

RESOLUTION 10-24

A RESOLUTION OF THE CITY OF MUNCIE ADOPTING THE FISCAL PLAN FOR THE VOLUNTARY ANNEXATION OF CERTAIN PROPERTY KNOWN AS THE VOLUNTARY ETCHISON/SOUDERS ANNEXATION

WHEREAS, the owners of approximately 4.05 acres of unimproved real property (“Annexed Territory”) located on the north side of the existing boundary of the City of Muncie have filed petitions with the Common Council of the City of Muncie seeking the voluntary annexation of that property into the City of Muncie limits pursuant to Ind. Code § 36-4-3-5.1; and

WHEREAS, the unimproved real property that is the subject of the petitions is more fully described and depicted in Exhibit A attached hereto; and

WHEREAS, pursuant to Ind. Code § 36-4-3-3.1, prior to adopting an annexation ordinance, the Common Council of the City of Muncie is required to develop and adopt a written fiscal plan that satisfies the requirements of Ind. Code § 36-4-3-13 by resolution of the Common Council of the City of Muncie; and

WHEREAS, the City of Muncie administration engaged Krohn & Associates to develop a written fiscal plan, which is attached hereto as Exhibit B; and

WHEREAS, the written fiscal plan attached as Exhibit A satisfies the requirement of Ind. Code § 36-4-3-13, and the Common Council of the City of Muncie desires to adopt the written fiscal plan;

NOW, THEREFORE, IT IS FOUND, DETERMINED AND RESOLVED BY THE COMMON COUNCIL as follows:

Section 1. The Council hereby adopts the Annexation Fiscal Plan for the City of Muncie, Indiana dated September 6, 2024, attached hereto as Exhibit B. This annexation shall be known as the Voluntary Etchison/Souders Annexation.

Section 2. This Resolution shall be in full force and effect from and after its passage by the Common Council and its approval by the Mayor of the City of Muncie, Indiana, and such publication as required by law.

Adopted by the Common Council of the City of Muncie, Indiana, this ____ day of _____, 2024.

| | Yeas | Nays | Abstained | Absent |
|------------------|-------|-------|-----------|--------|
| Jeff Green | _____ | _____ | _____ | _____ |
| Nora Powell | _____ | _____ | _____ | _____ |
| Brandon Garrett | _____ | _____ | _____ | _____ |
| Sara Gullion | _____ | _____ | _____ | _____ |
| Jerry D. Dishman | _____ | _____ | _____ | _____ |
| Harold Mason | _____ | _____ | _____ | _____ |
| Dale Basham | _____ | _____ | _____ | _____ |
| William McIntosh | _____ | _____ | _____ | _____ |
| Ro Selvey | _____ | _____ | _____ | _____ |

 President, Common Council

ATTEST:

 Belinda Munson, City Clerk

Presented by me to the Mayor for his approval this ___ day of _____, 2024.

 Belinda Munson, City Clerk

The above Resolution is approved/vetoed by me this ___ day of _____, 2024.

 Dan Ridenour, Mayor

This Resolution is proposed by Council Member

_____ 

This Resolution is approved in form by Legal Counsel

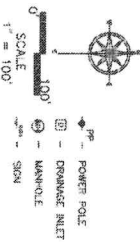
_____ 

N 89°51'33" E 1689.99'
 NW COR. SE QTR.
 SEC. 36-21-9
 WOOD GATE POST
 0.00 S. 0.22 E

N 89°51'33" E 2652.49'

RANDALL E. L. SMITH
 MCKENNA M. SMITH
 INSTR. 2022R18088

NE COR. SE QTR.
 SEC. 36-21-9
 5/8" REBAR - 2"

