



CITY OF DURHAM | DURHAM COUNTY
NORTH CAROLINA



Date: October 19, 2015

To: Thomas J. Bonfield, City Manager

Through: Keith Chadwell, Deputy City Manager

From: Steven L. Medlin, AICP, Planning Director

Subject: Coordinated Annexation Item: 4512 Denfield Street

Executive Summary. Requests for a utility extension agreement (EA), voluntary annexation, and initial zoning have been received from True Covenant Missionary Baptist Church for one contiguous parcel located along Denfield Street.

This contiguous annexation (Case BDG1500007) represents an extension of the existing City limit. The subject site is presently vacant. If this request is approved, the applicant intends to construct a place of worship at the subject site.

Staff recommends an initial zoning of Industrial Light (IL), Falls/Jordan-B (IL, F/J-B), 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 least intense zoning district for the subject site is Residential Suburban-20 (RS-20).

However, the Future Land Use Map in the *Comprehensive Plan* recommends industrial zoning for this site and the site is currently zoned IL in the County. Therefore, staff recommends a direct translation of IL-zoning for the subject site in order to maintain consistency with the *Comprehensive Plan*. Additionally, staff finds that the proposed use of a place of worship would be consistent with the existing land use pattern in the vicinity of the subject site, and place of worship is an allowed, by-right use in the IL zoning district.

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. The only offsite improvement required is the 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 become revenue positive at build out, but will eventually result in a cumulative loss – a condition which is common with tax-exempt uses such as places of worship.

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 approve 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 that the Council conduct a public hearing and consider annexation of the subject property with an effective date of December 31, 2015. The public hearing for Case BDG1500007 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 recommends an initial zoning designation of Industrial Light, Falls/Jordan Lake-B (IL, F/J-B).

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 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 mains and services to the site.

Water service shall be provided by extending a waterline from the existing 12-inch waterline in Denfield Street. Sewer service shall be provided by connecting to the existing 8-inch sanitary sewer in Denfield Street. 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 FY15-16 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 (Fall 2015).

The estimated annual General Fund revenues generated from this annexation area under the initial zoning map change at build out in FY2016-17 is \$415. The estimated

annual General Fund expenditures associated with providing City services at build out is \$1,120. The estimated annual General Fund net loss to the City at build out is \$-705. The cumulative estimated net gain to the City at build out is \$5,495. Impact Fee revenues are not included in the General Fund revenue estimates but are included in the cumulative net gain. Please note this project is not proposed to generate any property or sales tax because it proposed to be used as a place of worship.

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	There are no proposed or anticipated developer credits. Street impact fees are estimated at \$1,890.	No additional expenses are anticipated
Parks & Recreation	No revenues anticipated	No additional expenses are projected
Planning	The department anticipates collecting \$4,310 in development fees.	No additional expenses are anticipated
Police	No additional revenues are anticipated	Annual costs for the additional coverage area are anticipated at \$1,120 at build out for a portion of an FTE.
Public Works	No additional revenues are anticipated	No additional expenses are anticipated for the general fund. The costs associated with the Stormwater Division are negligible.
Solid Waste	No additional revenues are anticipated	No additional expenses are anticipated
Transportation	No additional revenues are anticipated	No additional expenses are anticipated
Water Management	No general fund revenues anticipated	No general fund expenses are anticipated. Water and Sewer rates will cover the cost to provide service.

Memorandum
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Alternatives. The Council could elect to deny the 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.

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: BDG1500007 Annexation Ordinance

Attachment 10: Initial Zoning Ordinance

Attachment 11: Consistency Statement