

**City of West Lafayette  
Tippecanoe County**

***Draft***

*(This Draft Fiscal Plan is offered for public discussion with the expectation that the document will be adjusted to reflect public testimony, suggestions and input.)*

# ***US231 Corridor Annexation Fiscal Plan***

***(The Fiscal Plan may be reviewed in City Hall in the office of the Department of Development, Chandler M. Poole, Director. Copies of the Fiscal Plan are available immediately at this location for a copying fee of \$0.03 per page (black & white), OR interested parties may obtain a copy of the Fiscal Plan from the internet web page at [www.westlafayette.in.gov](http://www.westlafayette.in.gov). For any questions regarding this annexation, the public should contact Chandler M. Poole, Director of Development, 765-775-5160.)***

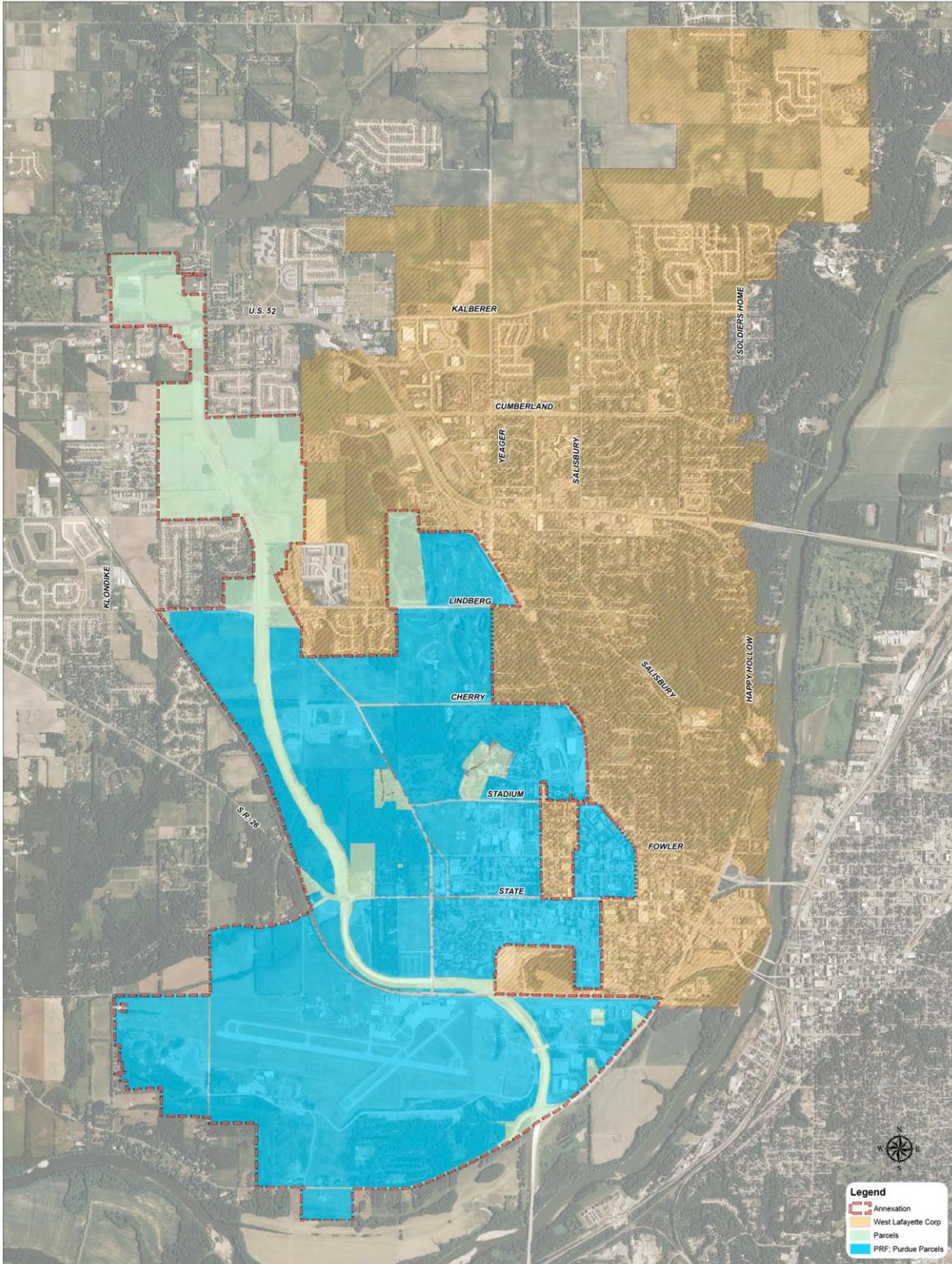
**October 3, 2013**

***Adjusted to reflect reduction in Annexation Area Boundaries.***

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# ANNEXATION AREA MAP



## PURPOSE OF THE US231 CORRIDOR ANNEXATION

The proposed US231 Corridor Annexation is undertaken for a broad range of important reasons:

- **Annexation addresses the need for growth by the City of West Lafayette:**
  - West Lafayette is one of the most densely developed city in Indiana, and new growth and development have no room to occur in the core of the City;
  - The completion of the US231 Corridor on the west side is likely to attract significant new growth opportunities.
- **Annexation presents a public policy platform for effective long-term planning for both Purdue University and the City of West Lafayette;**
  - This includes the need for carefully-planned and well-managed extensions of a full range of municipal services to the newly developed areas;
- **Annexation offers new partnerships with Purdue University which present opportunities for capturing and optimizing future economic development opportunities originating at Purdue University;**
  - While the traditional academic model is focused on ideas, the 21<sup>st</sup> century has shortened the distance between education (and the intellectual capital which education creates) and the transformation of those ideas into products and services;
  - Increasingly, major universities are developing models where education and business are no longer separate and isolated, but are evolving to thrive together;
- **Annexation provides an opportunity to develop integrated and coordinated development patterns between the City, the University, and entities such as the Purdue Research Foundation;**
  - This includes more effectively blending the needs of the University (and its students) with the those of the private sector, rather than keeping those interests separate and isolated;
- **Annexation and the partnerships resulting from annexation -- between West Lafayette and Purdue -- are intended to significantly elevate the regional, national and international 'brand' for both the City and Purdue;**
  - For example, consider that the City of Lebanon, while a great Hoosier city, has greater brand identification on the I-65 Corridor than both Purdue and West Lafayette, combined;
    - Consider that Whitestown, IN, has twice as many direct interstate access points on I-65 as West Lafayette/Purdue.
    - Consider that more than 18 million vehicles pass the current I-65 Exit 178 each year, without significant advertisement or identification of either Purdue University or West Lafayette, Indiana.
    - Consider that the current signage on I-65 directs the public to "Purdue Stadium" without acknowledging the real name of the venue.
    - Consider the cumulative economic impact of making the public more directly aware of the assets of Purdue University & West Lafayette, which is located halfway between metropolitan Chicago (population of 8 million) and metropolitan Indianapolis (population approaching 2 million);
    - Consider that, in 1987, commitments were made to improve Exit 168 on I-65 in order to accommodate a new automotive manufacturer (amidst great political debate) and consider the potential future parallels with the US231 Corridor;
- **Annexation enables the creation of a more formal basis for cooperation, discussion and implementation of mutually-beneficial topics and issues, especially economic development opportunities;**

