



CITY OF DURHAM | DURHAM COUNTY
NORTH CAROLINA



Date: November 2, 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 Leesville-Andrews Residential

Executive Summary. A request for a utility extension agreement (EA), voluntary annexation, and zoning map change has been received from Epcon Communities Carolinas, LLC for the Leesville-Andrews Residential project. The subject site is comprised of seven (7) parcels located at the northwest quadrant of Leesville Road at Andrews Chapel Road. The project includes 6300, 6314, and 6610 Leesville Road and 116, 120, 204, and 208 Andrews Chapel Road (Attachment 1, Context Map)

The requested annexation (Case BDG1500002) is for 44.87 non-contiguous acres (including right-of-way). If approved, the annexation would be effective on December 31, 2015.

There are seven parcels adjacent to the subject site which are not part of this request and front along on Leesville Road or Andrews Chapel Road. These properties are not owned by Epcon Communities Carolinas, LLC and did not petition to be included in this request.

The applicant has requested an initial zoning designation of Planned Development Residential-3.291 (PDR 3.291, Case Z1500001) which would permit up to 134 residential units at the subject site.

The site is currently zoned Residential Rural (RR – County jurisdiction) and would allow approximately 52 single family lots (Attachment 7, Zoning Staff Report). The requested zoning is consistent with the adopted Future Land Use Map, which designates this site as Low Density Residential.

Public Works and Water Management performed the utility impact analysis for the utility extension agreement and have determined that the existing City of Durham system has the capacity for the proposed development. Offsite waterline extensions will be required. The owner is responsible for the cost of offsite waterline extensions.

Water service shall be provided by extending and connecting the existing 12-inch waterlines in Leesville Road and Andrews Chapel Road and extending waterlines into the property. Sewer service shall be provided by connecting sanitary sewer mains to the existing sanitary sewer system and pump station that was constructed as part of the Del Web Subdivision. There is capacity in the system to serve this project. Water Management and Public Works are requesting waterline extensions in Leesville Road and Andrews Chapel Road.

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 three sub-components, is required by law to approve the utility extension agreement, voluntary annexation petition, 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, 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 the existing sanitary sewer and water mains have capacity for the proposed development. Offsite water line extensions will be required.

Voluntary Annexation Petition

The staff is requesting that Council conduct a public hearing and consider annexation of the subject property (Case BDG1500002) with an effective date of December 31, 2015. The public hearing will be held in compliance with N.C. General Statute 160A-58.2.

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 PDR 3.291 (City jurisdiction, Case Z1500001) for a maximum of 134 residential units. This

request is consistent with all adopted City plans and policies. The Planning Commission recommended approval, 10-0 on September 15, 2015 (see Planning Commission Summary and Written Comments, Attachment 10).

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 FY2020-21 is \$266,736. The estimated annual General Fund expenditures associated with providing City services at build out is \$77,996. The estimated annual General Fund net gain to the City at build out is \$188,740. The cumulative estimated net gain to the City at build out is \$681,181. 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.

Department/Type	Revenues	Expenses
Emergency Communications	No revenues anticipated	No additional expenses are anticipated
Fire	No revenues anticipated because development is residential	No additional expenses are anticipated at this time. This area will be served by Fire Station 17, upon its completion.
Fleet Management	No revenues anticipated	No additional expenses are anticipated
Inspections	The total impact fees are \$157,852 with the following breakdown: Parks and Recreation - \$56,950 Open Space - \$29,748 Street Impact - \$71,154 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

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Planning	Development fees will be collected in the amount of \$12,350 over the span of the project.	No additional expenses are anticipated
Police	No additional revenues are anticipated	Annual costs for additional coverage area are anticipated at \$59,623 at the completion of the build out. This annexation will require .85 of an FTE.
Public Works	The General Fund revenues anticipated are minimal, totaling approximately \$46 at build out.	Anticipated General Fund expenses, for street maintenance, are estimated at \$8,662 at build out.
Solid Waste	Anticipated revenues estimate 268 new yard waste customers at build out. This will generate \$2,160 in yard waste subscription fees annually. Revenues associated with the recycling rebate are estimated to be \$293.	One-time expenses include the cost of solid waste and recycling carts for 268 single family homes (\$12,596 over the build out period). The one-time cost for yard-waste carts for the estimated 28 customers is \$1,316. The department anticipates ongoing operating costs associated with residential collections, recycling and yard waste to be \$10,404 annually at build out.
Transportation	The department anticipates receiving \$241 in Powell Bill reimbursements for traffic signs and pavement markings.	Anticipated General Fund expenses at build out include: \$5,021 for Street lighting, \$196 for street signs and \$84 for pavement markings. The street lighting costs will increase in out years, as the new lights transition from the developer to the City.
Water Management	No general fund revenues anticipated. The Department would realize additional revenue from outside City rates. These funds would be used for capital projects and debt service. In addition, the City would receive one-time revenues from Capital Facility Fees paid to connect to the City Water and Sewer System. These fees would be deposited into the CIP program.	No general fund expenses are anticipated. Any expenditures will be covered by fees collected. The operational expenditures may be considered short term operating.

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: Future Land Use Map
- Attachment 3: Aerial Map
- Attachment 4: Utility Extension Agreement
- Attachment 5: Department of Water Management Written Analysis
- Attachment 6: Cost/Benefit Analysis
- Attachment 7: Zoning Map Change Staff Report
- Attachment 8: Zoning Map Change Development Plan
- Attachment 9: Bicycle and Pedestrian Advisory Commission Comments
- Attachment 10: Planning Commission Summary and Written Comments
- Attachment 11: Legal Description
- Attachment 12: Clerk Certification
- Attachment 13: Annexation Ordinance
- Attachment 14: Initial Zoning Ordinance
- Attachment 15: Consistency Statement