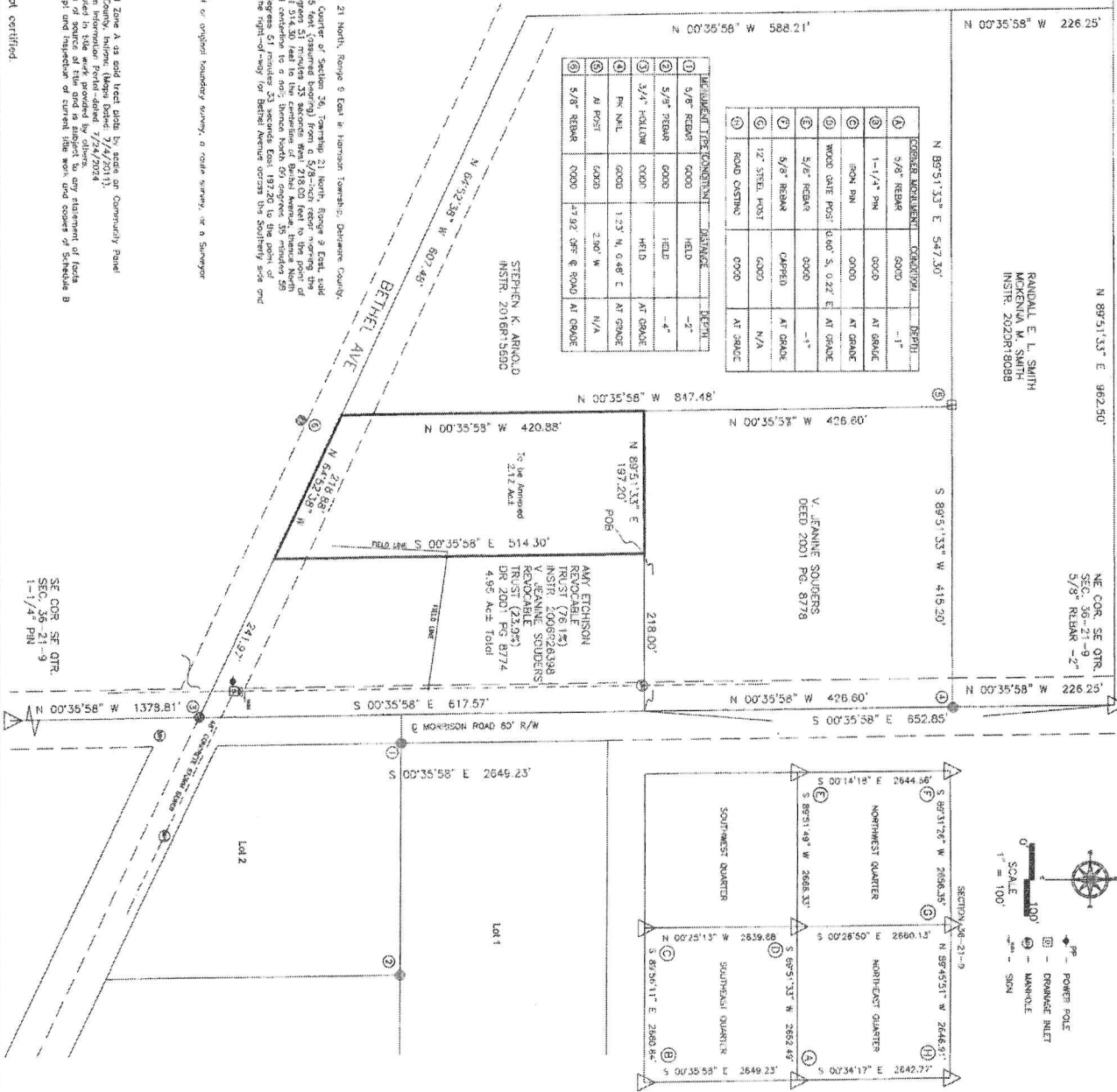


| NO. | DESCRIPTION | TYPE | DIAMETER | DEPTH |
|-----|-------------|------|---------------------|----------|
| 1 | 5/8" REBAR | GOOD | HELD | -2" |
| 2 | 5/8" REBAR | GOOD | HELD | -4" |
| 3 | 3/4" HOLLOW | GOOD | HELD | AT GRADE |
| 4 | PR. NAIL | GOOD | 1.25" N. 0.48" C | AT GRADE |
| 5 | AI POST | GOOD | 3.50" W | N/A |
| 6 | 5/8" REBAR | GOOD | ±7.92 (SEE Q. ROAD) | AT GRADE |

STEPHEN K. ARNOLD
 INSTR. 2016R15690

V. JEANNE SOJUDERS
 DEED 2001 PG. 8778

AMT. ETCHISON
 REVOCABLE
 TRUST (78 1%)
 INSTR. 2008R26398
 RE: JEANNE SOJUDERS
 TRUST (22.9%)
 DR. 2007 PG. 8774
 4.95 AC± TOLD



A part of the Southern Quarter of Section 36, Township 21 North, Range 6 East in Harrison Township, Delaware County, Indiana, Commencing at a nail on the East line of the Southern Quarter of Section 36, Township 21 North, Range 6 East, said nail being South 00 degrees 35 minutes 58 seconds East 588.215 feet (assumed bearing) from a 5/8" rebar corner marking the beginning, thence South 00 degrees 35 minutes 58 seconds East 514.30 feet to the centerline of Bethel Avenue, thence North 84 degrees 52 minutes 58 seconds West 218.00 feet along said centerline to a 5/8" rebar corner marking the beginning, thence South 00 degrees 35 minutes 58 seconds West 420.88 feet to a 5/8" rebar corner marking the beginning, thence North 89 degrees 51 minutes 33 seconds East 197.20 feet to the point of beginning, thence North 89 degrees 51 minutes 33 seconds East 197.20 feet to the right-of-way of Bethel Avenue across 0.95 acre(s) and to the measurement of record.

