



CITY OF DURHAM | DURHAM COUNTY
NORTH CAROLINA



Date: September 2, 2014

To: Thomas J. Bonfield, City Manager

Through: Keith Chadwell, Deputy City Manager

From: Steven L. Medlin, AICP, Planning Director

Subject: Coordinated Annexation Item: Akal Creek Phase II

Executive Summary. A request for utility extension agreement, (EA), voluntary annexation and initial zoning has been received from Shabeg Sandhu for two distinct areas: 3.944 contiguous acres on Dulaire Drive (Case BDG1300018) and 0.919 non-contiguous acres located on Herndon Road (Case BDG1300019).

The contiguous annexation (Case BDG1300018) represents a logical extension of the existing City limit, and will be integrated into the Akal Creek subdivision to the east which is currently under construction. The non-contiguous annexation (Case BDG1300019) would create a new, somewhat isolated satellite. However, due to the residential demand and pace of development in the area, it is likely that other adjacent properties will also petition for annexation in the near term.

Staff is recommending an initial zoning of Residential Suburban (RS-20), which is consistent with City Council policy designating the least intense zoning based on the Development Tier and the size of the lot. If the existing County zoning of Rural Residential (RR) were applied to the property, all of the lots would be non-conforming. The RS-20 zoning would permit one single-family house to be built on each of the nine existing lots.

The proposed development has submitted an extension agreement for approval by City Council. Public Works and Water Management performed the utility impact analysis for the utility extension agreement and the existing water mains have capacity for the proposed development. No offsite improvements will be required, other than extension of sewer and water service to the site. Please note that this agreement is for City water service only. Sanitary Sewer will be provided by Durham County. 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 four components, is required by law to approve the utility extension agreement, two voluntary annexation petitions, and zoning map change.

Recommendation. That the Council approve the utility extension agreement, voluntary annexations and initial zoning.

Issues and Analysis. This request involves four separate items: utility extension agreement, two voluntary annexation petitions, and initial zoning.

Voluntary Annexation Petition

The Administration is requesting the Council conduct a public hearing and consider annexation of the subject properties with an effective date of September 30, 2014. The public hearing for Case BDG1300018 will be held in compliance with N.C. General Statute 160A-31. The public hearing for Case BDG1300019 will be held in compliance with N.C. General Statute 160A-58.2.

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 of Residential Suburban (RS-20), which is consistent with City Council policy designating the least intense zoning based on the Development Tier and the size of the lot. If the existing County zoning of Rural Residential (RR) were applied to the property, all of the lots would be non-conforming. The RS-20 zoning would permit one single-family house to be built on each of the nine existing lots. The Planning Commission recommended approval of the initial zoning on February 11, 2014 by a vote of 12-0.

Utility Impacts. Water service shall be provided by extending a 12-inch waterline in Herndon Road from the existing 12-inch stub at the intersection of Herndon Road and Scott King Road. Water service shall also be provided by extending the existing 8-inch waterline in Dulaire Drive. Sewer service shall be provided by extending an 8-inch sanitary sewer in Herndon Road. Sewer service shall also be provided by extending the existing 8-inch sanitary sewer in Dulaire Drive.

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 any other party for any improvements to the wastewater collection and treatment systems required to serve the Project. All sewer Improvements, including size, location, and service area shall meet City and Durham County Requirements (in the case of a conflict the stricter of the two shall apply). There shall be no City participation in the cost. The Developer shall extend sewer and easements through the Project to its boundaries as directed by the City and Durham County to allow for future extensions. The Developer may request City or Durham County assistance in

condemnation but, if approved, any acquisition shall be at the Developer's expense including reasonable attorney fees and all other litigation expenses and costs. If the Developer is unable to obtain a required approval from Durham County or any other party, the 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. There is capacity in the system to serve this project. Water Management and Public Works are not requesting major infrastructure improvements at this time.

Financial Impact. The estimated annual General Fund revenues generated from this annexation area under the initial zoning map change at build out in FY2014-15 is \$31,845. The estimated annual General Fund expenditures associated with providing City services at build out is \$7,194. The estimated annual General Fund net gain to the City at build out is \$24,651. The cumulative estimated General Fund net gain to the City at build out is \$26,539. All calculations do not include Impact Fee revenues, as these fees support capital improvement projects and therefore do not have an impact on the General Fund.

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 reoccurring expenses are anticipated
Fleet Management	No revenues anticipated	No additional expenses are anticipated
Inspections	Impact Fees: Street (\$12,645); Parks & Recreation (\$3,825); Open Space (\$1,998)	No material impacts
Parks & Recreation	No revenues anticipated	No additional expenses are projected
Planning	No revenues anticipated	No additional expenses are anticipated
Police	No revenues anticipated	First year estimated service cost of \$7,625 and ongoing annual cost of \$5,328
Public Works	Proportional allocation for utility cuts reimbursements total \$63 annually	Projected annual street maintenance costs estimated at \$275

Solid Waste	Revenues generated annually include \$194 for the Solid Waste fee as well as 2 yard waste subscribers (\$176).	On-going annual costs total \$1,576 (includes disposal costs for collection, yard waste, and bulky items. Additional costs associated with the roll out carts estimated at \$514.
Transportation	Powell Bill reimbursement in the amount of \$15 annually. Also, Paratransit services are estimated to generate approximately \$15 in fares.	On-going costs include maintenance of street markings and signs at approximately \$15 per year as well as electricity associated with the projected street lights in the amount of \$854, to begin in FY17-18. Paratransit services anticipate 9 trips per year at a cost of \$199.
Water Management	No revenues anticipated	No additional expenses are anticipated

Alternatives. The Council could elect to deny voluntary annexation petitions and EA. No action would be required or authorized on the initial zoning

SDBE Summary. This item has no known SDBE impact.

Attachments

- Attachment 1: Context Map
- Attachment 2: Aerial Map
- Attachment 3: Utility Map
- Attachment 4: Cost/Benefit Analysis
- Attachment 5: Utility Life Cycle Costs
- Attachment 6: Clerk Certification
- Attachment 7: Utility Extension Agreement
- Attachment 8: BDG1300018 Annexation Ordinance
- Attachment 9: BDG1300019 Annexation Ordinance
- Attachment 10: Initial Zoning Ordinance