- As the University & Purdue Research Foundation (PRF) continue to cultivate, incubate and transform new ideas into products and services, Indiana must do a better job of capturing the resulting business opportunity;
  - Consider, for example, that Purdue has graduated 26 astronauts, and consider the potential for using that intellectual capital as a platform for capturing future private investment that might be associated with aeronautics and space;
  - Consider, for example, that Purdue’s agri-business interests have already successfully bridged those gaps and offer models for other applications;
  - Consider that one of the publicized reasons that a major pharmaceutical entity located at Whitestown was due in part to Whitestown’s proximity to Purdue, and then ask yourself why the next such opportunity should not be captured along the US231 Corridor;

The proposed annexation is focused on land west of Purdue University and land that follows the new US231 corridor. Purdue University and its affiliates and other private entities own or control a substantial portion of this area which is projected to be a primary site for future economic development proposals. Much of the Purdue-affiliated land is undeveloped.

## **US231 Corridor Annexation**

The US231 Corridor Annexation is being pursued in accordance with IC 36-4-3-3 and 4. The Annexation Area is primarily focused on the US231 corridor, currently located west of the corporate limits of the City of West Lafayette, and the area is designated for annexation for the purpose of providing controlled and orderly growth along the new highway corridor. Based on the information derived from the County’s web-based GIS system, the Annexation Area consists of a total of ~323 parcels totaling ~3,977 acres. Maps are provided showing the Annexation Area and relevant data, including the US231 alignment.

- The statutory annexation process described in IC 36-4-3 is projected to be completed in 2013.
- Assuming completion of the statutory annexation process in 2013, the effective date of annexation is projected to be no later than February, 2014.
- The dominant single land owner in the Annexation Area is Purdue University and its affiliated organizations.
- The dominant land use in the Annexation Area is undeveloped/agricultural, with urban & commercial development closer to the intersection with SR52.
- The dominant sewer service provider in the Annexation Area is American Suburban Utilities.

## **Contiguity**

The Annexation Area is more than 25% contiguous to the existing corporate limits of the City of West Lafayette.

## Population Growth & Developmental Density in West Lafayette

West Lafayette’s population has grown modestly. The 2000 population of the City was 28,778 which has grown to 29,526 (2010). One of the constraints preventing population and economic growth in the community is its existing urban density. West Lafayette is currently one of Indiana’s most densely populated municipalities, and growth pressures are mounting. The new US231 highway corridor is considered a major stimulant for future economic growth. The purpose of this annexation is to support and effect orderly, controlled growth for the City, high-quality development standards, efficiently-controlled improvements to sewer, water and transportation infrastructure, as well as affording optimal efficiency in the delivery of municipal services.

The Annexation Area contains several separate and very distinct development types, which makes generalization somewhat inappropriate. The Purdue University campus is intensely developed and immediately adjacent to the West Lafayette municipal boundaries. The University is urbanized and offers services that are not municipal, but are common for high-intensity university development. These service packages are different from municipal services and the University will continue to be responsible for campus services, exactly as it does currently. An inter-local agreement which more carefully specifies the interface between university services and municipal services is currently being discussed.

Except for the Purdue University campus, the population density of the Annexation Areas is less than 3.0 persons per acre, overall, and the proposed Annexation Areas less than 60% subdivided for development purposes, due to large tracts of undeveloped agricultural land, generally owned/controlled by affiliates of Purdue University. The Annexation Area is primarily agricultural in nature and in current use, with some residential development, and some urban development near US52.

### “Needed & Can Be Used”

The West Lafayette US231 Corridor Annexation Areas is consistent with the statutory intent of IC 36-4-3-13(c)(2) which states, *“That the territory sought to be annexed is needed and can be used by the municipality for its development in the reasonably near future.”* The City of West Lafayette has taken steps to affirm and verify that the area is needed and can be used for its development in the reasonably near future, including:

- planning for and extending municipal utilities to residential and other development in the Annexation Area;
- provision of municipal services to newly developed areas, including commercial and other development along the US52 Corridor;
- extending sewer interceptors to serve the Annexation Area in anticipation of future development;
- working directly with Purdue University and its affiliates to cooperatively develop and refine inter-governmental service policies between Purdue and the City;
- the US231 Corridor Annexation Area is projected to experience increased development pressure as a result of completion of the Corridor; and

- the US231 Corridor is intended as a high-quality economic development corridor for a wide range of development types including 21<sup>st</sup> century technology facilities.

### **Annexation Does Not Propose to Alter Any Private Utility Service Area**

The proposed annexation does not purport to alter the sewer service territory of any private sewer utility having jurisdiction in the proposed Annexation Area. Current customers of private utilities in the Annexation Area are expected to retain the same service providers.

The City of West Lafayette is prepared to expand and extend its capital and non-capital municipal services into the proposed Annexation Area in full accordance with IC 36-4-3, and will work with property owners in the US231 Corridor Annexation Area to determine the most suitable and appropriate methods for extending West Lafayette’s municipal services to serve new and existing development. This information affirms the City’s intent with regard to ‘needed and can be used by the City for its development’ because municipal services must be provided to these areas and planning for the efficient extension of those services is critical to the economic future of West Lafayette.

As provided in IC 36-4-3-13, the City must carefully balance the best interests of the municipality with a careful understanding of financial impact on the residents and owners of land in the Annexation Area. The City takes this responsibility seriously and has made every reasonable attempt to strike a fair and honest balance of these interests.

## **Providing Capital & Non-Capital Municipal Services**

The City of West Lafayette hereby commits to providing capital and non-capital municipal services to the Annexation Area in full compliance with the requirements of IC 36-4-3-13, as follows:

*“The fiscal plan must show the following ...*

*“(4) That planned services of a **noncapital nature**, including police protection, fire protection, street and road maintenance, and other noncapital services normally provided within the corporate boundaries, will be provided to the annexed territory **within one (1) year** after the effective date of annexation and that they will be provided in a manner equivalent in standard and scope to those noncapital services provided to areas within the corporate boundaries regardless of similar topography, patterns of land use, and population density.” (emphasis added)*

*“(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.” (emphasis added)*

This Fiscal Plan was introduced publicly in May, 2013, and was extensively discussed in a transparent public format. On the basis of testimony received, the Mayor has proposed to revise the original boundaries of the Annexation Area to conform more closely to the US231 Corridor. This revised Annexation Area has been presented to the West Lafayette City Council to determine whether the larger or the smaller Annexation Area best fits the expectations of the City Council with regard to the future growth of West Lafayette. Public notice will be sent to property owners on the basis of the decision of the City Council with respect to the Annexation Area.

