



CITY OF DURHAM | DURHAM COUNTY
NORTH CAROLINA



Date: September 15, 2014

To: Thomas J. Bonfield, City Manager

Through: Keith Chadwell, Deputy City Manager

From: Steven L. Medlin, AICP, Planning Director

Subject: Coordinated Annexation Agenda Item: Stonegate Reserve

Executive Summary. A request for voluntary annexation and initial zoning has been received from Garman Homes Inc. for six (6) contiguous parcels. The subject site is an existing donut hole (Attachment 1) in that it is completely surrounded by the Durham city limit. The subject parcels are located along the 3700 block of Stonegate Drive and are presently zoned Residential Suburban-20 (RS-20).

The applicant in this case has requested an initial zoning designation of Residential Suburban-20 (RS-20). This request is consistent with City Council policy designating the least intense zoning based on the Development Tier and the size of the lot for the majority of the subject parcels.

The surrounding area is zoned RS-20 and no RR-zoned properties are located within a 2,250 foot radius of this site. RS-20 zoning is consistent with the *Comprehensive Plan* which designates this area as low density residential.

Two motions, with four sub-components, are required by law to approve the zoning map change.

Recommendation. Staff recommends that Council approve the EA, voluntary annexation, and zoning map change and that the Council adopt a consistency statement as required by GS 160A-383.

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

Utility Extension Agreement

Approval of the EA would authorize the applicant to serve the site by connecting to the existing City water and sewer mains adjacent to the site. The existing sanitary sewer and water mains have capacity for the proposed development. No offsite improvements will be required, only extension of proposed sewer and water mains to the projects scope will be required.

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, 2014. 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 Suburban-20 (R2-20) on the property.

Utility Impacts. Public Works and Water Management performed the utility impact analysis for the utility extension agreement and have determined that the existing waterline and sanitary sewer have capacity for the proposed development. No offsite improvements will be required.

Water service shall be provided by existing water service connections to the 8-inch waterline in Stonegate Drive. Sewer service shall be provided by extending sanitary sewer services to the existing 8-inch sanitary sewer in Stonegate Drive. Sewer service shall also be provided to the extending the existing 8-inch sanitary sewer in Stonegate Drive. Water Management and Public Works are not requesting major infrastructure improvements at this time.

Financial Impact. The gas and electric franchise tax has been eliminated and replaced with a state sales tax that is to be shared with cities. Due to these tax reform changes the calculation related to sales tax projections for the purpose of this exercise has been updated. Previously, cost-benefit impacts calculated sales tax based on prior year-end actuals with a cost inflator of two-percent. Since historical information is not yet available, cost-benefit impacts for FY15 will use the Adopted sales tax amount for calculation purposes. Once the first year has been collected, the calculation will return to using the prior year-end actual with an inflator.

The estimated annual General Fund revenues generated from this annexation area under the initial zoning map change at build out in FY2018-19 is \$21,230. The estimated annual General Fund expenditures associated with providing City services at build out is \$3,711. The estimated annual General Fund net gain to the City at build out is \$17,519. The cumulative estimated net gain to the City at build out is \$54,528. Please note that Impact Fee revenues are not included in the General Fund revenue estimates but are included in the cumulative net gain.

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.

Department/Type	Revenues	Expenses
Emergency Communications	No revenues anticipated	No additional expenses are anticipated
Fire	No revenues anticipated	No additional expenses are anticipated
Fleet Management	No revenues anticipated	No additional expenses are anticipated
Inspections	The total street impact fees are \$12,312 with the following breakdown: Parks and Recreation - \$2,550 Open Space - \$1,332 Street Impact - \$8,430 There are no anticipated developer credits for the street impact fees.	No additional expenses are anticipated
Parks & Recreation	No revenues anticipated	No additional expenses are projected
Planning	No revenues anticipated	No additional expenses are anticipated
Police	No additional revenues are anticipated	Annual costs for additional coverage area are anticipated at \$2,332 at the completion of the build out. This annexation will only require a portion of an FTE.
Public Works	There are no anticipated general fund revenues.	There are no projected streets associated with this annexation. There are no general fund expenses anticipated. Stormwater fees will cover any associated expenses.
Solid Waste	Anticipated revenues estimate 1 new yard waste customer. This will generate \$90 in yard waste subscription fees annually. Revenues associated with the recycling rebate are estimated to be \$29.	One-time expenses include the cost of solid waste and recycling carts for 8 single family homes (\$4,512 over the build out period). The onetime cost for yard-waste is \$47. The department anticipates ongoing operating costs associated with residential collections, recycling and yard waste to be \$1,379 annually at build out.

Transportation	No general fund revenues are anticipated. The six estimated paratransit trips each year would generate \$10.	No additional expenses are projected. The proposed annexation request does not include any additional proposed public roadways which will require street lighting or traffic operations. Paratransit services are anticipated to cost \$133 each year.
Water Management	No general fund revenues anticipated	No general fund expenses are anticipated. Any expenditures will be covered by fees collected.

Alternative. Deny the EA and voluntary annexation petition. No action would be required or authorized on the zoning map change.

SDBE Summary. This item has no known SDBE impact.

Attachments

- Attachment 1: Context Map
- Attachment 2: Aerial Map
- Attachment 3: Clerk Certification
- Attachment 4: Cost Benefit Analysis
- Attachment 5: DWM Estimated Utility Lifecycle Costs
- Attachment 6: Utility Map
- Attachment 7: Utility Extension Agreement
- Attachment 8: Planning Commission Resolution
- Attachment 9: Annexation Ordinance
- Attachment 10: Initial Zoning Ordinance
- Attachment 11: Consistency Statement