Dated: July 24, 2024.

PRO FORMA SURVEY REPORT
 This report was prepared to be represented as a replacement or original boundary survey, a cadastral survey, or a Surveyor Location Report.

Registered Land Surveyor LS00040148
 Stephen K. Arnold

1. Road Zone
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98. Road Zone
99. Road Zone
100. Road Zone

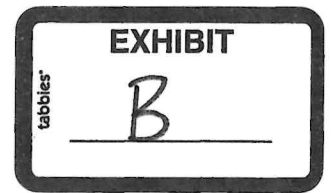
This instrument prepared by Stephen K. Arnold
 Accuracy or completeness of substructure features is not certified.

325 W. Washington St.
 Muncie, IN 47302
 Phone: 765-282-5994
 Fax: 765-282-5996
 Ashton Land Surveyors, Inc.

Annexation Drawing
 3701 N Morrison Rd.
 Muncie, IN

| No. | Date | Revisions |
|-----|----------|-----------|
| 1 | 07/26/24 | Initial |
| 2 | 07/26/24 | Final |

Drawn: C.A.G./S.M.K.
 Date: 07/26/24
 Job: 20243854
 Designer: Amy Etchison
 Checker: E.M.A.
 Electronic Field Book
 Field Date: 07/15/23



**ANNEXATION FISCAL PLAN
FOR THE
CITY OF MUNCIE, INDIANA
SEPTEMBER 6, 2024**

Prepared by:

**KROHN
&
ASSOCIATES**
— CPAS AND CONSULTANTS —

INTRODUCTION

The following fiscal plan (the “Fiscal Plan”) is for the proposed super voluntary annexation of two parcels to the north of the existing limits of the City (the “Annexation Area”). The Annexation Area is adjacent to the City of Muncie (the “City”). 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 City Council. Pursuant to Indiana Code Section 36-4-3-13(d), the Fiscal Plan will include the following:

1. The cost estimates of planned services to be furnished to the territory to be annexed;
2. The method or methods of financing the planned services;
3. The plan for the organization and extension of services;
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 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 non-capital services provided to areas within the corporate boundaries regardless of similar topography, patterns of land use, and population density;
5. That services of 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 for four (4) years after the effective date of the annexation;
7. The estimated effect the proposed annexation will have on municipal finances for four (4) years after the effective date of the annexation; and
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.

INTRODUCTION

(Cont'd)

9. A list of all parcels of property in the annexation territory and the following information regarding each parcel:
- The name of the owner of the parcel;
 - The parcel identification number;
 - The most recent assessed value of the parcel; and
 - The existence of known waiver of the right to remonstrate on the parcel.

This Fiscal Plan may include additional materials in connection with the foregoing. This Fiscal Plan was developed through the cooperative efforts of the City's various administrative staff, consulting engineer, attorney and O.W. Krohn & Associates LLP. This Fiscal Plan is the result of an analysis of the proposed Annexation Area and significant input and assumptions provided by City Officials.

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

AREA DESCRIPTION

Location, Area Size and Contiguity

The proposed Annexation Area is located on the north side of the existing corporate boundaries of the City. A legal description is included with the Annexation Resolution and as part of Appendix I herein. The Annexation Area totals approximately 4.05 acres. At least 1/8th of the external boundaries of the Annexation Area are contiguous to the existing corporate boundaries of the City.

Current Land Use

The Annexation Area consists of vacant land and currently has no occupied residential properties.

Zoning

The existing zoning for the parcels is Residential. The proposed zoning for the Annexation Area is to remain Residential.

Current Population

The estimated current population for the Annexation Areas is 0, as there are no occupied homes with the Annexation Area.

Real Property Assessed Valuation

The estimated net assessed valuation for land and improvements in the Annexation Areas is \$10,600. This represents the assessed value as of January 1, 2024, for taxes payable in 2025.

Plan for the Area

The annexation of the parcels is being requested because the property owners have adjacent properties that are already in the City limits. The owners would like to sell the parcels to be annexed and the adjacent properties as a package for future development purposes. This will make the sell process easier for the purposes of building and zoning codes.