As such, the City hereby proposes to extend all non-capital services of the City to the Annexation Area (as provided in statute, above) within one year of the effective date of annexation, in full compliance with statute.

In addition, the City hereby proposes to extend all municipal services of a capital nature within three years of the effective date of the annexation (in full compliance with statute, above).

## **Summary of Municipal Departmental Services**

The projected impact of the annexation on each municipal department is summarized below:

### **City Administration**

The services of the City Administration are considered non-capital municipal services, which will be provided to the annexed territory within one (1) year after the effective date of annexation (projected 2014). Municipal Administrative services will be provided in a manner equivalent in standard and scope to those noncapital services provided to areas within the corporate boundaries regardless of similar topography, patterns of land use, and population density.

The services of the City Administration are generally considered to include the services of the following municipal departments and offices:

- Mayor
- Clerk-Treasurer
- City Council
- City Court
- City Legal
- Human Resources
- City Engineer
- Department of Development

The services of the City Administration are directed toward creating more viable economic and human outcomes for the community at-large. A significant part of that work is directed to future planning and creation of viable and successful public policy. Therefore, to a large extent, these administrative offices already provide many of their services and programs to areas outside the corporate limits of the City,

and therefore, there is no additional cost projected as a direct result of this annexation. In fact, it is projected that the cooperative public policy platform (with Purdue) established as part of this annexation will actually result in either lower administrative costs, especially related to issues of community growth and development, or in a reduced long-term escalation of administrative costs, as a result of fulfillment of plans and intentions to bring the Annexation Area inside of City boundaries. Such inter-organizational efficiencies are the goal of both parties.

### **Mayor's Office**

The Mayor's office (as well as departmental leadership) has spent three years planning for this proposed annexation at significant levels of detail. Once the statutory annexation process has been completed, the demand for the resources of the Mayor's office related to annexation are likely to wane and to be replaced by resources demanded for implementation of the annexation, as well as responding to new economic development opportunities in the annexation area. It is estimated that this trade-off will result in an approximate fiscal balance – annexation demands will be reduced, while implementation demands will be increased, and the resulting impact on service costs is projected to be nominal.

The Mayor's office does not project any significant change in the cost of its non-capital departmental services as a direct result of this annexation, however, it is anticipated that future economic development proposals may increase demands on Mayoral staff time and resources. The future economic development responsibilities of the Mayor's office are not considered a direct cost of annexation.

### **Relationship with Purdue University**

The Mayor's office is responsible for maintaining a partnership with Purdue (and to memorialize that partnership with a Memorandum of Understanding (MOU)), in order to increase consensus and control/decrease the costs associated with development of mutually-favorable public policies. The MOU serves to provide clarity between service providers in order that services can be organized and managed at optimal levels of efficiency. A core purpose of this proposed annexation is to create a cooperative future vision for both the City and Purdue, including the policies governing development, infrastructure and public-sector programs. By establishing a functional and cooperative partnership, it is asserted that all entities benefit, and that new economic development potential is optimized.

### **Relationship with Wabash Township**

As a result of meetings with Wabash Township officials, the proposed annexation of unincorporated areas of Wabash Township is not expected to have significant impact on Wabash Township government as it currently exists. The revised Annexation Area is fundamentally undeveloped, and the bulk of Wabash Township services – especially with regard to fire protection – are focused on residential neighborhoods.

### **Clerk-Treasurer's Office**

The Clerk-Treasurer has been directly involved in the planning and development of this annexation and the Fiscal Plan, especially with regard to the development of revenue estimates resulting from the annexation, and the estimated costs of municipal services. The services of the Clerk-treasurer's office are generally non-capital in nature and are projected to only nominally increase as a result of annexation. The Clerk-Treasurer has been consulted during the development of the annexation and has assisted in the development of the fiscal information, along with the City's Financial Advisor.

As Chief Financial Officer of the City, the Clerk-Treasurer continues to perform a key role in the development of annexation cost and revenue projections, as well as performing diligence in the fiscal processes underlying the maintenance of the City's revenue streams. This Fiscal Plan includes an estimated cost for the Clerk-Treasurer to supervise/maintain post-annexation revenue streams.

### **City Council Services & Districts**

The municipal services of the City Council are non-capital, and the Council projects no significant change in the cost of its services as a result of annexation. The City Council commonly receives requests from outside of the corporate limits, as well as allowing residents of the unincorporated areas the opportunity to approach the Council, offer testimony and make public policy requests. Annexation will not change this practice. In effect, the City Council already provides non-capital services to the Annexation Area, as evidenced by the existing provision of capital sewer extensions to this and other areas. In addition, the City Council has hosted a broad public discussion related to the proposed Annexation Area boundaries, which also serves as evidence of the current availability of the non-capital services of the City Council to residents of unincorporated areas. As such, this Fiscal Plan projects only nominal increases in the cost of non-capital City Council services as a result of this annexation.

The proposed annexation is projected to require the re-alignment of Council District boundaries. There are currently 5 city councilors elected in districts, and several of those districts are contiguous to the Annexation Area. The City Council, itself, will have the final word on how any City Council Districts are to be changed to include voters from inside the proposed Annexation Area. The Annexation Ordinance will include provisions to assign the Annexation Area to one or more Council Districts.

### **City Court**

A study of other municipal courts in other cities has indicated that annexation usually does not have a significant impact on the operation of municipal courts. The Court's revenue structure is generally managed to attempt to offset its operating costs. Police officers have the ability to decide which court will hear a traffic citation, and this is not affected by annexation. It has been reasonably estimated that the increased volume can be handled within the existing assets and resources of the Court, and that revenues generated by the increased volume of court activity will offset increased operating costs.

**City Legal**

City legal does not provide services directly to taxpayers, and as such it is not generally a service that is considered to change as a result of annexation. A review of the operation of the City's legal department indicates that the cost of these non-capital services is generally dependent on specific projects and issues, rather than being generated by changes in municipal boundaries (as in annexation). There was no discernible method for predicting which unincorporated areas would generate more or less demand for municipal legal services. As such, it has been determined that the annexation would have no long-term impact on the cost of city legal services.

**Human Resources**

The non-capital services of the City's Human Resources department were examined with regard to their nature and delivery. Annexation Area residents will have no access or expectation of receipt of the services of the municipal Human Resources Department. However, the estimated cost of new personnel for municipal departments (such as streets, fire, police, and other offices) as a result of annexation reflect the incremental overhead cost of the Human Resources Department as a result of annexation.

**City Engineer**

The non-capital services of the City Engineer do not accrue directly to the residents of the Annexation Area. The non-capital services of the City Engineer have been directly invested in the planning and execution of the proposed annexation, and the City Engineer has assisted in the development of this Fiscal Plan to assure that the Fiscal Plan adequately represents the short-term and long-term services of the City.

Many of the non-capital services of the City Engineer already accrue to the Annexation Area, especially with regard to projecting future infrastructure needs and demands of the community at large. The City Engineer's role and responsibility as part of the Metropolitan Planning Organization (MPO) is among such services which are already provided.

