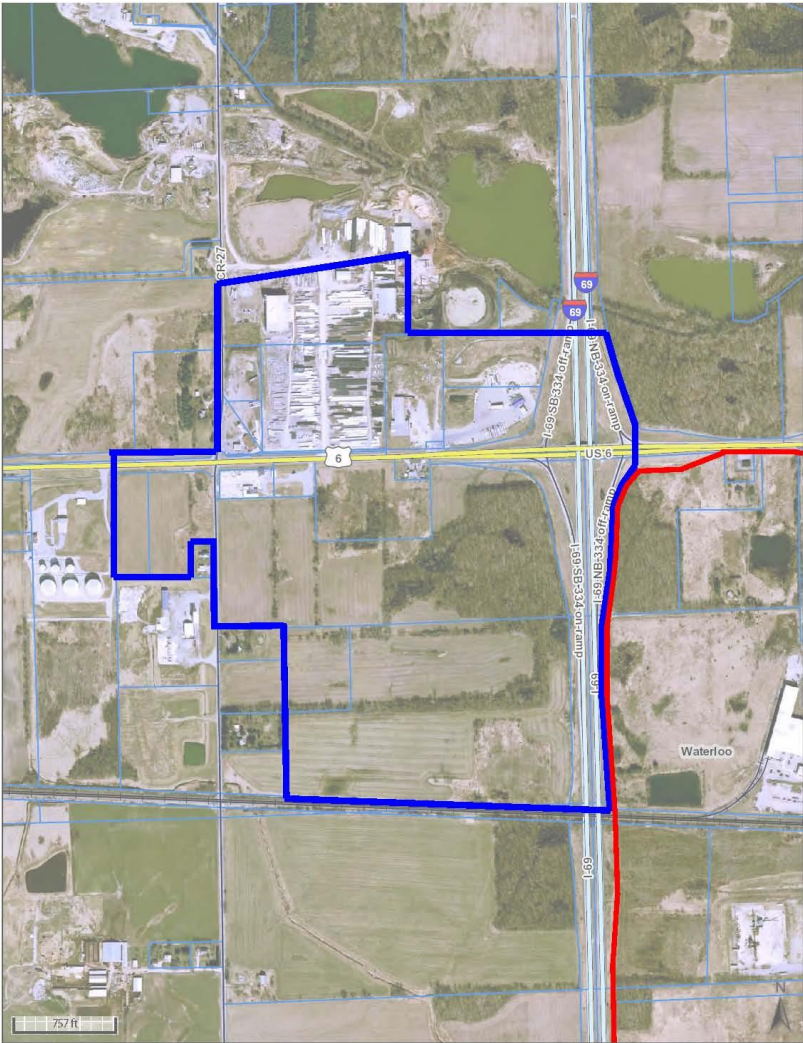


# Waterloo I-69 Interchange Annexation Fiscal Plan

Town of Waterloo I-69 Interchange Annexation Location Map



Existing Town of Waterloo Boundary      Potential Annexation Area

Town of Waterloo, Indiana

March 2017

# Waterloo I-69 Interchange Annexation Fiscal Plan

## **Council Members**

David Bolton  
Dorsey Brown  
William Hubartt  
Jess Jessup  
Alex McConnehey

## **Clerk-Treasurer**

Renata Ford

## **Town Manager**

Tena Woenker

## **City Attorney**

David Kruse

## **Departments**

Waterloo Sewer Utility Department  
Waterloo Street Department  
Waterloo Town Marshall & Police Department  
Waterloo Water Utility Department  
Waterloo-Grant Twp. Fire Department

Fiscal Plan Prepared By:

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In consultation with:

**H.J. Umbaugh & Associates**

Legal Description Prepared By:

**A&Z Engineering**

March 2017

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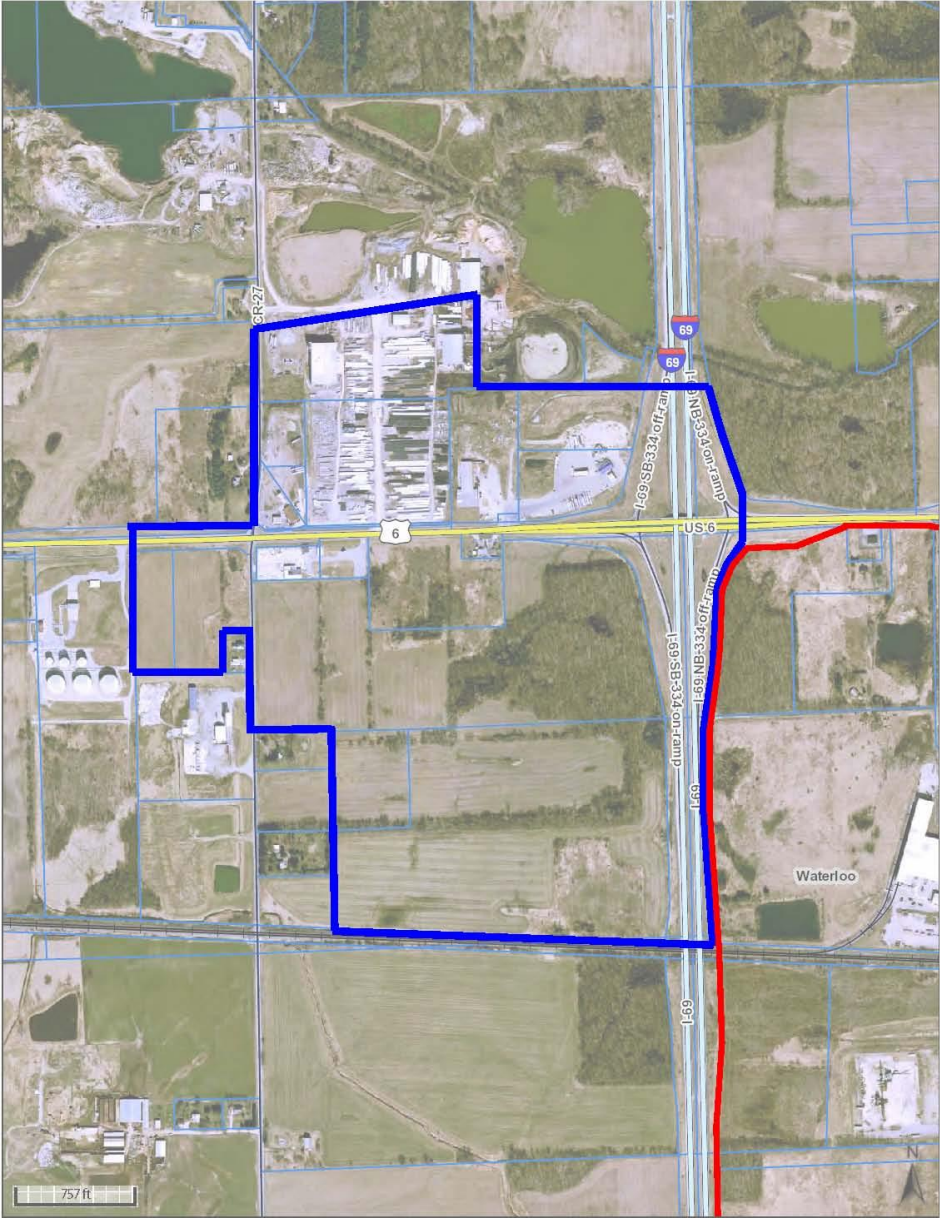
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**SECTION ONE: Basic Data**

**A. LOCATION**

The proposed Waterloo I-69 Interchange Annexation area is located in Grant and Smithfield Townships in DeKalb County, Indiana. The annexation area is generally bound by town boundaries to the east, and agricultural land to the north, south and west. The area encompasses the Interstate 69 Interchange at the intersection with US Highway 6.

