



CITY OF DURHAM | DURHAM COUNTY  
NORTH CAROLINA



**Date:** June 1, 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 Hopson Road Self-Storage Center

**Executive Summary.** A request for a utility extension agreement (EA), voluntary annexation, plan amendment, and zoning map change has been received from Stackhouse Properties, LLC for the Hopson Road Self-Storage Center project. The site is located at 4812 Hopson Road, south side of Hopson Road and west of NC 54 Highway (see Attachment 1 for a project area context map).

The requested annexation (case BDG1400012) is for 14.841 contiguous acres (including right-of-way). If approved, the annexation would be effective on June 30, 2015.

The applicant in this case has requested an initial zoning designation of Commercial General with a development plan (CG(D)) (case Z1400038) which would allow up to 400,000 square feet of nonresidential development on 6.982 acres; 7.859 acres of the site is right-of-way. The site is currently split-zoned. County zoning (RR – County jurisdiction) would allow approximately eight single-family residential lots and CN would permit a 2,000 square foot fast food restaurant with drive-up window (see Attachment 13 for the zoning staff report). The requested zoning is not consistent with the adopted Future Land Use Map, which designates this site as Office. A plan amendment, case A1400010, to change the Office Designation to Commercial has been submitted and is being supported by staff.

Public Works and Water Management performed the utility impact analysis for the utility extension agreement and have determined that the existing waterlines have the capacity for the proposed development. No offsite improvements will be required, other than connecting a water service to the property. The site will be served by the Durham County sewer system.

Water service to property shall be provided by connecting to the existing 16-inch waterline in Hopson Road and the 12-inch private waterline in the commercial parcels east of the property. Water Management and Public Works are not requesting major

infrastructure improvements. Sewer service will be provided by connecting a service to the existing 8-inch sanitary sewer maintained by Durham County. 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. There shall be no City participation in the cost.

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

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

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

**Issues and Analysis.** This request involves four separate items: utility extension agreement, voluntary annexation, plan amendment, 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 the existing sanitary sewer and 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.

#### Voluntary Annexation Petition

The staff is requesting that Council conduct a public hearing and consider annexation of the subject property (case BDG1400012) 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.

#### Plan Amendment

The proposed plan amendment would change the Future Land Use Map designation of the Comprehensive Plan from Office to Commercial. Staff is recommending approval,

based on the proposal being justified and meeting the four criteria for plan amendments. Planning Commission recommended approval, 7-3, at their April 14, 2015 meeting, based on the justification, the request meeting the four criteria for plan amendments, and information heard at the public hearing. Please see the plan amendment staff report (Attachment 7) for more information.

Zoning Map Change

The applicant is requesting a zoning map change from RR, CN, and IL(D) (County jurisdiction) to CG(D) and IL(D) (City jurisdiction) (case Z1400038) for a maximum of 400,000 square feet of nonresidential development. This request is consistent with all adopted City plans and policies. The Planning Commission recommended approval, 10-0 on April 14, 2015 (see Planning Commission Summary and Written Comments, Attachment 16).

**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 FY2016-17 is \$15,336. The estimated annual General Fund expenditures associated with providing City services at build out is \$7,295. The estimated annual General Fund net gain to the City at build out is \$8,041. The cumulative estimated net gain to the City at build out is \$164,960. 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.

<b>Department/Type</b>	<b>Revenues</b>	<b>Expenses</b>
Emergency Communications	No revenues anticipated	No additional expenses are anticipated
Fire	Revenues include the inspection of the business every three years (\$300)	No additional expenses with the completion of Fire Station 17
Fleet Management	No revenues anticipated	No additional expenses are anticipated
Inspections	The total street impact fees are \$144,800.	No additional expenses are anticipated

Parks & Recreation	No additional revenues are anticipated	No additional expenses are anticipated
Planning	The department anticipates receiving \$13,225 in development review fees for this request.	No additional expenses are anticipated
Police	No additional revenues are anticipated	Annual costs for additional coverage area are anticipated at \$6,588 at the completion of the build out. This annexation will only require a portion of an FTE.
Public Works	Minimal revenues are anticipated (\$4/year). These revenues are the prorated utility cut reimbursements based on the linear feet of streets that will be added due to this annexation.	Expenses related to Street Maintenance will total \$730 at build out. Costs associated with Storm water will be covered by storm water fees.
Solid Waste	No revenues anticipated	No expenses anticipated as this is a commercial structure.
Transportation	There are no general fund revenues associated with the request	There are no anticipated expenses with this request.
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 plan amendment or zoning map change.

**SDBE Summary.** This item has no known SDBE impact.

**Attachments**

- Attachment 1: Context Map
- Attachment 2: Aerial Map
- Attachment 3: Future Land Use Map
- Attachment 4: Utility Extension Agreement
- Attachment 5: Department of Water Management Written Analysis
- Attachment 6: Cost/Benefit Analysis
- Attachment 7: Plan Amendment Staff Report
- Attachment 8: Plan Amendment Map – Proposed Change
- Attachment 9: Plan Amendment Map – Area Context
- Attachment 10: Plan Amendment Map – Aerial
- Attachment 11: Plan Amendment Justification
- Attachment 12: Plan Amendment – Planning Commissioner’s Written Comments
- Attachment 13: Zoning Map Change Staff Report
- Attachment 14: Zoning Map Change Development Plan
- Attachment 15: Bicycle and Pedestrian Advisory Commission Comments

Memorandum  
Hopson Road Self-Storage Center

- Attachment 16: Planning Commission Summary and Written Comments
- Attachment 17: Legal Description
- Attachment 18: Clerk Certification
- Attachment 19: Annexation Ordinance
- Attachment 20: Comprehensive Plan Amendment Resolution
- Attachment 21: Zoning Map Change Ordinance
- Attachment 22: Zoning Map Change Consistency Statement