The City Engineer does not project any increased cost of non-capital services as a direct result of this annexation, however, it is noted that much of the planning, design and construction of the projects representing the long-term developmental interests of the City Engineer have already been invested (or are planned for investment), despite the fact that the projects were/are located in unincorporated areas.

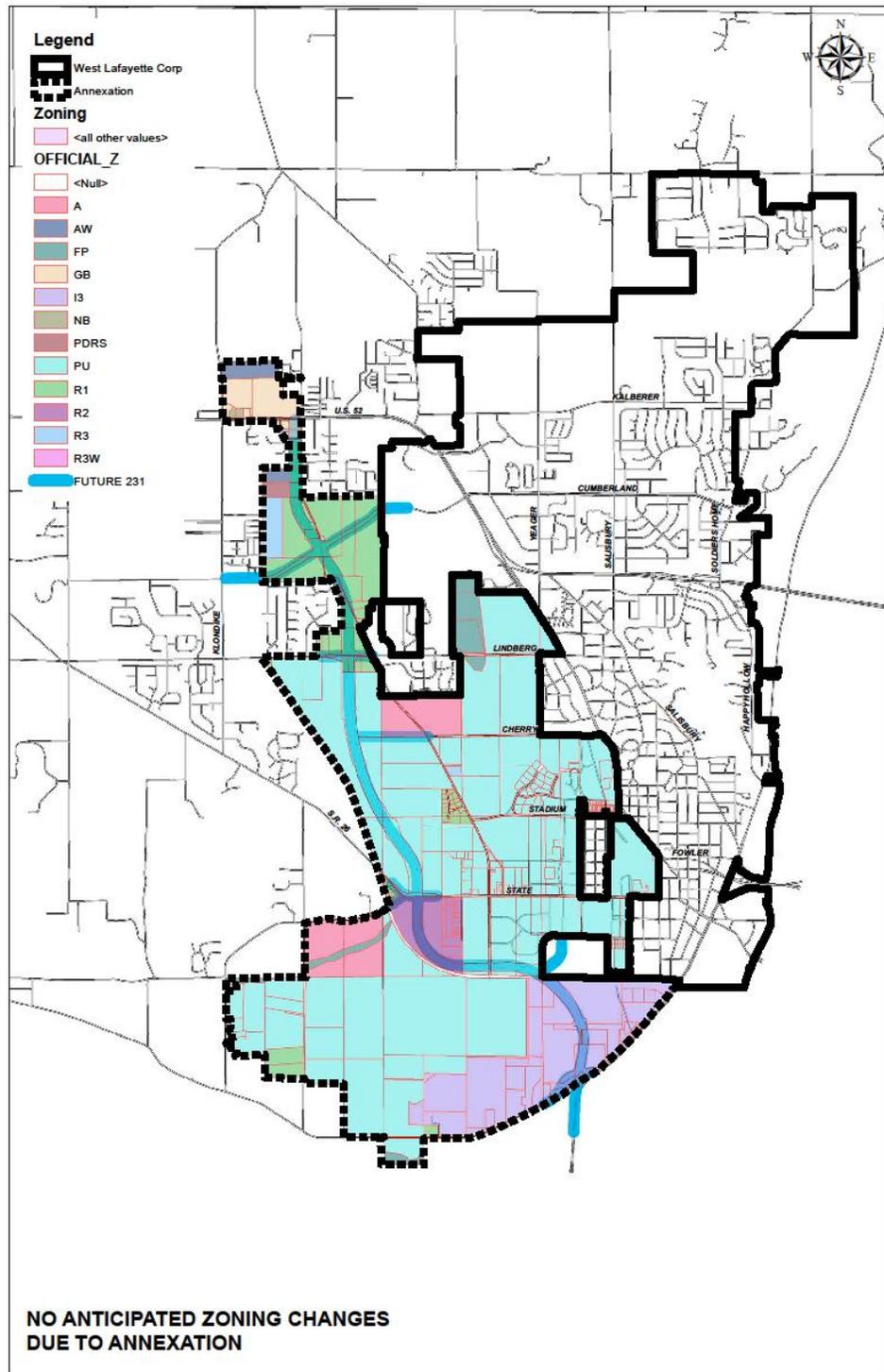
Capital projects (especially infrastructure) under the control of the City Engineer are undertaken with priorities periodically reviewed and adjustments made based on available funding. The City Engineer works closely with the County and other organizations and has a number of capital funding mechanisms available and decisions are made on each project based on the circumstance of the project. However, it is noted that the sum of these circumstances clearly indicates that both the non-capital and the capital (construction) services of the City Engineer's office are already largely available to the Annexation Area.

Post-annexation, the Engineering Department expects that new engineering projects will be presented which will increase demands for staff expertise and services. The services of the Engineering Department have already been provided to the Annexation Area, and it is further expected that the demand for those services would be increased as a result of new development in the Annexation Area, in the form of inspections, permits, and other services as set by City Ordinance. The cost of this additional position is estimated at \$65,000, inclusive of overhead. Additional assets and resources may be necessitated as a result of new development, but those stimuli are not considered a direct result of this annexation.

**Department of Development**

The Department of Development projects the need for additional staff as a result of the projected economic development which this annexation will help to promote. The non-capital services of the Department of Development include economic development analysis, community engagement, and planning, as well as inspection and code compliance activities in the currently unincorporated areas which would fall to the municipal department after annexation takes effect. The services of the Department of Development have served as the core of this annexation effort and as such these services have already been extended to the proposed Annexation Area.