NON-CAPITAL SERVICES

The current standard and scope of non-capital services being delivered within the City 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 the services that are currently provided within the existing City's municipal boundary.

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

Police Protection

The City operates and maintains a Police Department with, according to City Officials, adequate staff to cover services to the Annexation Area. No incremental costs of providing police protection services to the Annexation Area are anticipated, according to City Officials.

Fire Protection and Emergency Medical Services

The City operates and maintains an all-hazards Fire Department including fire protection, emergency medical services, hazardous responses, community education and special responses. According to City Officials, the Department has adequate staff to cover service to the Annexation Areas.

Street Maintenance

The Annexation is currently two parcels with no roads running through the land. All non-capital services of the Muncie 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 City. The plan for the Annexation Area does not include the addition of any new streets. Therefore, the annexation should have no impact on street maintenance within the City's current budget.

Trash Collection and Recycling

The City provides waste removal and recycling services within the corporate boundaries. The City does not anticipate any incremental costs to providing the same services to the Annexation Areas that would not be covered by the monthly collection fees.

Street Lighting

The Annexation Area does not currently have any street lights. The City maintains street lights within the corporate boundaries. The plan for the Annexation Area does not include the addition of any street lighting. Therefore, there will be no additional costs to the City for maintaining street lights.

NON-CAPITAL SERVICES

(Continued)

Governmental Administrative Services

The City 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 City's offices and departments. The City Administration currently includes a nine (9) member City Council, a Controller and a Mayor. All non-capital services of the administration of the City 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 City.

CAPITAL IMPROVEMENTS

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

The City 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 City 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, 2024.

Water Service

The City and the Annexation Areas are served by Indiana American Water. This service will continue to serve both the City and the Annexation Areas' needs.

Wastewater Service

The Annexation Areas are currently served by the Muncie Sanitary District which will continue to provide for their needs.

Storm Drainage

The City is responsible for storm water management utility services. The City does not anticipate any incremental costs to providing the same services to the Annexation Areas that would not be covered by the monthly fees.

Street Construction

The Annexation Area does not currently have any streets running through the property. The plan for the Annexation Area does not include the addition of any new streets. All other capital services of the Street Department, including evaluation and construction services, will be extended to the Annexation Areas within three (3) years of the effective date of this annexation in the same manner

CAPITAL IMPROVEMENTS

(Continued)

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.

FISCAL IMPACT

As a result of this annexation, the net assessed value for the City will increase by \$10,600, initially. Property tax controls instituted by the 2002 General Assembly limit the City to a property tax levy increase equal to the six-year average of non-farm income (4.0% for 2024 budget year) annually for most funds. The net impact of increasing the City's assessed value could result in additional property tax revenues to the City, however our estimates of overall growth in the City are shown as the tax rate remains steady in this illustration.

It is assumed that the effective date of this annexation will be as soon as practically possible, but no later than December 31, 2024. Based on the assumed effective date, Annexation Area property owners will not pay property taxes to the City until 2025 payable 2026. However, the City will begin providing non-capital municipal service 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 this annexation.

The Annexation Area is in the Harrison Sanitary taxing district with a pay 2024 total tax rate of \$2.2174. The parcels being annexed are not yet at their applicable cap amounts, so while annexation will not materially increase the total tax rate, it may, while minimal, increase the total tax paid by the taxpayers.

Harrison Township's current property tax rate of \$.0135 / \$100 is for fire services provided to Township property outside of the corporate limits. Once the property is annexed, they will no longer pay this fire rate and will no longer be serviced by the Township for fire services. They will pay the City rate to receive City fire services. However, due to the low assessed values of the Annexation Area, we are calculating a decrease in the tax rate for the Township, other things being equal.

There should be no adverse impact on the other overlapping taxing units, as it is anticipated that growth in net assessed value will be equal to or exceed normal inflation in operating costs. Schools generate a majority of their operating funds from the student population. And the County's assessed value remains intact with or without annexation.