Town of Waterloo I-69 Interchange Annexation Location Map



Existing Town of Waterloo Boundary      Potential Annexation Area

**B. SIZE**

The annexation area contains approximately 231 acres.

**C. COUNCIL DISTRICT**

Waterloo Town Council consists of a five member, at-large board that will represent the area upon annexation.

**D. POPULATION**

There are no residential properties in the area. The population is zero.

**E. BUILDINGS**

There are two commercial and three industrial structures within the annexation area.

**F. PATTERNS OF LAND USE**

The current land use within this area is agricultural, commercial, industrial and right-of-way. Future industrial and commercial development is anticipated within the area.

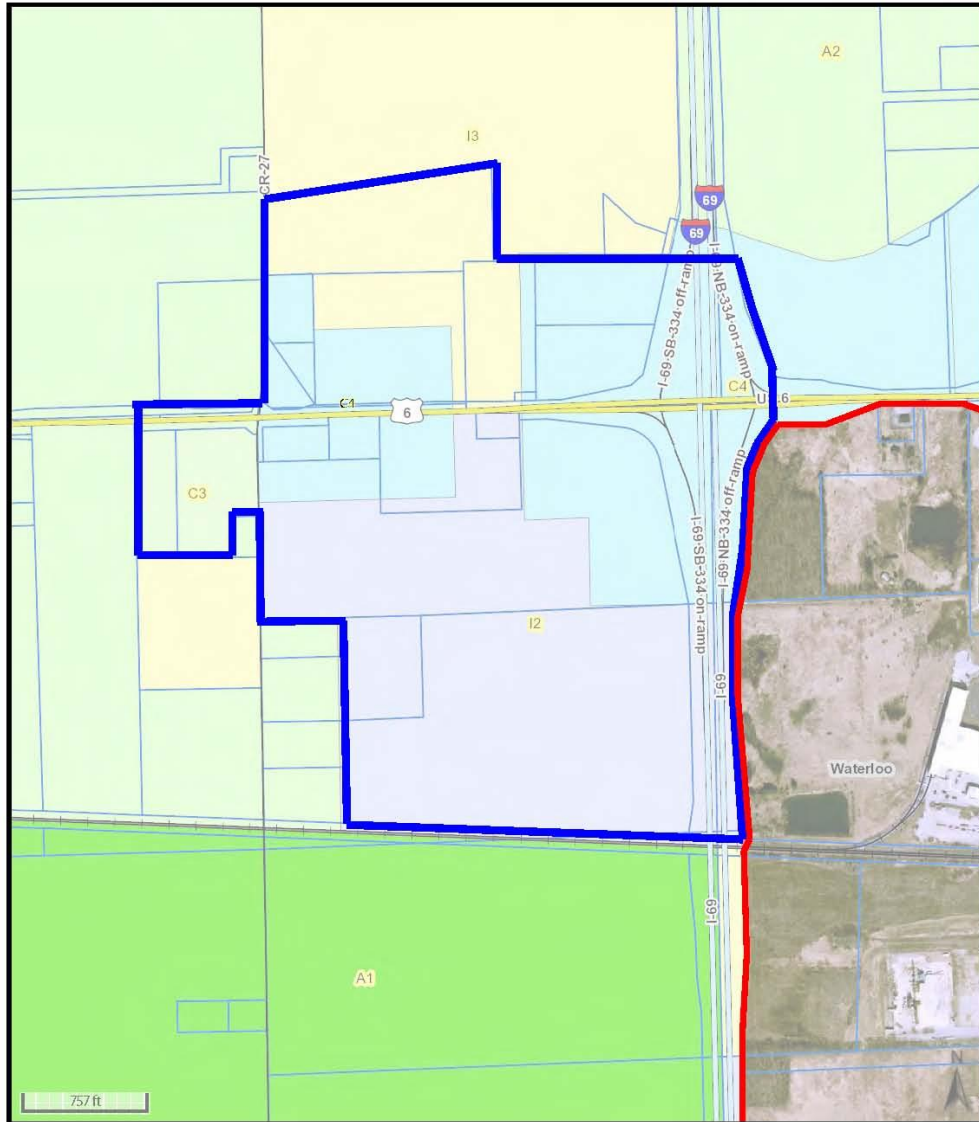
**G. ZONING**



The Waterloo I-69 Interchange Annexation area currently contains four zoning classifications, C3: General Commercial, C4: Highway Commercial, I-2: Low-Intensity Industrial, and I-3: High Intensity Industrial. Through the annexation, zoning would convert to the most similar Town of Waterloo districts as provided in the following table. Any other change in zoning of the property after annexation would have to go through the rezoning process with the Town of Waterloo Plan Commission.

**Table 1: Zoning Districts**

<b>DeKalb County Zoning District</b>	<b>Town of Waterloo Zoning Conversion</b>
C3: General Commercial	GB: General Business
C4: Highway Commercial	GB: General Business
I-2: Low-Intensity Industrial	LI: Light Industrial
I-3: High Intensity Industrial	HI: Heavy Industrial

Town of Waterloo U.S. 6 and I-69 Economic Development Expansion Area Map



 Existing Town of Waterloo Boundary	<b>Legend</b>	A1: Conservation Agriculture	C4: Highway Commercial
 Potential Annexation Area		A2: Agriculture	I2: Low-Intensity Industrial
		C3: General Commercial	I3: High-Intensity Industrial

**H. ASSESSMENT**

The current gross assessed valuation for real property is estimated at \$5,217,900 and \$406,150 for personal property for a total of \$5,624,050. After removing several property exemptions for right-of-way, the total estimated net assessed valuation is estimated at \$4,815,800 for real property and \$406,150 for personal property for a total of \$5,221,950. This is based on 2016 assessment year values per the DeKalb County property record cards.

