

BOARD OF ALDERMEN

ITEM NO. (1)

AGENDA ITEM ABSTRACT MEETING DATE: September 14, 2004

TITLE: Resolution of Intent and Report on Northeast Annexation Areas “A” and “B”

DEPARTMENT: PLANNING	PUBLIC HEARING: YES __ NO <u>X</u>
ATTACHMENTS: A. Resolution of Intent B. Service Report for Northeast Annexation Areas “A” and “B”	FOR INFORMATION CONTACT: Roy Williford, 918-7325

PURPOSE

The purpose of this item is for the Carrboro Board of Aldermen to initiate the annexation process for two areas northeast of town by adopting the attached “Resolution of Intent”. The attached Service Report for Northeast Annexation Areas “A” and “B” is provided for consideration and adoption by the Board as well. The staff recommends that the required public information meeting and public hearing be held in Century Hall on Monday November 1 and Tuesday November 16, 2004 respectively.

INFORMATION

The Carrboro Board of Aldermen, during its February 2004 retreat, requested that a study be prepared regarding the annexation of two adjacent areas located northeast of Carrboro’s city limits. Area “A” includes the following subdivisions: Camden, Highlands, Highland Meadows and Highlands North. Area “B” includes the Fox Meadow and Meadow Run subdivisions. This report (Attachment-B) describes the Town’s plans for extending and financing municipal services such as police, fire, street maintenance, sanitation, water, sewer and other major services to each of the areas if annexed. The Board of Aldermen must approve the annexation report (recorded in the minutes) at least 30 days before the date of the public information meeting.

Annexation initiated by the town requires the governing board to first adopt a “Resolution of Intent” stating the municipality’s intent to annex an area. This resolution (Attachment-A) describes the boundaries of the area and fixes a date for a public informational meeting and a public hearing. The public informational meeting scheduled for Monday November 1, 2004 must be held between forty-five (45) and fifty-five (55) days following the passage of the “Resolution of Intent”. The “Resolution of Intent” also fixes the date of the public hearing (recommended for November 16, 2004) to be held between sixty (60) days and ninety (90) days following the passage of the resolution. Notice of the public informational meeting and public hearing must be advertised in a newspaper having general circulation in the

Town once a week for at least two successive weeks prior to the date of the public informational meeting. Notices of the Public Information Meeting and the Public Hearing will be published in *The Chapel Hill Herald and the Chapel Hill News* on Sunday, October 24, 2004 and Sunday, October 31, 2004. The Town staff will send notices to all of the property owners within the proposed annexation areas, as listed in County tax records.

Between 10 and 90 days after the hearing (proposed for January 25, 2005), the Board of Aldermen may adopt an annexation ordinance. Under such an ordinance, the effective date of annexation will be established by the Board. The effective date of the annexation (proposed for January 31, 2006) will be at least one year after the annexation ordinance is adopted

Character of the Annexation Areas

- Annexation Areas “A” and “B” are each contiguous with Carrboro’s city limits
- Over one-eighth (12.5%) of the aggregate external boundary of each area coincides with the existing Town limits.
- Neither area is within the boundary of an incorporated municipality.
- The proposed municipal boundaries resulting from this annexation use recorded property lines and streets.
- Land developments in the areas are primarily residential.
- Each annexation area meets the statutory requirements for urbanization.
 - Northeast Annexation Area “A”:
 - 164 dwelling units;
 - Estimated population of 485 people;
 - 100.8 acres (excluding right-of-way);
 - 4.81 persons per acre (exceeding the required 2.3 persons per acre.
 - The Northeast Annexation Area “B”
 - 124 lots or 89.8% of the 138 lots are used for residential, commercial, industrial, institutional or governmental purposes (exceeding the 60% threshold)
 - 193.8 acres of the total 202 acres are used for purposes other than commercial, industrial, governmental or institutional purposes; of this 193.8 acres, 144.5 acres or 74.5%, consist of lots and tracts three acres or less in size (exceeding the 60% threshold).

Provision of Services

On the effective date of annexation, the Town of Carrboro will provide each major municipal service on substantially the same basis and in the same manner, as such services are provided within the rest of the Town immediately before annexation. The Town’s plan for extending and financing municipal services is provide within the attached report (Attachment-B) on pages 9 through 21. Town plans to finance through its general fund, the capital and operating expenses associated with the provision and extension of municipal services within the annexation areas.

Noteworthy expenditures that may be needed to extend services include the following items:

1. Solid waste collection service contract payments are expected to be paid out to the private haulers for continuing to serve existing customers in equal payments over a two-year period;
2. Monthly payments to Duke Power Company for rental and maintenance fees for approximately 56 street lights
3. Extension of approximately 900 linear feet of 16-inch outfall line to a point where sewer service will be generally available to Annexation Area “B”;
4. The addition of a police patrol, “Police Response Area”;
5. Cost associated with a 5-year contract for services with the Orange New Hope Volunteer Fire Department
6. Payments to the rural fire department following the five-year contract period for a proportionate share of the rural fire department's debt payments for facilities and equipment that existed at the time that the resolution of intent was adopted.

Revenues

Prorated property taxes levied during the last five months of the 2005-06 fiscal year (February 2006 through June 2006) will be billed and due along with the 2006-07 tax bill sent to property owners during the summer of 2006. Due to this billing cycle, the first-year (5-months) revenues due to the Town will need to offset with general funds from the 2005-06 budget cycle.

Anticipated, additional sales tax revenues resulting from this annexation have not been shown in the cost revenue analysis (Appendix-D) due primarily to the difficulty in predicting the effect of the annexation on the Town’s annual share of sales tax revenues.

FINANCIAL IMPACT

A summary of cost and revenue estimates (rounded) for each Annexation Area is as follows:

ANNEXATION AREA	Year 1		Year 2		Year 3	
	1/31/2006-6/30/2006	Area “B”	7/1/2006-6/30/2007	Area “B”	7/1/2007-6/30/2008	Area “B”
Town Costs	50,994	45,973	124,650	105,871	127,578	107,604
Town Revenues	18,440	13,918	594,678	276,711	437,205	208,719
Difference	-32,554	-32,055	470,028	170,840	309,627	101,115

Detailed cost and revenue estimates are provided in Appendix D Tables 1 and 2 pages 52 and 53. Year one cost and revenues have been prorated to reflect a 5 month cost and revenue period.

ADMINISTRATION'S RECOMMENDATION

The administration recommends that the Board of Aldermen adopt the attached "Resolution of Intent" (Attachment –A) stating the town's intent to consider annexation of both annexation areas "A" and "B". This resolution describes the boundaries of each area proposed for annexation; fixes a date for a public informational meeting for November 1, 2004; fixes a date for a public hearing for November 16, 2004, and adopts the report of plans for extending services dated July 31, 2004 entitled Town of Carrboro, NC Service Report for Northeast Annexation Areas "A" & "B".