



CITY OF DURHAM | DURHAM COUNTY
NORTH CAROLINA



Date: September 21, 2015

To: Thomas J. Bonfield, City Manager

Through: Keith Chadwell, Deputy City Manager

From: Steven L. Medlin, AICP, Planning Director

Subject: Coordinated Annexation Item: Amerco

Executive Summary. A request for a utility extension agreement (EA), voluntary annexation, and initial zoning has been received from Amerco Real Estate Company for five contiguous parcels located along U.S. Highway-70 (U.S.-70).

This contiguous annexation (Case BDG1500001) represents an extension of the existing City limit. The subject site contains a single family residential structure and a commercial warehouse operated by U-Haul. No changes are proposed to the existing single family structure. The applicant intends to expand and upgrade portions of the commercial business at the site. A site plan noting these improvements was approved in 2013 (Case D1300046).

Staff recommends an initial zoning of Commercial General (CG) and Residential Suburban-20 (RS-20), which is not consistent with City Council policy designating the least intense zoning based on the Development Tier and the size of the lot. The subject site is presently zoned CG and RS-20. Staff recommends an exact translation of existing zoning given that the *Comprehensive Plan* recommends commercial for the subject site.

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 have determined that the existing City of Durham sanitary sewers and water mains have capacity for the proposed development. No offsite improvements will be required, other than extension of water and sanitary sewer services to the site. 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.

Recommendation. That the Council approves the utility extension agreement, voluntary annexation, and initial zoning.

Issues and Analysis. This request involves three separate items: a utility extension agreement, voluntary annexation petition, and an 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, 2015. The public hearing for Case BDG1500001 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 Commercial General (CG) and Residential Suburban (RS-20) which is not consistent with City Council policy designating the least intense zoning based on the Development Tier and the size of the lot. Staff recommends an exact translation of existing zoning given that the Comprehensive Plan recommends commercial for the subject site.

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 main has the capacity for the proposed development. No offsite improvements will be required, other than extension of water to the site. The site has an existing sanitary sewer connection to the Durham County sewer system.

Water service to the new building expansion shall be provided by connecting to the existing 16-inch waterline in Angier Avenue. Water Management and Public Works are not requesting major infrastructure improvements at this time. Sewer service is already provided by Durham County.

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 FY2015-16 is \$35,876. The

estimated annual General Fund expenditures associated with providing City services at build out is \$2,652. The estimated annual General Fund net gain to the City at build out is \$33,224. The cumulative estimated net gain to the City at build out is \$40,202. 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.

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	Revenues include the inspection of the business every three years (\$170)	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 \$6,978. There are no anticipated developer credits for the street impact fees.	No additional expenses are anticipated
Parks & Recreation	No additional revenues are anticipated	No additional expenses are anticipated
Planning	No additional revenues are anticipated	No additional expenses are anticipated
Police	No additional revenues are anticipated	Annual costs for additional coverage area are anticipated at \$2,652 at the completion of the build out. This annexation will only require a portion of an FTE.
Public Works	There are no general fund revenues associated with the request	There are no general fund expenses anticipated with this request. Storm water will be impacted but will also receive fees for the services required.
Solid Waste	No revenues anticipated	No expenses anticipated as this is a commercial structure.
Transportation	No revenues anticipated	No expenses anticipated as this is a commercial structure.
Water Management	No general fund revenues anticipated	No general fund expenses are anticipated. Any expenditures will be covered by fees collected.

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

SDBE Summary. This item has no known SDBE impact.

Staff Resources.

Grace Smith, AICP, CZO, Planning Supervisor
Grace.Smith@durhamnc.gov, 919.560.4137 ext. 28215

Jacob Wiggins, Planner
Jacob.Wiggins@durhamnc.gov, 919.560.4137 ext.28257

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: Planning Commission Resolution
- Attachment 9: BDG1500001 Annexation Ordinance
- Attachment 10: Initial Zoning Ordinance
- Attachment 11: Consistency Statement