



Date: June 7, 2012

To: Thomas J. Bonfield, City Manager
Through: Wanda S. Page, Deputy City Manager
From: Bertha T. Johnson, Director of Budget & Management Services
Roberta E. Bibby, Corporate Sr. Budget & Management Services Analyst

Subject: Voluntary Annexation Petition Received December 6, 2010.

Executive Summary

A voluntary annexation petition has been received and reviewed for Snow Hill Middle School B and surrounding City park lands, located at North side of Snow Hill Road west of Snow Hill Drive. The administration is requesting a public hearing on Monday, June 18, 2012 to hear citizen comments concerning the petitioned annexation and to adopt an ordinance annexing this area into the City.

Recommendation

The Administration recommends the City Council adopt an ordinance annexing the Snow Hill Middle School B and surrounding City park lands into the City of Durham effective June 30, 2012.

Background

The Administration is requesting June 18, 2012 as the public hearing date for this area requesting to be annexed into the City. The public hearing will be held in compliance with N.C. General Statute 160A-58.2.

This is tax exempt property, comprised of a Durham Public School on a center parcel between vacant park lands on either side of the school which are owned by the City. A part of one City-owned property is already within the City limits. A portion of the park lands will be utilized for school athletics and events, with public access at other times. A "Joint Use Proposal" was presented January 10, 2010 to the Durham Parks & Recreation Department, which described 1) realignment of property boundaries to accommodate inclusion of the stormwater management pond and the football field and track within the Durham public school Tract, 2) easements and public rights-of-way, 3) operational schedules that coordinate school events with DPR programming, and 4) parameters for access to driveways and parking areas. A draft interlocal agreement is currently under development to capture all of these points. The City will benefit from access to utility, road and parking infrastructure installed by the Durham Public Schools. The eastern City-owned parcel is under consideration as a future site for a northern recreation center.

Due to its proximity to the current city limits, the potential for development-related voluntary annexation and City-initiated annexation of the surrounding properties, several nearby neighborhoods which have been previously annexed through the voluntary petition process and the collaborative and mutually beneficial planning process undertaken by the City and County,

the Administration is recommending annexation of this site.

Because this is a **tax exempt** property, the cost/benefit analysis for the area indicates that the City would receive no tax revenue. One-time Street Impact fees received in March 2012 will offset estimated annual costs only through FY2012-13. Cumulative expenses primarily driven by public safety personnel costs are projected to result in a net loss of (\$572,748) by FY2018-19. Please see the attached cost/benefit summaries for additional information.

Alternative(s)

The Council can choose not to annex the area, which would result in the City providing water and/or sewer services to the petitioned area outside the City limits. In the future, the City could decide to pursue annexation through the City-initiated process. The City-initiated annexation process is much more costly and contentious than the petition process. Staff investigation of qualification criteria, education of citizens, and writing of extensive reports results in considerable administrative expense. Statutes require lengthy delays and numerous public hearings. In addition, citizens opposing the City-initiated annexations frequently challenge the City's action in court, resulting in delays, uncertain start dates for the annexation, and additional legal costs.

Financial Impact

Current Zoning: (Snow Hill Middle School B):

The estimated General Fund revenues generated from this one annexation area under current zoning at build out in FY2012-13 would be \$78. The total estimated expenditures associated with providing the City services at build out in FY2012-13 would be \$136,647. The estimated net gain to the City at build out in FY2012-13 would be \$43,107, due to the cumulative effect of one-time Street Impact Fees in FY2011-12. The cumulative estimated net loss to the City at build out in FY2018-19 would be (\$572,748).

A cost benefit analysis is attached that provides additional details through in FY2018-19.

SDBE Summary

Not applicable; no service is being provided.

Attachments

- Annexation Summary Table
- Ordinance
- Clerk Certification
- Legal Description
- Context Map
- Cost / Benefit Analysis