

SUPREME COURT OF INDIANA

City of Fort Wayne v. Certain Southwest Annexation Area
Landowners

764 N.E.2d 221 (Ind. 2002) · No. 02S05-0109-CV-412 · Decided March 12, 2002

SUMMARY

The Indiana Supreme Court held that Fort Wayne's fiscal plan for annexing the Southwest Annexation Area satisfied the statutory requirements for estimating costs and committing to provide equivalent municipal services. The court rejected the trial court's detailed review of the plan's projected costs, concluding that current costs adjusted for inflation were sufficient and that the city had made credible, enforceable service commitments. The court reversed and directed judgment for the City.

CASE DETAILS

COURT	Supreme Court of Indiana
WRITING FOR THE COURT	Shepard, Chief Justice; Dickson, Justice; Sullivan, Justice; Boehm, Justice; Rucker, Justice
JURISDICTION	Indiana
DECIDED	March 12, 2002
DOCKET	02S05-0109-CV-412
DISPOSITION	reversed
PROCEDURAL POSTURE	The City appealed from a trial-court judgment in favor of remonstrating landowners, and the Indiana Supreme Court granted transfer after the Court of Appeals affirmed on the ground that the City's fiscal plan was deficient.
STANDARD OF REVIEW	When the trial court enters special findings, factual issues are reviewed for sufficiency of the evidence, with consideration of only the evidence favorable to the judgment, and findings and judgment are not set aside unless clearly erroneous. Questions of law are reviewed de novo. The trial court must afford substantial deference to the municipality's legislative judgment and may not audit the fiscal plan's legislative details.
PRECEDENTIAL VALUE	Published Indiana Supreme Court opinion; precedential
PARTIES	City of Fort Wayne v. Certain Southwest Annexation Area Landowners

TOPICS

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QUESTIONS PRESENTED

1. Whether Indiana Code section 36-4-3-13(d) requires a fiscal plan to project individual service costs forward to the effective date of a deferred annexation.
2. Whether the City's fiscal plan made a sufficiently credible and enforceable commitment to provide capital and noncapital services equivalent to those provided in similar areas.
3. Whether the statute requires a municipality to identify a particular comparable area and provide identical services to the annexed territory.
4. Whether the fiscal plan was legally deficient because it did not promise to create a neighborhood park in the annexed territory.
5. What standard and scope of judicial review apply to challenges to municipal annexation fiscal plans.

HOLDINGS

1. Section 36-4-3-13(d) does not require an annexation fiscal plan to forecast individual service costs to the future effective date of a deferred annexation. Credible estimates of present costs, adjusted forward for inflation, satisfy the statute.
2. Courts reviewing an annexation challenge should determine whether the municipality made credible and enforceable commitments to provide equivalent services to similar areas; courts may not dissect the minutiae of essentially legislative decisions or conduct a judicial audit of the fiscal plan.
3. Section 36-4-3-13(d) does not require a municipality to identify a particular comparable area or irrevocably commit to providing identical services to the annexed territory and that area. The statutory requirement is to provide like services to areas with similar topography, land-use patterns, and population density.
4. The statute did not require Fort Wayne to create a neighborhood park in the annexed territory. A neighborhood park is a capital improvement governed by section 36-4-3-13(d)(5), which requires capital services to be provided in the same manner as in similar areas, not necessarily that an identical facility be constructed.

KEY QUOTATIONS

“Therefore, a trial court should not “audit” a challenged fiscal plan. Rather, it should focus on whether that plan represents a credible commitment by the municipality to provide the annexed area with equivalent capital and non-capital services.” (224)

“In summary, courts reviewing annexation challenges should focus on whether the municipality made credible and enforceable commitments to provide equivalent services to similar areas. Courts are not authorized to dissect the minutiae of what are essentially legislative decisions.” (229)

FACTUAL BACKGROUND

In 1996, Fort Wayne annexed nearly thirteen square miles containing approximately 22,500 residents, with the annexation's effective date postponed until 2006. The City adopted a fiscal plan estimating the present costs of planned municipal services and adjusting those estimates for inflation. The plan also contained commitments concerning police, fire, streets, water, sewer, parks, and other services. The trial court found the plan deficient because it did not forecast individual service costs to the effective annexation date, did not use a sufficiently specific comparable area, and did not provide a neighborhood park equivalent to one in the comparison area.

PROCEDURAL HISTORY

Fort Wayne enacted an annexation ordinance and fiscal plan in 1996. The landowners challenged the annexation in 1997. The trial court ruled for the remonstrators, finding the fiscal plan legally deficient; the Court of Appeals affirmed. The Indiana Supreme Court granted transfer, vacated the Court of Appeals opinion, reversed the trial-court judgment, and directed entry of judgment for the City.

DISPOSITION

reversed

REMAND INSTRUCTIONS

The court directed entry of judgment for the City of Fort Wayne.

CASES CITED

- Bradley v. City of New Castle, 764 N.E.2d 212 (Ind. 2002)
- Rogers v. Mun. City of Elkhart, 688 N.E.2d 1238 (Ind. 1997)
- In re Ordinance No. X-03-96, 744 N.E.2d 996 (Ind. Ct. App. 2001)
- City of Hobart v. Chidester, 596 N.E.2d 1374 (Ind. 1992)
- Chidester v. City of Hobart, 631 N.E.2d 908 (Ind. 1994)