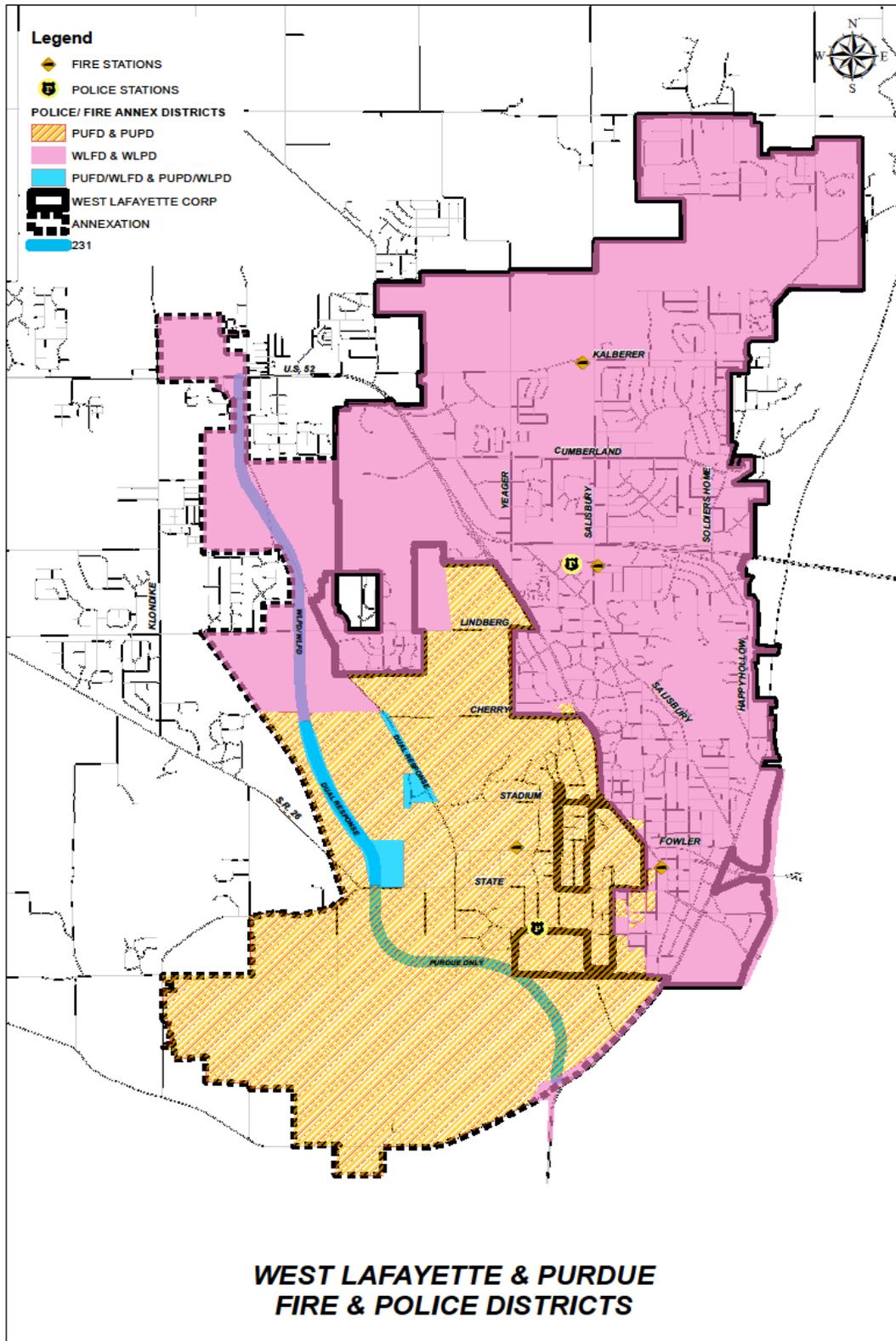
## ANNEXATION AREA ZONING MAP



### ZONING SERVICES ALREADY PROVIDED

County Plan Commission provides Zoning for the Annexation area and that service will not change as the result of annexation. (See map above.)

# ANNEXATION AREA POLICE AND FIRE MAP



## **Police Department**

Non-capital police service to the proposed annexation area will be split between the Purdue Police Department (PUPD) and the West Lafayette Police Department (WLPD), with the split in responsibilities based primarily on property ownership and geographic proximity. This arrangement would continue an existing working partnership between PUPD and WLPD which is officially memorialized in both a Mutual Aid Agreement and a Memorandum of Understanding (focusing on an area called “the Island”). This historic, cooperative partnership between PUPD and WLPD has formed a basis for the cooperative extension of services as proposed for the Annexation Area.

The WLPD is projected to provide police services to the northern portion of the Annexation Area, while PUPD is projected to provide coverage to the southern portions of the Annexation Area, which are adjacent to the campus and other Purdue facilities (such as the airport).

An analysis of police runs in recent years indicate that the WLPD makes approximately 28,000 runs per year, and approximately 10% of those runs are made into the unincorporated areas (which provide no revenues to pay for municipal police protection). It is estimated that 400-800 of those runs are made to the Annexation Area and its immediate proximity. Therefore, when considering that the PUPD and the WLPD are expected to share in police patrol responsibilities with respect to Purdue-related land, as well as the number of existing, uncompensated runs already made to the proximity of the Annexation Area, the proposed annexation is projected to have only nominal impact on the WLPD municipal police services. (Inasmuch as ~400-800 extra-territorial police runs are already being made annually by the existing WLPD force, those runs will now be inside the corporate boundaries.) As new development occurs, additional police assets will be considered annually on an as-needed basis.

Police services are considered a non-capital municipal service which will be extended within one year after the effective date of the annexation, and will be provided in a manner equivalent in standard and scope to those noncapital services provided to areas within the corporate boundaries regardless of similar topography, patterns of land use, and population density.

## **Fire Department**

Fire protection is a non-capital municipal service. There are three fire protection providers in the area, including PUF, WLFD and Wabash Township (volunteer). This Fiscal Plan proposes that the interface between the three departments should continue to be addressed through carefully-integrated planning between the full-time, professional Purdue Fire Department (PUFD), the full-time professional West Lafayette Fire Department (WLFD) and the Wabash Township Volunteer Fire Department (WTFD).

On its most basic level, the Annexation Area is expected to be divided between the PUF and the WLFD, based on land ownership. PUF is expected to provide fire protection to the area generally owned/controlled by Purdue affiliates. After Annexation, WLFD will provide fire protection to the remainder of the Annexation Area, including the US52 area, which is currently urban in nature.

Analysis performed in cooperation with WLF D leadership indicates that capital and non-capital fire protection services to the proposed Annexation Area can be provided by extending existing assets of the two fire departments. As new development occurs, additional fire assets will be considered annually on an as-needed basis, as part of the municipal budget. However, the existing level of development in the Annexation Area is not expected to require new fire stations, fire engines or fire personnel by the WLPD.

### **Fire Hydrants**

Fire hydrants are proposed to be provided in cooperation with the existing water utility providing service to the area, including incorporated and unincorporated areas. Generally speaking, fire hydrants are added by the water utility as new development occurs and fire hydrant ‘rentals’ are paid to cover installation and maintenance. In many cases, fire hydrants are included as a development standard for new residential, commercial and industrial developments.

The WLF D has performed a preliminary review of the Annexation Area and has noted some areas where additional hydrants may be necessary to provide adequate firefighting capability. WLF D services will include fire hydrant installation as a capital service and will work cooperatively with the water utility to plan and implement improvements to the network of fire hydrants serving the Annexation Area.