## **SECTION TWO: State Law Requirements**

### **A. CONTIGUITY**

When pursuing an annexation, a municipality must comply with the state law, as established in the statutes at IC 36-4-3-13. This statute sets forth two options which enable a municipality to annex a territory. An annexing municipality must meet the guidelines of at least one of the options. The options are:

Option 1: The aggregate external boundaries of the territory sought to be annexed are 1/8 (12.5%) contiguous to the boundaries of the municipality, and that either:

- a. The resident population density of the territory is at least 3 persons per acre, or
- b. 60% of the territory is subdivided, or
- c. The area is zoned for commercial, business or industrial uses.

Option 2: The territory must be 1/4 (25%) contiguous to the boundaries of the municipality and, the territory must be needed and can be used by the municipality for its development in the reasonably near future.

*Upon the annexation effective date, the proposed Waterloo I-69 Interchange Annexation area will meet the contiguity requirement by being 16% contiguous to town boundaries. In addition the entire area is currently zoned for business and industry use.*

### **B. VOLUNTARY STATUS**

Indiana Code 36-4-3-5 details how a voluntary annexation can occur if a petition is received and signed by at least 51% of the owners of land in the territory sought to be annexed; or the owners of seventy-five (75%) of the total assessed value of land for property tax purposes. The town has received a petition for annexation by owners of 79% of the total non-exempt assessed value of land. Petitioners also currently represent over 51% of the owners of non-exempt property within the annexation area.

### **C. FISCAL PLAN**

Municipalities must also prepare a written fiscal plan. The fiscal plan must provide cost estimates of the services to be furnished to the annexed territory, together with the methods of financing such services. This fiscal plan has been prepared to meet this requirement.

This plan must include:

1. The cost estimate of planned services to be furnished to the territory;
2. The method(s) of financing the planned services;
3. The plan for the organization and extension of services;
4. The provision of non-capital services to be provided to the annexed territory within one year after the effective date of annexation and that they be provided in a manner that is 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. The provision of capital improvements to the annexed territory equal to those furnished within the municipality within three years after the effective date of annexation 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 expected rates, 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, including how municipal tax revenues will be affected by the annexation four (4) years after the annexation.
8. 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 on each parcel (name of the owner, parcel identification number, most recent assessed value of the parcel, the existence of a known waiver of the right to remonstrate on the parcel).

### **SECTION THREE: Need for Annexation**

#### **A. ECONOMIC AND INDUSTRIAL DEVELOPMENT**

The Town of Waterloo desires to promote economic development and job growth. Providing a full range of infrastructure and services as well as developable land is key to the attraction of industry. Properties within the proposed annexation area have or will have access to Town water and sewer, thus enabling future commercial and industrial growth within the area.

This interchange has long been thought an important asset to the Town. The area surrounding the interchange has been identified for future commercial and industrial growth in the Town's comprehensive plan for several years. Growth to the west of the interchange has been impeded thus far due to the cost of extension. Several business opportunities have been stalled due to this obstacle. The Town is now in a position, due to the interest and participation of property owners to the west to assist in paying for the extension of infrastructure to serve the area.

#### **B. GROWTH**

It is reasonable to expect that the rural DeKalb County area surrounding the I-69/US Highway 6 Interchange will continue to grow and develop. The Town of Waterloo desires to be positioned to be able to influence how growth occurs. By increasing the amount of available land, which has the full range of public services available to it, the Town increases the opportunities for coordinated, commercial and industrial development. This development is guided by the Future Land Use Map in *Waterloo Comprehensive Plan* to which this annexation is in alignment.

## **SECTION FOUR: Municipal Services**

This section of the Waterloo I-69 Interchange Annexation Fiscal Plan forecasts the costs and methods of financing services for the annexation area. The Plan also describes how and when the Town plans to extend services that are non-capital and capital in nature. The following section demonstrates how the Town will satisfy the requirements of the Indiana State law in provision and financing of services, in an equitable manner.

The municipal services described in this section are analyzed according to the needs of the annexation area, the costs of providing services, fees received for services and funding sources. It should be noted that the costs of providing municipal services have been rounded off to the nearest dollar and are calculated at the current dollar value.

Indiana Code (36-4-3-13) states that planned services of a capital nature, including police protection, fire protection, street and road maintenance, and other non-capital services normally provided within the corporate boundaries, shall be provided to the annexed territory within one (1) year after the effective date of annexation and that they shall 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. Services of a capital improvement nature, including street construction, street lighting, sewer facilities, water facilities, and stormwater drainage facilities, are to be provided to the annexed territory within three (3) years after the effective date of the annexation in the same manner as those services that 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.

For the Waterloo I-69 Interchange Annexation, all non-capital services will be provided immediately upon annexation, and all capital improvements will be made within three years after annexation.

### **A. TOWN MARSHALL'S DEPARTMENT**

The services provided by the Waterloo Town Marshall's Department include the preservation of life and property, prevention of crime, the detection and apprehension of criminal offenders, assistance for those who cannot care for themselves or who are in danger of physical harm, resolution of day to day conflicts among family, friends, and neighbors, and the creation and maintenance of a feeling of security within the community. The Department is involved in legal work and the protection of constitutional rights. The Department also performs traffic control, promotes civil order, and provides educational and technical assistance in the area of crime prevention and neighborhood services. There are currently six officers within the department.

Currently, the annexation area is a mixture of commercial, industrial and agricultural land. Planned improvements are scheduled for the redevelopment of the Marathon station to be that of a larger, travel stop facility. Given that the area is located at a highly traveled intersection of U.S. 6 and I-69, a higher level of calls for service is anticipated, particularly for travelers. It is anticipated that local

industry calls could add another 5 calls to the volume annually, and future industrial development of the current agricultural land would increase this as well. According to the Town Marshall, within the proposed annexation area it is anticipated that two hundred calls for response would occur per year, primarily generated at the travel stop and along I-69. Police services will be provided to the area immediately upon annexation. On average, the Town has two (2) officers patrolling at any time. Based on this estimated increase in the calls for service given the commercial and industrial nature of the area, an additional officer is needed an additional cost of \$70,000 annually. The hiring of this officer will occur by the end of 2018. Additional training is also needed for each of the officers to be prepared to investigate serious and fatal crashes which could occur at the interchange. Funding for police services in the annexation will be derived primarily from increased local property taxes received through the annexation. According to the Waterloo Clerk-Treasurer, the general fund cash balance as of 12/31/2016 was \$181,918.54 (Cash balance numbers for 2016 are not yet available).

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Capital Cost:	\$	0.00
Estimated Training Cost (2018):	\$	7,000.00
Estimated Annual Cost:	\$	70,000.00

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**B. FIRE DEPARTMENT**

The Waterloo – Grant Township Volunteer Fire Department is currently responsible for providing fire protection services to this area through contracts between the Town of Waterloo, Grant Township and Smithfield Township as funded by property taxes and Public Safety LOIT taxes. Services will remain the same. The fire station is located approximately two miles from the area. Due to the volunteer nature of the department, response time would be approximately ten minutes. The department has one town fire engine, one township fire engine, one township tender, one heavy rescue, one medical response vehicle, and one brush truck.

