588
2022 Pay 2023	\$65,600	43,291,596	43,357,196	465,425	1.0735
2023 Pay 2024	65,600	44,590,344	44,655,944	483,675	1.0831
2024 Pay 2025	65,600	45,928,054	45,993,654	503,130	1.0939
2025 Pay 2026	65,600	47,305,896	47,371,496	522,888	1.1038

- (1) Based on the current net assessed value of the real property in the Annexation Area as gathered from the Huntington County Assessor's office. Also, assumes development of a manufacturing building expected to be first assessed on 01/01/2021. However, any development within the area will be assessed and taxed for TIF purposes only.
- (2) Assumes the assessed value for the Town of Markle, excluding the Annexation Area, grows at a rate of 3%.
- (3) Represents the net assessed value for the Town, including the Annexation Area, used to calculate the tax rate.
- (4) Assumes controlled property tax levies increase at an annual growth factor of 4.4% for 2022, 4.5% for 2023, 4.0% for 2024, 4.1% for 2025, and 4.0% for 2026 . Assumes that the CCD levy remains constant.
- (5) Assumes the Town receives an automatic increase in its levy equal to its percentage increase in net assessed value as a result of the annexation.
- (6) Based on the Est. Property Tax Levy of Town divided by the Total Est. Net Assessed Value of Town.

TOWN OF MARKLE, INDIANA

Midland, LLC

SUMMARY OF ADDITIONAL COSTS DUE TO ANNEXATION
(Non-Capital Services)

<u>Department</u>	<u>Description of Costs</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Ref.</u>
Street	Materials, supplies and repairs	\$1,700	\$1,751	\$1,804	\$1,858	(1)
Police	Fuel and repairs	300	309	318	328	(1)
	Township debt - Fire	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	
	Totals	<u>\$2,009</u>	<u>\$2,069</u>	<u>\$2,131</u>	<u>\$2,195</u>	

(1) Assumes a 3% inflationary adjustment for years 2023 - 2025.

	<u>Summary of Net Impact</u>			
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Estimated levy increase	\$ -	\$813	\$846	\$881
Estimated additional costs	<u>(2,009)</u>	<u>(2,069)</u>	<u>(2,131)</u>	<u>(2,195)</u>
Net Impact	<u>(\$2,009)</u>	<u>(\$1,256)</u>	<u>(\$1,285)</u>	<u>(\$1,314)</u>

Notes:

1. Due to the 100% agricultural assessment of the Annexation Area, there will be no increase to the property tax levy absent the assumed development to be assessed by 01/01/2022.
2. In addition to the non-capital costs summarized above, it is estimated that water and sewer extensions will cost approximately \$565,000.
3. As noted on page 9, based on assumed development, the estimated annual TIF revenues is \$217,000. These revenues will be used to pay for the aforementioned utility extensions.

TOWN OF MARKLE, INDIANA

Midland, LLC

PARCEL LIST

<u>Parcel ID</u>	<u>Owner</u>	<u>'21 Pay '22 Net Assessed Value</u>	<u>Remonstrance Waiver</u>
35-06-36-200-065.000-018	Midland, LLC	<u>\$65,600</u>	No