



CITY OF DURHAM | DURHAM COUNTY
NORTH CAROLINA



Date: May 4, 2015

To: Thomas J. Bonfield, City Manager

From: Grace Smith, AICP, Planning Supervisor

Through: Steven L. Medlin, AICP, Planning Director
Keith Chadwell, Deputy City Manager

Subject: Coordinated Annexation Agenda Item for Herndon Road Subdivision

Executive Summary. A request for utility extension agreement (EA), voluntary annexation, and a zoning map change has been received from Herndon Partners, LLC for the Herndon Road Subdivision project. The site is located on the west side of Herndon Road north of Martry Road and south of Stinhurst Drive (Please see Attachment 1 for a project area context map).

The requested annexation (case BDG1400007) is for 26.02 contiguous acres. If approved, the annexation would be effective on June 30, 2015. Annexation of the subject properties would create a “donut hole” consisting of two lots.

The applicant in this case has requested an initial zoning designation of Rural Residential (RR) (case Z1400016A) which would allow up to 48 residential units. The requested zoning is consistent with the adopted Future Land Use Map, which designates this site as Low Density Residential (4 DU/Ac. or less). The current County zoning (RR – County jurisdiction) would allow approximately 24 single-family lots, if on-site water and waste water utilities could be installed.

Public Works and Water Management performed the utility impact analysis for the utility extension agreement and have determined that the existing City of Durham water mains and sanitary sewer have capacity for the proposed development. The project is required to install a public sanitary sewer outfall that will connect to the Fayetteville Road Pump Station. This developer is responsible for making infrastructure payments to the City as a reimbursement to the original developer of the pump station. The Developer shall acquire all offsite sewer easements. The Developer may request City 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.

Budget and Management Services performed a fiscal impact analysis, which determined that the proposed annexation will be revenue-positive the immediately upon annexation.

Two motions are required for this item. One motion, with three sub-components, is required to approve the utility extension agreement, voluntary annexation petition, and zoning map change. A second motion is required adopting a consistency statement as required by GS 106A-383.

Recommendation. Staff recommends that Council approve the EA, voluntary annexation, and zoning map change.

Issues and Analysis. This request involves three separate items: utility extension agreement, voluntary annexation, and initial zoning. Each item will be reviewed below:

Utility Extension Agreement

Public Works and Water Management performed the utility impact analysis for the utility extension agreement and have determined that the existing City of Durham water mains and sanitary sewer have capacity for the proposed development.

Water service shall be provided by extending into the property the existing 12-inch waterline in Herndon Road, the existing 8-inch waterline in Carrickfergus Court, and the existing 8-inch waterline Bally Castle Drive.

Sewer service shall be provided by extending a sanitary sewer outfall that will connect to the Fayetteville Road Pump Station. The Developer shall acquire all offsite sewer easements. The Developer may request City assistance in condemnation but, if assistance is provided, any acquisition shall be at the Developer's expense including reasonable attorney fees and all other litigation expenses and costs. All sewer improvements, including size, location, and service area shall meet City Requirements. 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 to allow for future extensions.

Herndon Road Residential Subdivision is located within the Fayetteville Road Pump Station sewer service area and will connect to the Fayetteville Road Pump Station and other oversized facilities constructed by a previous developer. This pump station and other oversized sewer facilities were installed to accommodate future growth and it was anticipated that future developers would make payments to the City to reimburse the developer that originally constructed them. In accordance with City Code Sec. 70-19, Developer shall make Reasonable Infrastructure Payments of \$1,700 per detached single-family dwelling unit and \$4.75 per gallon of permitted wastewater flow for

multi-family and nonresidential development to the City at the time the proposed sewer collection lines are permitted for construction.

Voluntary Annexation Petition

The staff is requesting the Council conduct a public hearing and consider annexation of the subject property (case BDG1400007) with an effective date of June 30, 2015. The public hearing will be held in compliance with N.C. General Statute 160A-31.

Annexation would require the provision of City services to the subject property. Budget and Management Services performed a fiscal impact analysis, which determined that the proposed annexation will be revenue positive immediately upon annexation.

Zoning Map Change

The applicant is requesting a zoning map change from RR (County jurisdiction) to RR (City jurisdiction) (case Z1400016A) for a maximum of 48 single-family residential units. This request would be consistent with all adopted City plans and policies. The Planning Commission recommends approval per a resolution adopted on December 13, 2005 (see Attachment 9).