According to the Waterloo – Grant Township Fire Chief, the proposed annexation area brings 5-10 calls per year. The extension of Town water on the west side of the interchange will enable the level of fire suppression service to be comparable to what is currently is within the existing town limits. No additional costs are estimated due to the annexation.

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Capital Cost:	\$	0.00
Estimated Annual Cost:	\$	0.00

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**C. SOLID WASTE DISPOSAL**

Currently, solid waste disposal services are not provided to the annexation area. Town trash collection is only provided to residential locations. Since the current and future development within the area is primarily commercial and industrial, no additional solid waste costs will be added to the Town.

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Capital Cost:	\$	0.00
Estimated Annual Cost:	\$	0.00

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**D. STREETS**

Approximately 1.35 lineal miles of I-69 and US Highway 6 will be added into the town limits as part of the annexation. These highways will continue to be maintained by the State of Indiana. In addition, approximately .46 lineal miles of County Road 27 will be added to the Town’s local roadway system. Any future public roadway construction within the area would be added to the town’s roadway system; however there are no plans in place at this time.

The State of Indiana will continue to maintain their state roadways and private roads and drives will be maintained by property owners. The town will provide and/or oversee engineering services and construction supervision for any future public streets, alleys, and sidewalks that would be constructed within the annexation area. The town would also be responsible for the general maintenance of public streets, alleys and sidewalks that would be constructed within the annexation area including snow and ice removal, paving, leaf pick-up, and surface maintenance. Estimated annual maintenance cost per lineal mile is \$17,000. This number multiplied by .46 lineal miles is \$7,820. This will be paid for through MVH and LR&S funds and through the general fund. MVH and LR&S funds will increase based in part on increased mileage of roads added. An additional \$8,280 in annual revenue is anticipated to be received from the Motor Vehicle Highway and Local Roads and Streets (LR&S) Funds based on approximate receipts of \$18,000 per mile. According to the Waterloo Clerk-Treasurer, the 12/31/16 end of year balance for LR&S was \$17,031.25.

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Capital Cost:	\$0.00
Estimated Annual Cost:	\$7,820.00

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**E. PARKS AND RECREATION**

The proposed annexation area will be served by the Waterloo Parks and Recreation Department. Assets and amenities include three parks with facilities such as playground equipment, basketball courts, and picnic areas. No change or additional costs will be affected upon annexation.

---

Capital Cost:	\$	0.00
Estimated Annual Cost:	\$	0.00

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**F. WATER**

A Marathon Travel Stop facility at the northwest corner of I-69 and US Highway 6 is currently being planned and will be under construction in 2017. As part of this development, a water line will be extended across the I-69 Interchange from the east to the west in the summer of 2017. The cost of this extension is \$500,000. Of that total, \$250,000 will be paid for with existing TIF funds. An

additional \$250,000 is being paid for by American Petroleum, of which \$150,000 will be reimbursed by future TIF revenue as per an agreement with American Petroleum. Further extension of the water line along US Highway 6 over to County Road 27 will occur within three years of the annexation effective date. The cost for this extension is \$133,000. Additional operations and maintenance costs are estimated at \$20,000 per year which will be paid for with additional water service usage fees. According to the Waterloo Clerk-Treasurer, the end of the 2016 year balance for the Water Department was \$74,159.91.

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Capital Cost:	\$	283,000.00
Estimated Annual Cost:	\$	20,000.00

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**G. SANITARY SEWERS**

Sanitary sewer extension is being planned for along US Highway 6 to County Road 27. Sewer already exists at the Marathon Station site at the northwest corner of US Highway 6 and I-69. Further extension of the sewer line along US Highway 6 over to County Road 27 will occur within three years of the annexation effective date. The cost for this extension is \$45,000 to Techo-Bloc and \$210,000 from Techo-Bloc to CR 27. The extension will be paid for through TIF funding generated due to increases in assessed value realized through development activities or through sewer fund reserves. Additional operations and maintenance costs are estimated to be \$10,000 per year which will be paid for with the additional sewer service usage fees. According to the Waterloo Clerk-Treasurer, the 2016 end of the year balance for the Sewer Department was \$375,492.

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Capital Cost:	\$	255,000.00
Estimated Annual Cost:	\$	10,000.00

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**H. ADMINISTRATIVE SERVICES**

All administrative functions of the Town will be available to the annexation area immediately upon the date of annexation. These services include, but are not limited to: Town Council, the Plan Commission and Board of Zoning Appeals, the Town Manager, the Board of Works, and the Clerk-Treasurer. General administration includes all of the regulatory and program functions of the various departments. When the area is annexed, Town departments will be notified and will expand their jurisdictional areas accordingly.

Expansion of administrative functions occurs as necessary to support the entire Town’s needs. No additional costs are anticipated as needed to serve the area. Funding comes from a variety of sources including the General Fund and State and Federal Governments.

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Capital Cost:	\$	0.00
Estimated Annual Cost	\$	0.00

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**I. LIABILITY FOR TOWNSHIP DEBT**

According to the Indiana Department of Local Government Finance (DLGF), the Township Debt Service is still an obligation of the Township even though the Town of Waterloo has annexed part of that Township. The Indiana Gateway system has been checked and no township debt has been identified.

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Capital Cost:	\$ 0.00
Estimated	\$ 0.00

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**J. PLAN FOR HIRING GOVERNMENTAL EMPLOYEES DISPLACED BY ANNEXATION**

No governmental employees' positions will be eliminated from other governmental agencies due to this annexation.

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Capital Cost:	\$ 0.00
Estimated	\$ 0.00

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## SECTION FIVE: Fiscal Impact

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The estimated gross and net assessed valuation of the annexation area varies by year based on anticipated growth and development. Assessed value estimates of land, improvements, and personal property was developed through 2016 property record cards, consultation with the DeKalb County Assessor's Office and developer's investment estimates. Table 2 is an estimate of gross assessed valuation of the annexation area by year in real and personal property taxes estimated to be received given existing and planned development. Additional personal assessed value is estimated based on a pro-rated percentage of a projected \$24 million dollar investment by Techo-bloc anticipated to begin in 2018 pay 2019 which is under abatement.

Table 3 details additional real development increases including a \$3,800,000 investment with a pro-rated assessed value of \$2,500,000 for Techo-bloc anticipated to begin in 2018 pay 2019 which is approved for a ten-year abatement. In addition, American Petroleum's increased value of the travel plaza is estimated at \$7,500,000 also anticipated to begin in 2018 pay 2019 without abatement. Both of these investments are anticipated to be captured in their entirety by an expansion of the Town's TIF District.

