



CITY OF DURHAM | DURHAM COUNTY
NORTH CAROLINA



Date: December 16, 2013

To: Thomas J. Bonfield, City Manager

Through: Keith Chadwell, Deputy City Manager

From: Steven L. Medlin, AICP, Planning Director

Subject: Coordinated Annexation Agenda Item: The Oaks at Lyon's Farm

Executive Summary. A request for utility extension agreement, (EA), voluntary annexation and initial zoning has been received from B. Wallace Design & Construction, LLC for a 9.43 acre property at 817 Scott King Road. The applicant has requested an initial zoning designation of Residential Rural (RR), which is consistent with City Council policy designating the least intense zoning based on the Development Tier and the size of the lot. The applicants submitted development plan indicates their desire to construct a conservation subdivision, with a total of 17 single-family homes.

The proposed development has submitted an extension agreement for approval by City Council. Public Works, Water Management and Durham County Engineering performed the utility impact analysis for the utility extension agreement and the existing sewer and water mains have capacity for the proposed development. No offsite improvements will be required, other than extension of the existing sewer and water mains to the site. City sanitary sewer service shall be provided by extending into the site an 8-inch City of Durham sanitary sewer line which discharges to a Durham County sewer outfall. It is anticipated that wastewater generated by this development will be treated at the Durham County Triangle Plant. . Budget and Management Services performed a fiscal impact analysis, which determined that the proposed annexation will be revenue positive immediately upon annexation.

One motion, with three components, is required by law to approve the utility extension agreement, voluntary annexation petition, and zoning map change.

Alternatives and Recommendation. Council has two alternatives:

Alternative 1) **Recommended Alternative:** Approve the utility extension agreement, voluntary annexation and initial zoning. .

Alternative 2) Deny voluntary annexation petition. No action would be required or authorized on the initial zoning.

Issues and Analysis. This request involves three separate items: utility extension agreement, voluntary annexation petition, and initial zoning.

Voluntary Annexation Petition

The Administration is requesting the Council conduct a public hearing and consider annexation of the subject property with an effective date of September 30, 2013. The public hearing will be held in compliance with N.C. General Statute 160A-31.

Initial Zoning

State Statutes (General Statute 160A-360) require that a municipality annexing land place its zoning designation on the property within 60 days of the effective date of the annexation. Staff is recommending an initial zoning designation of Residential Rural (RR) on the property, consistent with City policy. The RR zoning district is the least intense residential zoning district permitted in the Suburban Tier based on the size of the lot.

Utility Impacts. Water service shall be provided by extending the existing 8-inch City of Durham waterline in Silk Tree Lane into the property. System pressure appears to be sufficient for the proposed development. City sanitary sewer service shall be provided by extending into the site an 8-inch City of Durham sanitary sewer line which discharges to a Durham County sewer outfall. It is anticipated that wastewater generated by this development will be treated at the Durham County Triangle Plant. Public Works and Water Management are not requesting any major system improvements from this development. Wastewater generated by City of Durham residents within the Northeast Creek Basin is treated at Durham County's Triangle Plant. The Developer is required to obtain all necessary approvals, permits, and easements from the City, Durham County, and/or from any other party for any improvements to the wastewater collection and treatment systems required to serve the Project. If the Developer is unable to obtain a required approval from Durham County or any other party, Developer acknowledges that the City is under no obligation to provide an alternative means of wastewater treatment to the Project. This is consistent with the manner in which the City provides wastewater treatment service to all City residents within the Northeast Creek Basin.

Financial Impact. The estimated annual General Fund revenues generated from this annexation area under the initial zoning map change at build out in FY2015-16 is \$38,501. The estimated annual General Fund expenditures associated with providing City services at build out is \$12,934. The estimated annual General Fund net gain to the City at build out is \$25,567. The cumulative estimated General Fund net gain to the City at build out is \$84,951.

CIP expenses are projected to be realized in FY2015-16. This includes an estimated proportional cost of \$5,397 (0.10%) for a new Fire Station (the same station listed with

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the Hendrick Southpoint and Richmond Park annexations), with a total cost of a new Fire Station estimated at \$5,150,000.

A cost-benefit analysis is attached that provides cost and revenue projections through FY2024-25, including CIP expenses.

The chart below contains additional details regarding projected departmental revenue and expense projections.

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Department/Type	Revenues	Expenses
Fire	No revenues - parcel is residential	One-time payment of debt service for Parkwood VFD based on current assessed value.
Inspections	Impact fees are paid at time of Cert. of Occupancy: Street Impact fees for General Retail Zone 4 (\$23,885); Parks and Rec Facilities Fees (\$7,225) and Open Space Fees (\$3,774)	Net zero: expect cost recovery comparing inspection revenues to staff/service delivery costs.
Planning	Preliminary Plat Review @ \$4,425 and Final Plat Review @ \$1,125	No additional expenses are anticipated.
Police	No revenues anticipated.	Ongoing costs include .1 FTE and operating for \$8,540 annually. Additionally, \$2,297 for the portion of a purchase of a vehicle.
Public Works	Street Maintenance \$111 - Fees and reimbursements. This is "on-going" revenue attributed by % factor for streets added.	\$325 on-going operating for maintenance, fuel, disposables, etc. on an allocated basis for added street mileage.
Transportation	Assumes 1) no fixed route service extended to this area 2) Powell Bill reimbursement for stop sign maintenance - subject to available funds - estimated at \$48 annually for traffic signs and pavement markings 3) 17 paratransit trips would generate \$29 in revenues.	Assumes 1) \$1,495 for thoroughfare streetlights starting in FY2018, 2) no traffic signals, 3) \$41 annualized for stop signs & street markers, 4) \$18 annualized for restriping maintenance, 5) no new fixed route bus required 6) an estimated 17 paratransit trips would be required with an annual cost of \$376.
Solid Waste	Assumes an annual rate of \$367 for the Solid Waste Fee, \$80 for recycling and \$240 for Yard Waste pickup. \$72 for yard waste carts. Yard waste revenues are calculated at 25% of total homes (4 subscriptions).	One-time costs include \$1,735 for recycling, yard waste, and collection carts. Annual operating costs total \$4,069 for fuel, disposal, and other items.
Water Management	Water and Sewer rates are based on size of meter and volume of water used. Does not impact General Fund. One time capital facility fees totaling \$43,826 and about \$6K in annual revenue.	Does not impact General Fund. The operating/maintenance costs are assumed at \$3,945 per year and CIP pay-go and capital facility fees total \$46,045 annually.
Parks & Recreation	Any increased revenues will be offset by increased operational/maintenance needs. No impact.	No additional expenses are projected with this annexation.
Emergency Communications	No revenues anticipated.	No additional expenses are anticipated.
Fleet Management	n/a	n/a

SDBE Summary. This item has no known SDBE impact.

Attachments

- Attachment 1: Context Map
- Attachment 2: Aerial Map
- Attachment 3: Cost/Benefit Analysis
- Attachment 4: Clerk Certification
- Attachment 5: Legal Description
- Attachment 6: Utility Extension Agreement
- Attachment 7: Estimated Utility Life Cycle Costs
- Attachment 8: Annexation Ordinance
- Attachment 9: Initial Zoning Ordinance
- Attachment 10: Utility Extension Agreement Vicinity Map