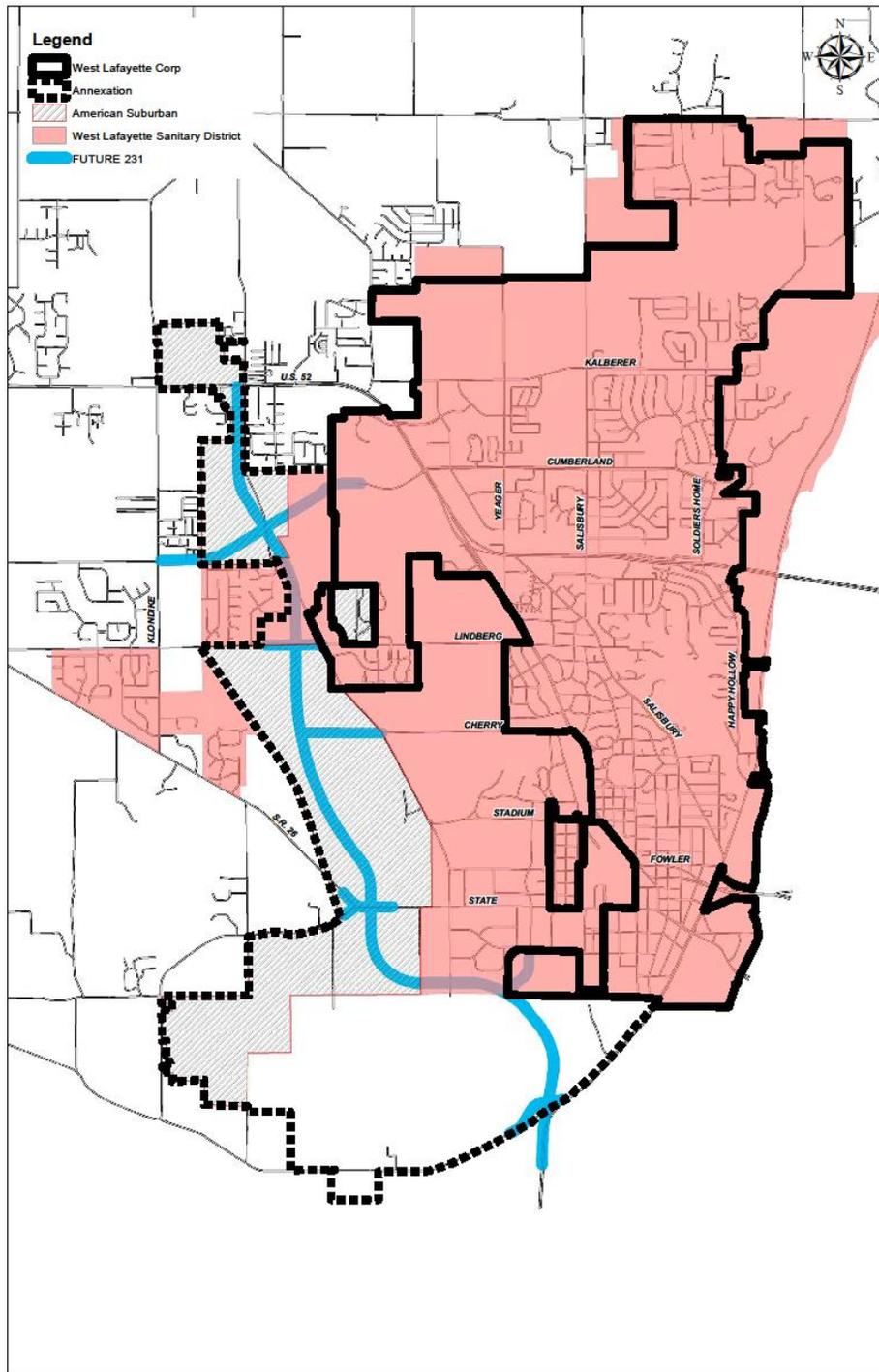
### **Sewers & Wastewater**

There are three sewer/wastewater service providers in the Annexation Area: West Lafayette, American Suburban and Purdue. There are several simple, straightforward provisions of this Fiscal Plan with regard to sewer service as a result of annexation:

- The Annexation does NOT propose to change the provider of sewer service for any existing sewer customer (customers of each provider will remain the customers of that provider and annexation will have no direct impact on sewer service);
- The Annexation does NOT propose to require any landowner currently served by an adequately-functioning septic tank to connect to existing sewers;

Sewers/wastewater infrastructure have been administered through a longstanding series of partnerships between Purdue and the City, which are very complex and yet fully functional. The City, Purdue and American Suburban own their own sewers. In some cases, wastewater flows from one utility to another, and those arrangements have been carefully managed to be fully functional. Management of sewer services and costs is well-established and these arrangements are projected to continue post-annexation. By providing the most cost-effective configuration of sewer utility services, between Purdue and the City, both the City of West Lafayette and Purdue seek to encourage and improve the capture of new economic development opportunities in the Annexation Area.

# ANNEXATION AREA SEWER MAP



The map presented above shows the portions of the Annexation Area currently being served by West Lafayette sewers.

The City's sewer system area actually covers only a small part of the proposed Annexation Area, with American Suburban Utilities (ASU) responsible for serving the majority of the Annexation Area. The proposed annexation does not propose to re-organize or otherwise alter the previously-established sewer service territories. Future sewer service to new development is projected to be controlled by the existing designated sewer territories, which again, are mostly within the IURC-designated sewer service territory of American Suburban Utilities.

All capital costs associated with extension of municipal wastewater infrastructure into the Annexation Area will be borne by the developer, or by the landowner(s) requesting service extensions, and the determination of those costs will be made directly through established systems of user charges. There is no projected 'out-of-pocket' cost to the City for extending these capital and non-capital services, and all costs for municipal sewer service are projected to be fully compensated by the WL Sewer Rate System.

### **Parks Department**

The non-capital services of the municipal parks department are already available to the residents of the Annexation Area. While parks and recreation facilities at Purdue tend to be reserved for Purdue students and personnel, the West Lafayette parks are open to the general public, generally without restriction. The annexation is not projected to generate a need for constructing more parks in the Annexation Area, nor is it expected that the annexation will have any impact on the operations and/or costs associated with the parks department. Trails, bikes and pathways are expected to be included in future development proposals, but those additions are separate from any consideration of annexation, per se.

Municipal parks service is considered a noncapital municipal service and will be provided to the annexed territory as provided in statute. No additional parks are projected for capital construction as a result of this annexation, except for any trails or other facilities which are to be based on new development proposals.

### **Street Department**

The services of the West Lafayette Street Department consist of both capital and non-capital services.

#### **Street Lights**

IC 36-4-3 provides that street lighting is considered a capital service of the municipality and as such, street lighting services are to be provided *"in the same manner as those services are provided to areas within the corporate boundaries."* The current street light policies of the City of West Lafayette include provisions for neighborhoods and citizens to request street lights by petition. As such, the City will be prepared to accept petitions for street lighting within 3 years of the effective date of annexation, in compliance with statute.

#### **Capital Street Department Services**

Street Department Services of a capital improvement nature will be provided to the annexed territory within three (3) years after the effective date of the annexation (projected 2016/17) 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.

In some cases, planning for these capital street services (including road construction, major improvements, etc.) by the City has already begun, as evidenced by the long-term project list which the City and other agencies maintain. The construction of the US231 Corridor is an example of the capital and non-capital services of the City Engineer and Street Department (which will take responsibility for maintenance of the highway). As such, many of these services (including capital services) are already available to the Annexation Area.

The City Engineer has already begun to identify and plan for anticipated capital street/road projects in the Annexation Area. Funding for these capital projects will be prioritized in the same manner as such projects are normally undertaken, and is expected to be largely derived from state and federal grants, which are managed through a Metropolitan Planning Organization (MPO).