It is anticipated that additional future commercial and industrial development will occur within the area, providing the opportunity for additional assessed value increases at that time.

**Table 2: Real and Personal Property Assessed Value – General**

Year	Real Property (Gross)	Personal Property (Gross)	Real Property (Net)	Personal Property (Net)	Total (Net)
2017 pay 18	\$5,217,900	\$406,100	\$4,815,800	\$406,100	\$5,221,900
2018 pay 19	\$5,374,437	\$10,006,100	\$4,960,274	\$406,100	\$5,366,374
2019 pay 20	\$5,535,670	\$14,806,100	\$5,109,082	\$3,286,100	\$8,395,182
2020 pay 21	\$5,701,740	\$13,606,100	\$5,262,355	\$5,686,100	\$10,948,455
2021 pay 22	\$5,872,792	\$11,206,100	\$5,420,225	\$6,886,100	\$12,306,325

**Table 3: Real and Personal Property Assessed Value – TIF**

Year	Real Property (Gross)	Personal Property (Gross)	Real Property (Net)	Personal Property (Net)	Total (Net)
2017 pay 18	\$0	\$0	\$0	\$0	\$0
2018 pay 19	\$10,000,000	\$0	\$7,500,000	\$0	\$7,500,000
2019 pay 20	\$10,300,000	\$0	\$7,982,500	\$0	\$7,982,500
2020 pay 21	\$10,609,000	\$0	\$8,487,200	\$0	\$8,487,200
2021 pay 22	\$10,927,270	\$0	\$9,014,998	\$0	\$9,014,998



The Town of Waterloo is limited by the State of Indiana in regard to property levy increases. The limit of increase is equal to the six-year average non-farm income (3.8% for the 2017 budget year). In addition, Indiana Code 6-1.1-18.5-13(a)(1) allows for a municipality to increase its maximum levy in order to pay for services for annexed areas. Annexing municipalities are entitled to an automatic levy increase of up to 15% in a proportional manner to assessed value increases and in relationship to service increase needs. Increases in excess of 15% would need to be appealed for through the Indiana Department of Local Government Finance.

Table 4 below provides estimates in regard to general assessed value, tax levies and property tax rates. Estimated net assessed value is shown as was determined in Table 2 above. Estimated net assessed value for the town is based on the 2016 value and is inflated by 3% annually. Total estimated net assessed value is a combination of the annexation area and the town. Estimated tax levies are based on the 2016 pay 2017 rate. This amount is inflated by 3.8% for pay 2018, and by 9.5% (approximately \$85,000) in pay 2019 to cover additional town expenses for police and street maintenance expenses, 3% increases are then applied to pay years 20, 21 and 22. Estimated property tax rates are shown to decrease over time as assessed value in the area increases. Rates are determined by dividing the levy by the net assessed value.

**Table 4: Estimated Total General Assessed Value and Tax Rates**

Year	Estimated Net Assessed Value of Annexation Area	Estimated Net Assessed Value of the Town	Total Estimated Net Assessed Value of the Town	Estimated Tax Levy	Total Estimated Property Tax Rate/100
2016 Pay 2017	N/A	\$52,707,949	\$52,707,949	\$866,097	0.016432000
2017 Pay 2018	N/A	\$54,289,187	\$54,289,187	\$899,009	0.016559627
2018 Pay 2019	\$5,366,374	\$55,917,863	\$61,284,237	\$984,415	0.016063103
2019 Pay 2020	\$8,395,182	\$57,595,399	\$65,990,581	\$1,013,947	0.015365033
2020 Pay 2021	\$10,948,455	\$59,323,261	\$70,271,716	\$1,044,366	0.014861824
2021 Pay 2022	\$12,306,325	\$61,102,959	\$73,409,284	\$1,075,697	0.014653417

**SECTION SIX: Financial Summary and Recommendation**

The purpose of this section is to project the revenues and expenditures from the proposed annexation. This section also provides a five-year summary of the town’s expenditures compared with the revenues for the years 2018 to 2022, estimated effects on political subdivisions in DeKalb County, estimated impacts on taxpayers and recommendations.

**A. REVENUES**

Property taxes are often a main source of revenue to be received from an annexation. As described above, levy increases will be made to accommodate increased service cost needs within the annexation area in an estimated amount of \$85,000 starting in pay year 2019.

The Town is also currently pursuing the development of a TIF District within the area to cover capital infrastructure needs. Estimated revenue to be captured by within the TIF District due to planned improvements is detailed in Table 5. Total Net Assessed Value was obtained from Table 3. An estimated tax rate minimum of 3% is used to reflect the tax cap of 3% for commercial and industrial areas.

**Table 5: TIF Revenue**

Year	Total Net Assessed Value	Estimated Tax Rate Minimum	Total TIF Revenue
2017 pay 18	\$0	.03	\$0
2018 pay 19	\$7,500,000	.03	\$225,000
2019 pay 20	\$7,982,500	.03	\$240,282
2020 pay 21	\$8,487,200	.03	\$256,280
2021 pay 22	\$9,014,998	.03	\$273,021

An estimated .46 in road miles will be added to the Town through this annexation; therefore an additional \$8,280 in revenue is anticipated to be received from the Motor Vehicle Highway and Local Roads and Streets (LR&S) Funds based on approximate receipts of \$18,000 per mile.

Additional water and sewer revenue is projected as a result of projected as a result of service to the known development within the annexation area. Initial development at the northwest corner of I-69 and US 6 will occur in 2017. Revenue to be received starting the first year after annexation is estimated at \$73,105 for water and \$24,871 for sewer. Once extensions are made to County Road 27 within the first three years of annexation revenue is estimated to be \$91,381 for water and \$31,089 for sewer given existing rates and usage estimates.

Several other fund distribution formulas positively impacted by ongoing population growth through state and county distribution formulas over time including CEDIT, Cigarette Tax, and Alcohol and Beverage Tax. Due to the minimal population in this annexation area, no change is anticipated in regard to distributions due to this annexation.

**Table 6: Estimated Revenue Projections:**

Year	Property Tax Levy Increases Attributed to Annexation	TIF Expansion Area Revenue	MVH/LR&S	Water	Sewer	Total
2018	\$0	\$0	\$0	\$73,105	\$24,871	<b>\$97,976</b>
2019	\$85,000	\$225,000	\$8,280	\$73,105	\$24,871	<b>\$416,256</b>
2020	\$87,550	\$240,282	\$8,528	\$91,381	\$31,089	<b>\$458,830</b>
2021	\$90,177	\$256,280	\$8,784	\$91,381	\$31,089	<b>\$477,711</b>
2022	\$92,882	\$273,021	\$9,048	\$91,381	\$31,089	<b>\$497,421</b>
<b>Total</b>	<b>\$355,609</b>	<b>\$994,583</b>	<b>\$34,640</b>	<b>\$420,353</b>	<b>\$143,009</b>	<b>\$1,948,194</b>

**B. EXPENDITURES**

Expenditures, which were reported in the section on Municipal Services, are summarized in Table 7. Capital costs are one-time expenditures, while operating costs are continuing expenses. Since the needs of the annexation area must be treated equally with the needs of other similar areas in Waterloo, capital improvement projects, such as construction of streets, curbs, and sidewalks, must follow routine town procedures, which often require petitioning. Table 7 details the costs that will be incurred by each department subsequent to the annexation of the annexation area.

