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

**HTIW Properties, LLC Phase I Annexation**

**October 26, 2023**

*Prepared by:*



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## **INTRODUCTION**

The following fiscal plan (the "Fiscal Plan") is for the proposed annexation of a parcel to the south of the existing corporate limits on the south side of Bristol (the "Annexation Area"). The Annexation Area is adjacent to the Town of Bristol, 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 south side of the existing corporate boundaries on the south side of the Town. A map and legal description of the area to be annexed have been included in attached Appendix II.

The Annexation Area is approximately 20 acres. The perimeter boundary of the Annexation Area is over 12.5% contiguous to the existing corporate boundaries of the Town.

#### **B. Current Land Use**

The Annexation Area consists of a parking lot.

#### **C. Zoning**

Existing Zoning: Agriculture (A-1)

Proposed Zoning: General Manufacturing (M-2)

#### **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 \$263,900. This represents the assessed value as of January 1, 2022 for taxes payable 2023.

## **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 Elkhart County Sheriff's Department currently provides police protection and law enforcement services to the Annexation Area. However, all non-capital services of the Bristol Police Department will be made available in the Annexation Area within 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 Town of Bristol Police Department's ("BPD") primary purpose is the prevention of crime. The BPD patrols within the boundaries of the Town on a daily basis and responds to all alarm calls. In addition, the BPD provides other services such as detection and apprehension of offenders, traffic control and preservation of civil order. The BPD 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 BPD does not anticipate additional costs as a result of the annexation.

#### **C. Fire Protection**

The Annexation Area is currently served by the Bristol Fire Department ("BFD"). The BFD serves the Town of Bristol, Washington Township and York Township through contractual agreements. Given the relatively small Annexation Area, it is anticipated that any increase in the cost of the contractual arrangement for fire services will be negligible.

## SECTION II

(Cont'd)

### **NON-CAPITAL SERVICES**

#### **D. Emergency Medical Services**

Currently, the BFD provides emergency medical services to the Annexation Area. These services include, but are not limited to, emergency medical response. Given the relatively small Annexation Area, it is anticipated that any increase in the cost of the contractual arrangement for emergency medical services will be negligible.

#### **E. Street Maintenance**

There are no streets within the Annexation Area for which the Town will be responsible for maintenance; therefore, there will be no additional costs for the provision of street maintenance services upon annexation. However, all non-capital services of the Bristol Street Department will be made available in the Annexation Area within 1 year of the effective date of the 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.

#### **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 its 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 will be made available in the Annexation Area within 1 year of the effective date of the 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.

#### **G. Parks**

There are currently four downtown parks in the Town of Bristol. Hermance Park has a rental pavilion and Congdon Park has a rental gazebo. Raber Golf Course is town-owned and is located across from Bay Ridge on the west end of Town. It is anticipated that no additional parks will be added as a result of annexation, therefore there will be no additional costs to the Town.

## SECTION II

(Cont'd)

### NON-CAPITAL SERVICES

#### H. 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
- Town Manager



## **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 not later than December 31, 2023.

#### **B. Water Service**

The Annexation Area is currently not being served. The Bristol Municipal Water Utility provides water service in the surrounding area and has the capacity and capability to serve the Annexation Area if and when connection is desired. It is anticipated that new customers will pay the applicable tap fee and water assessment charges. It is important to note that the Water Utility is a separate proprietary fund of the Town that maintains separate books and records, and extensions in service are typically borne by the respective property owner or developer. Regardless, all capital services of the Water Department will be extended to the Annexation Area within 3 years of the effective date of the 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.

