



CITY OF DURHAM | NORTH CAROLINA

Date: December 2, 2011

To: Thomas J. Bonfield, City Manager

From: Theodore L. Voorhees, Deputy City Manager

Subject: Resolution of Consideration for Annexation of “Donut Hole” Properties

Executive Summary

The City Council indicated its willingness earlier this year to proceed to consider annexation of “donut hole” properties in a phased approach. The first phase involving the annexation of several rights-of-way was completed earlier in the year. The second phase involves a collection of donut hole parcels with minimal service impacts.

In the interim, the General Assembly passed HB 845, a new and much more onerous annexation law. The Administration has been required to study this law and revise the annexation process to comply with the new law. A Resolution of Consideration must be in place for at least 1 year prior to further action. Additionally, each property owner must be notified by mail of the Resolution in addition to publication. This agenda item is the first formal step to initiate annexation under the new law.

Recommendation

Adopt a Resolution of Consideration for Annexation of “Donut Hole” Properties previously identified.

Background

Through a variety of ways, various un-annexed properties have become surrounded by the annexation of property into the city limits. In some cases new development has progressed around an area. In other cases, annexation should have taken property into the city but did not due to technicalities such as mistakes, or a lack of purpose, in recording, surveying or mapping. In one of the cases, opposition from homeowners on the edge of the city resulted in a street being deleted from an annexation process. That subdivision is no longer on the edge of the city and is now completely surrounded. For whatever reason, the fact is that all these properties are surrounded on all sides by the city limits. Given the number of these properties, it appears that for ease of administration, tax and service equity, and service delivery consistency that a city-initiated annexation of these parcels is the most expedient way to bring these parcels into the City of Durham.

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Issues and Analysis

As reported earlier this calendar year, Durham has 44 separate properties surrounded by the city-limits that have not been made a part of the contiguous city. These so called “donut holes” consist of 753 total acres and range in size from 262 acres to 261 square feet, with a total assessed tax value of \$71.4 million. The Administration has evaluated these properties and has

broken them into groups of properties with similar characteristics that will largely determine the level of effort and complexity involved in the annexation process. In the interim, the General Assembly passed HB 845, a new and much more onerous annexation law. The Administration has been required to study this law and revise the annexation process to comply with the new law. The time and complexity will now be significantly increased since a Resolution of Consideration must be in place for at least 1 year prior to further action. Additionally, each property owner must be notified by mail of the Resolution in addition to publication. This agenda item is the first formal step to initiate annexation under the new law.

The adoption of the Resolution of Consideration is the first step in the City-initiated annexation process under the new law. This Resolution includes all the donut hole parcels currently under consideration. Smaller groups of properties will be moved forward under separate Resolutions of Intent to Annex as the process moves forward.

A step by step outline of the process follows:

1. Adoption by the City Council of Resolution of Consideration with a map identifying property that may be annexed if the parcels qualify under other provisions of the law. All property owners shall received mailed notice of this action.
2. Adoption by the City Council of Resolution of Intent to Annex, at least 365 days following, but no more than 730 days following, the adoption of this Resolution of Consideration.
3. A report of plans for extending services to the described territory in the Resolution of Intent to Annex shall be approved by the City Council at least 30 days prior to the date of a public informational meeting and shall be made available for public inspection at the office of the City Clerk, and such meeting will be held between 45 and 55 days following the adoption of a Resolution of Intent to Annex.
4. A notice to each property owner will be provided by mail within 5 days of adoption of a Resolution of Intent to Annex, and then again within 70 days, outlining the process to request water and sewer service to property being annexed.
5. A public hearing will be held at least 130 days, but no more than 150 days, following the adoption of a Resolution of Intent to Annex, provided that the public hearing is also at least 30 days following the expiration of the period permitted under N.C.G.S. § 160A-58.56(b-c) for property owners to respond to the City's offer to extend water and sewer service.
6. Adoption by the City Council of an Annexation Ordinance between 10 and 90 days following the public hearing. The effective date of the Annexation Ordinance shall be on June 30th of the year specified in the Annexation Ordinance as provided by law.

Financial Impacts

A detailed financial impact analysis will accompany the Service Report provided for each group of properties that are advanced by the next City Council action (referred to as a Resolution of Intent to Annex) if the City Council decides to move forward with an annexation process for any of these properties.

SDBE Summary

Not applicable.

Attachment

Resolution of Consideration

Map