**Table 7: Expenditure Summary**

Department	Capital Cost	Single Operating Cost	Annual Operating Cost
Police	\$0	\$7,000 (2018)	\$70,000 (Starting in 2018)
Fire	\$0	\$0	\$0
Solid Waste Disposal	\$0	\$0	\$0
Streets	\$0	\$0	\$7,820 (Starting in 2018)
Parks & Recreation	\$0	\$0	\$0
Water*	\$283,000 (\$150K reimbursed over 10 years, \$133,000 in 2020)	\$0	\$20,000 (Starting in 2018)
Sanitary Sewer	\$255,000 (in 2020)	\$0	\$10,000 (Starting in 2018)
Storm Sewers	\$0	\$0	\$0
Administrative Services	\$0	\$0	\$0
Township Debt	\$0	\$0	\$0

Note: Does not include \$250,000 being paid for in 2017 through existing TIF funds.

**Table 8: Estimated Expenditure Projections**

<b>Year</b>	<b>Police</b>	<b>Streets</b>	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
2018	\$77,000	\$7,820	\$35,000	\$10,000	<b>\$129,820</b>
2019	\$72,100	\$8,055	\$35,000	\$10,000	<b>\$125,155</b>
2020	\$74,263	\$8,297	\$176,100	\$272,651	<b>\$531,311</b>
2021	\$76,491	\$8,546	\$35,000	\$10,000	<b>\$130,037</b>
2022	\$78,786	\$8,802	\$35,000	\$10,000	<b>\$132,588</b>
<b>Total</b>	<b>\$378,640</b>	<b>\$41,520</b>	<b>\$316,100</b>	<b>\$312,651</b>	<b>\$1,048,911</b>

**C. TOWN OF WATERLOO FINANCIAL IMPACT - FIVE YEAR SUMMARY**

The Five Year Summary shows the projected revenue vs. expenditures expected in the Waterloo I-69 Interchange Annexation area for the first five years after it is incorporated into the Town of Waterloo.

The area is planned to be annexed before the end of 2017. Assessment will occur prior to December 31, 2017. Since property tax revenues are not collected for one year after the effective date of annexation, the Town would not receive revenue for tax year 2018 until 2019. Table 9 details the revenues minus the expenses for the annexation area for a 5 year period. Positive balances which are primarily within water, sewer, and TIF funds can help support future utility capacity improvements as detailed in the *Waterloo Economic Development Plan*.

**Table 9: Revenues Minus Expenses**

<b>Year</b>	<b>Revenue</b>	<b>Expenditures</b>	<b>Balance</b>
2018	\$97,976	\$129,820	<b>(\$31,844)</b>
2019	\$416,256	\$125,155	\$291,101
2020	\$458,830	\$531,311	<b>(\$72,481)</b>
2021	\$477,711	\$130,037	\$347,674
2022	\$497,421	\$132,588	\$364,833
<b>Total</b>	<b>\$1,948,194</b>	<b>\$1,048,911</b>	<b>\$899,283</b>

**D. ESTIMATED EFFECTS ON POLITICAL SUBDIVISIONS IN THE COUNTY NOT PART OF THE ANNEXATION.**

Tax caps have created a situation where when annexation occurs and caps are hit, the municipal entity is an additional slice of the “pie”. Therefore, capped revenue is distributed to each political entity by a proportion of the total rate. This is determined on a parcel by parcel basis due to several factors, including rates and whether the parcel is capped at 1%, 2%, or 3%. Because this annexation is largely comprised of business and industry parcels that are capped at 3%, the “pie” is larger and the impacts to other political subdivisions due the tax caps and annexation is less that it would be in a more residential area.

Other taxing districts that are part of the Grant Township and Smith Township Districts are listed below and annual anticipated impacts to these entities in regard to reductions of current revenue as a result of tax cap adjustments due to the annexation is as follows:

DeKalb County	\$3,686.00
DeKalb County Airport Authority	\$ 32.00
DeKalb County Central United School District	\$4,849.00
Grant Township	\$ 711.26
Smithfield Township	\$1,284.87
Solid Waste Management District	\$ 67.00
Waterloo Grant Township Public Library	\$2,287.00

New real property investments are anticipated to be captured as part of the Town’s TIF District to pay for future capital improvements within the area as well as for community-wide water system improvements. New personal property investments are not going to be captured through the TIF and will be passed through to all taxing districts to offset the estimated revenue reductions listed above.

**E. ESTIMATED EFFECTS ON TAX PAYERS WITHIN THE ANNEXATION AREA**

Following is an estimation of the change in tax rates after annexation. 2015 payable 2016 rates have been used for the purpose of the example. Final tax rates are not available until after they are published by the Auditor’s Office on a yearly basis. Based on future tax rate estimated detailed in Table 4 above, tax rates are anticipated to remain relatively constant over the first five years after annexation.

**Table 10: Estimated Fiscal Impacts on Property Owners**

	Current Rate	Annexed Tax Rate Percentage	Tax Rate Increase	Business & Industry Capped Rate Percentage*	Business & Industry Current Tax (\$500,000 Property Value)	Business & Industry Annual Increase (\$500,000 Property Value) Based on Tax Rate Increase	Business & Industry Increase (\$500,000 Property Value) Based on Tax Cap)
District (Smithfield)	1.3786	3.3137	1.9351	3.0000	\$6,893.00	\$ 9,675.50	\$ 8,107.00
District (Grant)	1.7124	3.3237	1.6113	3.0000	\$8,562.00	\$ 8,056.50	\$ 6,438.00

\* Tax caps for business and industry properties are 3% of the gross assessed value.

\*\* Land currently being used for agricultural purposes will be exempt from tax increases due to annexation until a change in the use of the property occurs.

**F. ESTIMATED IMPACTS ON TAX PAYERS OUTSIDE OF THE ANNEXATION AREA**

Given that the annexation area is predominantly assessed as business and industry, taxes are capped at 3%. Therefore, tax cap impacts are minimal as described above in the estimated impacts to political subdivision. Therefore, the annexation will have a de minimus impact to tax rates and tax payers located in taxing districts outside of the annexation area within the first five years after annexation.