APPENDIX I

Parcel Information

Legal Description

Summary of Estimated Additional Costs Due to Annexation

Estimated Assessed Value and Tax Rate Impact from Annexation

PARCEL INFORMATION

| <u>Parcel ID</u> | <u>Owner</u> | <u>Net Assessed Value</u> | <u>Remoistrance Waiver</u> |
|--------------------------|---|---------------------------|----------------------------|
| 18-06-36-426-006.000-009 | Etchison Amy Ruth Rev Tr & Jeanine Souders Rev Tr | \$ 6,200 | Yes |
| 18-06-36-426-007.000-009 | Souders V Jeanine Rev Trust | \$ 4,400 | Yes |

LEGAL DESCRIPTION

Parcel # 18-06-36-426-006.000-009

A part of the Southeast Quarter of Section 36, Township 21 North, Range 9 East in Harrison Township, Delaware County, Indiana, described as follows:

Commencing at a nail on the East line of the Southeast Quarter of Section 36, Township 21 North, Range 9 East, said nail being South 00 degrees 35 minutes 38 seconds East 652.85 feet (assumed bearing) from a 5/8-inch rebar marking the Northeast corner of said Southeast Quarter; thence South 89 degrees 51 minutes 33 seconds West 218.00 feet to the point of beginning; thence South 00 degrees 35 minutes 58 seconds East 514.30 feet to the centerline of Bethel Avenue; thence North 64 degrees 52 minutes 38 seconds West 218.88 feet along said centerline to a nail; thence North 00 degrees 35 minutes 58 seconds West 420.88 feet to a 5/8 inch rebar; thence North 89 degrees 51 minutes 33 seconds East 197.20 to the point of beginning, containing 2.12 acres, more or less, and subject to the right-of-way for Bethel Avenue across the Southerly side and to all easements of record.

Parcel # 18-06-36-426-007.000-009

A part of the Southeast Quarter of Section 36, Township 21 North, Range 9 East in Harrison Township, Delaware County, Indiana, described as follows:

Commencing at a nail on the East line of the Southeast Quarter Section 36, Township 21 North, Range 9 East, said nail being South 00 degrees 35 minutes 58 seconds East 226.25 feet (assumed bearing) from a 5/8-inch rebar marking the Northeast corner of said Southeast Quarter; thence South 89 degrees 51 minutes 33 seconds West 218.00 feet to the point of beginning; thence South 00 degrees 35 minutes 58 seconds East 426.60 feet; thence South 89 degrees 51 minutes 33 seconds West 197.20 feet; thence North 00 degrees 35 minutes 58 seconds West 426.60 feet to an angle-iron post; thence North 89 degrees 51 minutes 33 seconds East 197.20 feet to the point of beginning, containing 1.93 acres, more or less, and subject to all easements of record.

SUMMARY OF ESTIMATED ADDITIONAL COSTS DUE TO ANNEXATION

The City does not anticipate any incremental operating costs to provide comparable services to the Annexation Area as already provided to the existing residents of the City. Any material costs at the time of future development would be incurred by the developer.

ESTIMATED ASSESSED VALUE AND TAX RATE IMPACT FROM ANNEXATION

City of Muncie

Estimated Assessed Value and Tax Rate Impact from Annexation
(Assumes first year tax collection from Annexation Area is 2025 payable in 2026)

| Assessment Year | Estimated Net Assessed Value Annexation Area (1) | Estimated City Net Assessed Value (2) | Total Net Assessed Value (3) | Total City Levy (4) | Estimated Total Corporate Tax Rate (5) |
|-----------------|--|---------------------------------------|------------------------------|---------------------|--|
| 2023 Pay 2024 | \$ - | \$ 2,075,608,258 | \$ 2,075,608,258 | \$ 45,727,725 | \$ 2.2031 |
| 2024 Pay 2025 | \$ - | \$ 2,158,632,588 | \$ 2,158,632,588 | \$ 47,556,834 | \$ 2.2031 |
| 2025 Pay 2026 | \$ 10,600 | \$ 2,244,977,892 | \$ 2,244,988,492 | \$ 49,459,107 | \$ 2.2031 |
| 2026 Pay 2027 | \$ - | \$ 2,334,777,008 | \$ 2,334,787,608 | \$ 51,437,472 | \$ 2.2031 |
| 2027 Pay 2028 | \$ - | \$ 2,428,168,088 | \$ 2,428,178,688 | \$ 53,494,971 | \$ 2.2031 |

(1) We added the existing assessed value of the Annexation Area in Pay 2026.

(2) Annual growth rate of 4% for the existing assessed value of the City.

(3) Represents estimated net assessed value of the City including existing assessed value in the Annexation Area. Used to calculate estimated tax rates.

(4) Assumes that controlled property tax levy increases to an annual factor of 4%. This is the basis for the allowed increases to the controlled property fund levy which includes the General Fund. Represents certified levy prior to adjustments for circuit breaker tax credits.

(5) Total of City tax rate which includes the General Fund, Fire Pension, Police Pension, Parks, Park Bonds and Cemetery. Illustration demonstrates that the Corporate tax rate will decrease compared to the current rates with growth in the City's current area.