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 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 FY2017-18 is \$139,565. The estimated annual General Fund expenditures associated with providing City services at build out is \$33,925. The estimated annual General Fund net gain to the City at build out is \$105,640. The cumulative estimated net gain to the City at build out is \$277,039. 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.

Memorandum
Herndon Road Subdivision

Department/Type	Revenues	Expenses
Emergency Communications	No revenues anticipated	No additional expenses are anticipated
Fire	No revenues anticipated	One-time debt service payment to Parkwood Fire Department in the amount of \$150
Fleet Management	No revenues anticipated	No additional expenses are anticipated
Inspections	The total street impact fees are \$98,496 with the following breakdown: Parks and Recreation - \$20,400 Open Space - \$10,656 Street Impact - \$67,440 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	Total development review fees collected are \$7,150 for this project.	No additional expenses are anticipated
Police	No additional revenues are anticipated	Annual costs for additional coverage area are anticipated at \$18,967 at the completion of the build out. This annexation will only require a portion of an FTE.
Public Works	The anticipated revenues will be approximately \$167 at the project build out. These revenues are the prorated utility cut reimbursements based on the linear feet of streets that will be added due to this annexation.	General fund costs associated with street maintenance are expected to be \$3,054 at build out. Costs associated with Stormwater will be covered by stormwater fees.
Solid Waste	Anticipated revenues estimate 12 new yard waste customers at build out. This will generate \$1,080 in yard waste subscription fees annually. Revenues associated with the recycling rebate are estimated to be \$234.	One-time expenses include the cost of solid waste and recycling carts for 48 single family homes (\$4,512 over the build out period). The onetime cost for yard-waste carts for the estimated 12 customers is \$564. The department anticipates ongoing operating costs associated with residential collections, recycling and yard waste to be \$11,118 annually at build out.

Transportation	Minor revenues are estimated from the Powell Bill reimbursements at \$304 annually. In addition, the paratransit service will generate \$82 annually at build out with the assumption of 48 trips annually.	Anticipated expenses include: 14 100-watt street lights, 10 traffic control signs, 8 street name markers, and pavement markings. The expenses are estimated at \$3,135 annually once street lights have transitioned from the developer to the City (three years). Paratransit services are anticipated to cost \$1,062 each year.
Water Management	No general fund revenues anticipated	No general fund expenses are anticipated. Any expenditures will be covered by fees collected.

Utility Impacts. Public Works and Water Management performed the utility impact analysis for the utility extension agreement and have determined that the existing City of Durham water mains and sanitary sewer have capacity for the proposed development. The project is required to install a public sanitary sewer outfall that will connect to the Fayetteville Road Pump Station. The Developer shall acquire all offsite sewer easements. The Developer may request City 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.

Water service shall be provided by extending into the property the existing 12-inch waterline in Herndon Road, the existing 8-inch waterline in Carrickfergus Court, and the existing 8-inch waterline Bally Castle Drive. Sewer service shall be provided by extending a sanitary sewer outfall to the Fayetteville Road Pump Station.

All sewer Improvements, including size, location, and service area shall meet City Requirements. 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 to allow for future extensions. The Developer shall acquire all offsite sewer easements. The Developer may request City 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.

Herndon Road Residential Subdivision is located within the Fayetteville Road Pump Station sewer service area and will connect to the Fayetteville Road Pump Station and other oversized facilities constructed by a previous developer. This pump station and other oversized sewer facilities were installed to accommodate future growth and it was anticipated that future developers would make payments to the City to reimburse the developer that originally constructed them. In accordance with City Code Sec. 70-19, Developer shall make Reasonable Infrastructure Payments of \$1,700 per detached single-family dwelling unit and \$4.75 per gallon of permitted wastewater flow for multi-family and nonresidential development to the City at the time the proposed sewer collection lines are permitted for construction.

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: Future Land Use Map
- Attachment 3: Aerial Map
- Attachment 4: Utility Extension Agreement
- Attachment 5: Utility Life Cycle Costs
- Attachment 6: Cost/Benefit Analysis
- Attachment 7: Legal Description
- Attachment 8: Clerk Certification
- Attachment 9: Planning Commission Resolution
- Attachment 10: Annexation Ordinance
- Attachment 11: Zoning Map Change Ordinance
- Attachment 12: Consistency statement