**G. RECOMMENDATION**

This fiscal plan, which meets the State Law requirements that a fiscal plan be prepared, shows that the Waterloo I-69 Interchange Annexation is in accordance with the applicable state statutes. Therefore, it is recommended that after passage of the annexation ordinance and its approval by the Town Council President, this area should be annexed by the Town of Waterloo on or before December 31, 2017.

## APPENDIX A: Legal Description

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Part of Section 5 and part of the Northeast Quarter of Section 6 of Township 34 North, Range 13 East together with part of the Southeast Quarter of Section 31 and part of the South Half of Section 32 of Township 35 North, Range 13 East of the Second Principal Meridian in DeKalb County, Indiana, more particularly described as follows:

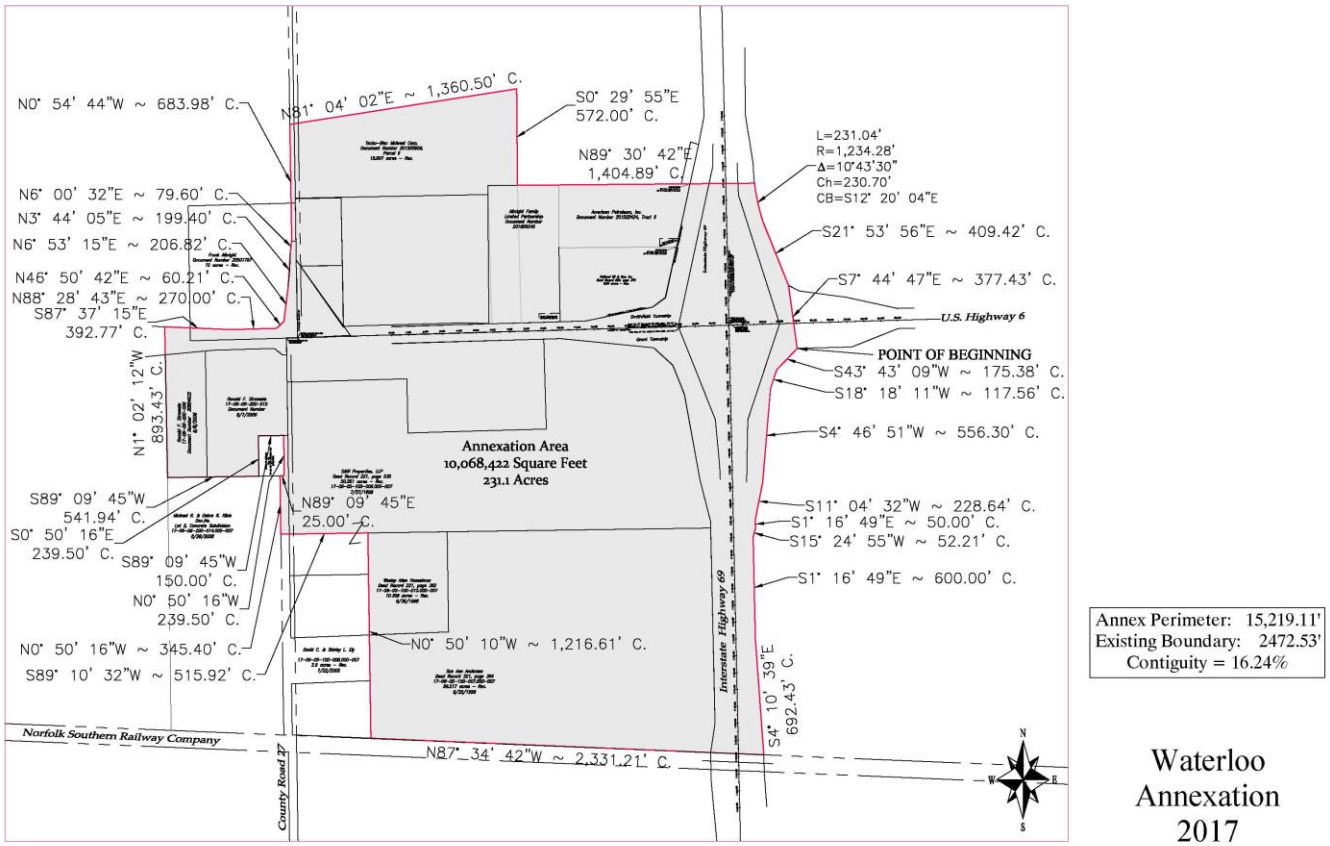
BEGINNING at the intersection of the East Limited Access right of way line of Interstate Highway 69 with the South right of way line of U.S. Highway 6; thence, with the next eight calls along said East Limited Access right of way line and current municipal boundary of Waterloo, Indiana: South 43 degrees 43 minutes 09 seconds West (assumed bearing and basis of bearings to follow), 175.38 feet; South 18 degrees 18 minutes 11 seconds West, 117.56 feet; South 4 degrees 46 minutes 51 seconds West, 556.30 feet; South 11 degrees 04 minutes 32 seconds West, 228.64 feet; South 1 degrees 16 minutes 49 seconds East, 50.00 feet; South 15 degrees 24 minutes 55 seconds West, 52.21 feet; South 1 degrees 16 minutes 49 seconds East, 600.00 feet; South 4 degrees 10 minutes 39 seconds East, 692.43 feet to the North line of the Norfolk Southern Railroad Company right of way; thence North 87 degrees 34 minutes 42 seconds West, 2,331.21 feet along said North railroad right of way line and the South line of a 56.5 acre tract described in Deed Record 221, page 364 within the Office of the Recorder of DeKalb County, Indiana; North 0 degrees 50 minutes 10 seconds West, 1,216.61 feet to a Northwest corner of a 10.4 acre tract described in Deed Record 221, page 362 within said Recorder's Office, passing on and along the East line of a 2.9 acre tract now or formerly owned by David C. and Shirley L. Ely; thence South 89 degrees 10 minutes 32 seconds West, 515.92 feet, along the westerly extension of the North line of said 10.4 acre tract to the West right of way line of County Road 27; thence North 0 degrees 50 minutes 16 seconds West, 345.40 feet along said West right of way line to the South line of a 0.96 acre tract described in Deed Record 221, page 473; thence North 89 degrees 09 minutes 45 seconds East, 25.00 feet along the