It is expected that the cooperative partnership between Purdue and the City will help to identify, refine and prioritize the capital projects for the overall area, as well as to establish a list of long-term projects to benefit the City (including the Annexation area) and Purdue. It is noted that several major capital road projects are already being considered by the MPO for future construction, which further suggests that this capital service attributed to the Street Department is already being provided.

The planning work for capital projects in the Annexation Area is already being provided, however, the funding for these projects is dependent upon criteria which are generally not controlled by the City (or are controlled by multiple organizations), and therefore there is no promise of construction within 3 years of the annexation. For example, it is common for a Federal aid Highway project to require 10 or more years between concept and construction, with the input of multiple local, state and federal agencies. With this understanding capital street department services have already been made available to the Annexation Area.

#### **Non-Capital Street Department Services**

The extension of municipal street department services into the Annexation Area is projected to require detailed planning and execution. Street Department services are very finite and well-observed, which means a failure to deliver street department services is likely to be extremely visible to the public. It is projected that an MOU will be developed which clearly delineates a detailed pro forma for Street Department services to be provided by Purdue and those provided by the City. In those portions of the Annexation Area not affiliated with Purdue, the City will extend non-capital municipal services within one year of the effective date of the annexation, in full compliance with statute.

**Memorandum of Understanding with Purdue**

The MOU with Purdue will specifically identify the individual roles and responsibilities of each street department for those sections of roadway owned by Purdue affiliates, including the distribution of road-related revenues. These separate arrangements are necessary due to the variation in levels of service and the difference in applicable standards between a city and a university.

**West Lafayette Street Department to Extend Non-Capital Street Services Within 1-Year**

The City’s street department will provide non-capital services to any roadway within the Annexation Area which is not specifically assigned in the MOU to Purdue. Non-capital services (such as road maintenance, snow removal, etc.) are generally divided into three broad areas:

- Sanitation & recycling;
- Streets & Traffic (including snow removal and pavement maintenance); and
- Pollution control (stormwater and leaves)

**Sanitation & Recycling**

This municipal service is compensated by its own revenue stream, and is considered separately from other Street Department services. The West Lafayette Street Department provides waste removal and recycling within the corporate limits of the City. Unincorporated area landowners must contract for these services individually. Commonly, trash removal and recycling services provided by private entities are not only substantially more expensive than those provided by the City, even while the City’s sanitation and recycling services are more comprehensive in nature. For example, it is common for municipal sanitation and recycling services to include large trash hauling and recycling as part of a comprehensive service, while private contractors levy separate charges for large trash hauling and recycling. The reduction in costs is projected to be \$150-\$200 per year for an average residence.

Sanitation/Recycling (service to be extended using existing equipment and personnel)	Est. Annual cost (low)	Est. Annual cost (high)
Additional cost due to mileage, overtime, etc.	\$ 7,000	\$ 10,000
TOTAL ANNUAL cost	\$ 7,000	\$ 10,000
Projected Annual Trash Hauling Revenue		\$ 8,640

All of the costs associated with this service are expected to be reimbursed within the designated user charge revenue stream, which is projected to be \$16/month for the Annexation Area.

Any capital equipment costs resulting from annexation would likely be undertaken in the form of leases, which would reduce the up-front capital expense, and spread the expense in closer approximation to the revenue stream and the useful life of the vehicles. (The use of a 5-year lease is for illustrative purposes only. The City will determine what lease terms are best suited to the circumstances at the time of the

decision) In addition, however, the trucks can/will be used for other municipal street department services, and a portion of those equipment costs are properly assigned to those other services within the Street Department.

**Additional Potential for Sub-Contracting**

The City can also determine whether it is more cost-effective to sub-contract waste/trash services to a private company for certain portions of the Annexation Area. Private, independent trash hauling services have a number of idiosyncrasies that increase the operating costs of private companies. In other cities, it has proven cost-effective to sub-contract with private haulers because the sub-contract provisions can remove the idiosyncrasies.

One example of such sub-contractual arrangements is the cost of debt-collection for individual customers. Private haulers must collect fees from each customer. In other cities, the private hauler receives one sub-contractual check from the City and is not required to collect from individuals, which has been demonstrated to reduce the cost of the service. Other, similar examples may exist. It is possible that such an alternative would, for example, alleviate the need to purchase a truck or hire one of the personnel.

The City reserves the opportunity to pursue this alternative for the purpose of addressing unusual service demands or circumstances during the 1-year planning period.

**Street & Traffic (MVH)**

The Street & Traffic services of the municipal Street Department are the services most commonly associated with street departments, and are considered non-capital services for purposes of annexation. This includes pavement maintenance (including pothole repairs), snow removal, traffic lights/control, and other services related to street/road maintenance. These municipal services, however, generally do not have a specific user fee revenue stream, but instead are funded through a combination of state and local taxes. In recent years, the constraints on state revenues in combination with caps on property taxes have caused a significant fiscal squeeze which has been keenly felt by municipal street departments.

The extension of municipal Street & Traffic services will be handled using similar management techniques as the sanitation services explained above. During the year prior to the effective date of the annexation, the City will determine whether there is cost justification for considering sub-contracting certain aspects of the Street & Traffic services of the street department, and to then phase-in the additional personnel and equipment over three years. This phase-in of Street & Traffic services would allow for the possibility of new taxable development providing additional revenues to support extension of these services to the Annexation Area.

MVH (Street & Traffic)	Est. Equipment	Est. Labor/annual
1 Employee @\$50,000-\$60,000		\$50,000-\$60,000
Expand salt building	\$200,000-\$250,000	
Expand garage	\$300,000-\$350,000	
2 trucks w/snow equipment	\$340,000-\$350,000	
Traffic/bucket truck @ \$365,000	\$350,000-\$365,000	
Totals	\$1.19M -- \$1.315M	\$50,000-\$60,000
Est. lease buildings (10-yr estimate)	\$62,000-\$77,000	
Est. lease eqpt.	\$153,000-\$160,000	
Non-capital materials, fuel, contracting, etc.		
Annual snow removal		\$60,000-\$75,000
Pavement Maintenance		\$120,000-\$150,000
Fuel, vehicle repairs, etc.		\$20,000-\$25,000
<b>TOTAL ANNUAL cost (leases, labor, mtce, etc.)</b>		<b>\$465,000-547,000</b>
<b>Est. Annual MVH/Street Revenue</b>		<b>\$521,491</b>

The City will make decisions related to the most cost-effective alternative for providing MVH services under the circumstances at the time of the decision.

As stated previously, new development is projected to be tied closely to the development and improvement of roadway corridors in the Annexation Area (capital services). Under current conditions, however, non-capital Street Department Services are the primary consideration. The cooperative partnership between the City and Purdue are expected to facilitate the services, as well as the funding for these services.