#### **C. Wastewater Service**

The Annexation Area is currently not being served. The Bristol Municipal Sewage Works provides wastewater service in the surrounding area and has the capacity and capability to serve the Annexation Area if and when connection is desired. It is anticipated that new customers will pay the applicable tap fee and sewer assessment charges. It is important to note that the Sewage Works is a separate proprietary fund of the Town that maintains separate books and records, and extensions in service are typically borne by the respective property owner or developer. Regardless, all capital services of the Wastewater Department will be extended to the Annexation Area within 3 years of the effective date of the 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 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. Any 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 the 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 Annexation Area will be the responsibility of the appropriate developer in accordance with the applicable Town Code. There are currently no existing streets within the Annexation Area for which the Town will be responsible. Regardless, all capital services of the Street Department, including evaluation and construction services, will be extended to the Annexation Area within 3 years of the effective date of the 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 the annexation, based on the estimated assessed values as of January 1, 2024, the net assessed value for the Town is anticipated to increase by \$263,900, or approximately 0.09%. The net impact of increasing the Town's net assessed value will result in additional property tax revenues to the Town, which may be used to offset the cost of providing services to the Annexation Area.

It is assumed that the effective date of this annexation will be as soon as practically possible, but no later than December 31, 2023. Based on the assumed effective date, the property owner of the Annexation Area will not pay property taxes to the Town until 2024 payable 2025. However, the Town will begin providing non-capital municipal services to the property owners within one (1) year after the effective date, and it will begin providing capital municipal services to the property owners within three (3) years after the effective date.

It is anticipated that there will be no additional costs to the Town as a result of the annexation.

It is anticipated that the Town will realize an increase in its levy of approximately \$1,935 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 no anticipated tax rate increase as a direct result of the 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 \$2,030 in 2026, \$2,127 in 2027 and \$2,218 in 2028. The estimated impacts on other taxing units will be negligible, as there will be no circuit breaker losses tied to the parcel within the Annexation Area.

## **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 Washington Township existing at the effective date of the annexation in the same ratio as the assessed valuation of the property in the Annexation Area bears to the assessed valuation of all property in Washington 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.

There is no debt currently outstanding for Washington Township.

## **Appendix I**

# TOWN OF BRISTOL, INDIANA

## Annexation

### ESTIMATED ASSESSED VALUE AND TAX RATE IMPACT

Assumes first year of tax collections from Annexation Area is 2024 payable 2025

<u>Assessment Year</u>	<u>Estimated Net Assessed Value of Annex. Area</u>	<u>Estimated Net Assessed Value of Town</u>	<u>Total Est. Net Assessed Value of Town</u>	<u>Est. Property Tax Levy of Town</u>	<u>Est. Property Tax Rate</u>
	(1)	(2)	(3)	(4),(5),(6)	(7)
2022 Pay 2023	N/A	\$241,522,326	\$241,522,326	\$2,100,761	\$0.8698
2023 Pay 2024	N/A	278,139,050	278,139,050	2,198,270	0.7903
2024 Pay 2025	\$263,900	292,046,003	292,309,903	2,289,658	0.7833
2025 Pay 2026	263,900	306,648,303	306,912,203	2,401,991	0.7826
2026 Pay 2027	263,900	321,980,718	322,244,618	2,517,586	0.7813
2027 Pay 2028	263,900	338,079,754	338,343,654	2,626,963	0.7764

- (1) Based on the current net assessed value of the real property in the Annexation Area as gathered from the Elkhart County Assessor's office.
- (2) Assumes the assessed value for the Town of Bristol, excluding the Annexation Area, grows at a rate of 5%.
- (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 by an annual growth factor as follows:

<u>Year</u>	<u>Controlled Levy Growth</u>
2024	4.0%
2025	4.0%
2026	4.9%
2027	4.8%
2028	4.3%

- (5) Assumes the CCD and Cumulative Fire rates remain constant, which results in additional levy to both funds due to NAV growth.
- (6) Assumes the Town receives an automatic increase in its levy equal to its percentage increase in net assessed value as a result of annexation.
- (7) Based on the Est. Property Tax Levy of Town divided by the Total Est. Net Assessed Value of Town.

**TOWN OF BRISTOL, INDIANA**

***Annexation***

**PARCEL LIST**

<u>Parcel ID</u>	<u>Owner</u>	<u>2022 pay 2023 Net Assessed Value</u>	<u>Remonstrance Waiver</u>
20-03-34-400-001.000-030	HTIW Properties, LLC	<u>\$263,900</u>	No

## **Appendix II**