South line of said 0.96 acre tract to the West right of way line of County Road 27; thence North 0 degrees 50 minutes 16 seconds West, 239.50 feet along said West right of way line to the North line of said 0.96 acre tract; thence South 89 degrees 09 minutes 45 seconds West, 150.00 feet along said North line to the Northwest corner of said 0.96 acre tract; thence South 0 degrees 50 minutes 16 seconds East, 239.50 feet along the West line of said 0.96 acre tract and parallel with County Road 27 to the Southwest corner of said 0.96 acre tract and the North line of Lot 2 in Concrete Subdivision; thence South 89 degrees 09 minutes 45 seconds West, 541.94 feet along said North line to the Southwest corner of a 4.0 acre tract described in Document Number 20804632 within said Recorder's Office; thence North 1 degrees 02 minutes 12 seconds West, 893.43 feet along the West line of said 4.0 acre tract, and its Northerly extension, to the North right of way line of U.S. Highway 6; thence South 87 degrees 37 minutes 15 seconds East, 392.77 feet along said North right of way line; thence North 88 degrees 28 minutes 43 seconds East, 270.00 feet along said North right of way line; thence North 46 degrees 50 minutes 42 seconds East, 60.21 feet along said North right of way line to the West right of way line of County Road 27; thence North 6 degrees 53 minutes 15 seconds East, 206.82 feet along said West right of way line; thence North 3 degrees 44 minutes 05 seconds East, 199.40 feet along said West right of way line; thence North 6 degrees 00 minutes 32 seconds East, 79.60 feet along said West right of way line; thence North 0 degrees 54 minutes 44 seconds West, 683.98 feet along said West right of way line to the westerly extension of the North line of a 15.9 acre tract described as Parcel II in Document Number 201500956 within said Recorder's Office; thence North 81 degrees 04 minutes 02 seconds East, 1,360.50 feet along said North line to the East line of said 15.9 acre tract; thence South 0 degrees 29 minutes 55 seconds East, 572.00 feet along said East line to the North line of a 7.74 acre tract described in Document Number 201606246 within said Recorder's Office; thence North 89 degrees 30 minutes 42 seconds East, 1,404.89 feet along said North line and the North line, and the easterly extension thereof, of a 6.3 acre tract described in Document Number 201502424 within said Recorder's Office, to the East Limited Access right of way line of Interstate Highway 69 and the point of curvature of a non-tangent curve concave to the East,



with a radius of 1,234.28 feet; thence along said curve an arc distance of 231.04 feet, through an interior angle of 10 degrees 43 minutes 30 seconds, and a chord distance of 230.70 feet bearing South 12 degrees 20 minutes 04 seconds East to a point of tangency; thence South 21 degrees 53 minutes 56 seconds East, 409.42 feet along said East right of way line; thence South 7 degrees 44 minutes 47 seconds East, 377.43 feet along said East right of way line to the POINT OF BEGINNING, containing 231.1 acres [10,068,422 square feet], more or less.

Prepared for the Town of Waterloo, Indiana this Twenty-third day of February, 2017 by David L. Mendenhall, P.S., Indiana register Land Surveyor LS29900019.



**APPENDIX B: Waterloo I-69 Interchange Annexation Real Property Parcel List**

<b>Parcel ID</b>	<b>Owner</b>	<b>2015 Pay 2016 Net Assessed Value</b>	<b>Waiver</b>	<b>Petition or R/W</b>
17-06-05-400-001.000-007	State of Indiana (Partial)	\$ -	No Waiver	R/W
17-06-05-300-003.000-007	State of Indiana (Partial)	\$ -	No Waiver	R/W
17-06-05-200-007.000-007	State of Indiana	\$ -	No Waiver	R/W
17-06-05-100-012.000-007	State of Indiana	\$ -	No Waiver	R/W
17-06-05-200-001.000-007	State of Indiana (Partial)	\$ -	No Waiver	R/W
17-06-05-100-011.000-007	State of Indiana (Partial)	\$ -	No Waiver	R/W
17-06-05-100-006.000-007	S&W Properties, LLP C/O Wesley Husselman	\$ 145,000.00	No Waiver	
17-06-05-100-006.000-007	S&W Properties, LLP C/O Wesley Husselman	\$ 5,000.00	No Waiver	
17-06-05-100-014.000-007	Ralph and Roger Diehl	\$ 54,000.00	No Waiver	Petition
17-06-05-100-005.000-007	Diehl, Roger & Deborah	\$ 13,400.00	No Waiver	Petition
17-06-05-100-015.000-007	Husselman, Wesley Allen (Partial)	\$ 18,000.00	No Waiver	
17-06-05-100-007.000-007	Anderson, Sue Ann (Partial)	\$ 77,200.00	No Waiver	
17-02-30-400-002.000-018	State of Indiana (Partial)	\$ -	No Waiver	R/W
17-02-32-300-009.000-018	State of Indiana (Partial)	\$ -	No Waiver	R/W
17-02-32-300-008.000-018	American Petroleum, Inc.	\$ 551,800.00	Waiver	Petition
17-02-32-300-018.000-018	American Petroleum, Inc.	\$ 29,600.00	Waiver	Petition
17-02-32-300-012.000-018	Albright Family Limited Partnership	\$ 3,800.00	No Waiver	Petition
17-02-32-300-006.000-018	Albright Family Limited Partnership	\$ 235,900.00	No Waiver	Petition
17-02-32-300-002.000-018	Techo-Bloc Midwest Corp.	\$ 179,800.00	No Waiver	Petition
17-02-32-300-016.000-018	Techo-Bloc Midwest Corp.	\$ 2,722,700.00	No Waiver	Petition
17-06-06-200-003.000-007	State of Indiana	\$ -	No Waiver	R/W
17-02-31-400-004.000-018	State of Indiana	\$ -	No Waiver	R/W
17-06-06-200-006.000-007	Straessle, Ronald	\$ 5,700.00	No Waiver	Petition
17-06-06-200-015.000-007	Straessle, Ronald	\$ 8,500.00	No Waiver	Petition
17-06-05-100-001.000-007	State of Indiana	\$ -	No Waiver	R/W
17-06-05-100-002.000-007	Gibson, Mark & Christine	\$ 303,400.00	No Waiver	
17-06-05-100-003.000-007	Gibson, Mark & Christine	\$ 191,500.00	No Waiver	
17-06-06-200-005.000-007	Mccurdy, Martin (Partial R/W)	\$ -	No Waiver	R/W
17-06-06-200-014.000-007	Klink, Michael & Debra (Partial R/W)	\$ -	No Waiver	R/W
17-02-32-300-004.000-018	B & B Realty LLC	\$ 255,100.00	No Waiver	
17-02-32-300-003.000-018	B & B Realty LLC	\$ 4,600.00	No Waiver	
17-02-32-300-010.000-018	B & B Realty LLC	\$ 10,800.00	No Waiver	
17-02-31-400-007.000-018	Albright, Frank & Ann (Partial R/W)	\$ -	No Waiver	R/W
17-02-31-400-003.000-018	Albright, Frank E. Jr. & Donita (Partial R/W)	\$ -	No Waiver	R/W
17-02-32-300-005.000-018	State of Indiana	\$ -	No Waiver	R/W
17-02-32-300-011.000-018	State of Indiana	\$ -	No Waiver	R/W
<b>Total</b>		<b>\$ 4,815,800.00</b>		