#### **Potential Partnership with the County Highway Department**

The County Highway Department currently provides non-capital street/road services to the Annexation Area, as well as all unincorporated streets/road in the county. As a result of annexation, the County's responsibility for street/road maintenance would be reduced. Therefore, it is possible that the County would have excess capacity in its highway department assets, while also receiving reduced roadway funding as a result of annexation.

In some other communities, inter-local agreements have been developed between the municipality and the county to continue having certain street/road services provided by the County, with the City augmenting the county's services. This alternative allows the County to more optimally utilize its assets and potentially creates a better cost/revenue balance for the city. The City will consider this alternative, if necessary.

#### **Prioritizing Snow Removal on School Bus Routes**

The West Lafayette Street Department considers school bus routes in establishing snow removal priorities. Different communities approach the establishment of priority

corridors using idiosyncratic parameters, but many communities find it valuable for municipal authorities to clear school bus routes as early as possible each morning for purposes of school bus safety. Such accommodations do not change service costs. They simply alter the order in which services are provided (which explains why the issue is addressed idiosyncratically).

**Pollution Control (Stormwater, Street-Sweeping & Leaves)**

The City Street Department also provides the services of leaf removal and street sweeping, in compliance with state and federal stormwater regulations. Under the same worst case conditions suggested above, in order for the City to extend these non-capital municipal services to the **entire** Annexation Area the estimated costs presented below would be undertaken in 1-2 fiscal years.

The City has recently implemented a stormwater utility which generates user charge revenues to pay for street sweeping services to reduce the environmental impact of stormwater in the Wabash River watershed. The revenue projected to be generated in the Annexation Area is ~\$355,000 per year, and that revenue is projected to be committed to stormwater-related services in the Annexation Area, as shown in the following table.

Pollution Control (Stormwater & Leaves)	Est. cost (low)	Est. Cost (high)
2 personnel @\$50,000 - \$60,000	\$ 100,000	\$120,000
Shared cost of multi-use eqpt. (trucks, etc.)	\$ 50,000	\$ 55,000
TOTAL ANNUAL cost eqpt. (lease)/labor	\$ 150,000	\$ 175,000
<b><i>Estimated Stormwater Revenue</i></b>		<b><i>\$ 171,220</i></b>

Similar to the above explanation, the City could choose to examine the cost-saving potential for private contracting of these services, or could consider phasing-in the services, which would reduce the fiscal obstacle.

**Purdue Street Services**

Generally speaking, Purdue maintains the streets inside campus. The MOU is expected to include provisions for Purdue to provide the non-capital services on streets that directly serve parcels owned/controlled by Purdue inside the Annexation Area.

Summary Table for Estimated Costs of Municipal Services/Departments							Revenue
Department	Projected Service Year	Est. Eqpt. Lease/year (low)	Est. Eqpt. Lease/year (high)	Annual Personnel Cost	Total Annual Estimate Labor & Eqpt		
					Low	High	
<b>Non-Capital Municipal Departments</b>							
Police Department (add'l overtime, etc.)	2015			\$40,000-\$50,000	\$40,000	\$50,000	
Add'l overtime, mileage, fuel, etc.				\$ 5,000-\$ 8,000	\$5,000	\$8,000	
Fire Department (add'l overtime)	2015			\$40,000-\$50,000	\$40,000	\$50,000	
Additional & vehicle mileage & fuel expenses				\$5,000-\$8,000	\$5,000	\$8,000	
City Engineer (Inspector w/overhead, eqpt., etc.)	2015	\$5,000	\$7,000	\$55,000-\$65,000	\$60,000	\$72,000	
Dept of Development (employee w/overhead, eqpt., etc.)	2015	\$5,000	\$7,000	\$55,000-\$65,000	\$60,000	\$72,000	
<b>Total Est. Annual Non-Capital Dept. Costs</b>					<b>\$210,000</b>	<b>\$260,000</b>	
Projected Township Fire Debt Service					\$4,000	\$5,000	
<b>Est. Grand Total Non-Capital Dept. Expenses</b>					<b>\$214,000</b>	<b>\$265,000</b>	
<b>General Revenues</b>							
Projected Property Tax Revenue (annual)	2015						\$182,434
Projected Excise Tax Revenue (annual)							\$9,121
Projected Riverboat Tax Revenue (annual)							\$72,279
<b>Total Projected Non-Capital Dept. Revenues (annual)</b>							<b>\$263,834</b>
<b>Street Department</b>							
Sanitation (Recycling)							
Sanitation service to be extended using existing eqpt, personnel with increased intensity of usage					\$7,000	\$10,000	
Projected Annual Sanitation Revenue (Trash Collection revenue)							\$8,640

(Continued) Department	Year	Low Lease	High Lease	Annual Personnel	Low Cost	High Cost
<b>MVH (Street &amp; Traffic)</b>	2015					
1 additional employee	2015			\$50,000-\$60,000	\$50,000	\$60,000
Garage Expansion (est. \$300,000-\$350,000)	2015-18	\$37,000	\$45,000			
Expanded Salt Bldg (est. \$200,000-\$250,000)		\$25,000	\$32,000			
Street Trucks (salt/plow: 2 @ \$175,000 ea)		\$87,000	\$90,000			
Traffic/Bucket Truck (@ \$365,000)		\$66,000	\$70,000			
<b>Est. Total Annual Lease Costs</b>		\$215,000	\$237,000			
Est. Annual Snow Removal Costs					\$60,000	\$75,000
Est. Annual Pavement Maintenance					\$120,000	\$150,000
Est. Annual Fuel & Vehicle Maintenance					\$20,000	\$25,000
<b>Est. Grand Total Street/MVH Annual Costs incl Eqpt Lease</b>					<b>\$465,000</b>	<b>\$547,000</b>
<b>Projected MVH/Street Revenues</b>						
Motor Vehicle Highway (MVH)						
Local Road & Street (LRS)						
Wheel Tax						
<b>Total Projected MVH/Street Revenues</b>						
<b>Pollution Control (Stormwater &amp; Leaves)</b>	<b>2015</b>					
Share of vehicles, garage, overhead, etc.		\$50,000	\$55,000		\$50,000	\$55,000
Personnel (2 employees)				\$50,000 - \$60,000	\$100,000	\$120,000
<b>Total Pollution Control/Stormwater</b>					<b>\$150,000</b>	<b>\$175,000</b>
<b>Projected Annual Stormwater Revenue (revenue neutral)</b>						
Parks Department (No Direct Impact)		n/a			n/a	n/a
Sewers & Wastewater		n/a	Revenue Neutral based on user rates charged to customer		n/a	n/a
<b>TOTAL ESTIMATED ANNUAL COST OF MUNICIPAL SERVICES (2015-18)</b>					<b>\$836,000</b>	<b>\$997,000</b>
<b>TOTAL ESTIMATED ANNUAL MUNIICIPAL REVENUES</b>						

\$324,015
\$76,411
\$121,065
<b>\$521,491</b>

<b>\$171,220</b>
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<b>\$965,185</b>
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