

BOARD OF ALDERMEN

ITEM NO. B(1)

AGENDA ITEM ABSTRACT

MEETING DATE: January 25, 2005

TITLE: Annexation Ordinance for Northeast Annexation Areas “A” and “B”

| | |
|--|--|
| DEPARTMENT: PLANNING | PUBLIC HEARING: YES __ NO <u>X</u> |
| ATTACHMENTS: A. Annexation Ordinance B. November 1, 2004 Public Information Meeting Notes C. November 16, 2004 Public Hearing Minutes D. Planning Board Recommendation | FOR INFORMATION CONTACT: Roy Williford, 918-7325 |

PURPOSE

The purpose of this item is for the Carrboro Board of Aldermen to consider the adoption of an annexation ordinance incorporating Northeast Area “A” and/or Northeast Area “B” as identified in the Resolution of Intent and Service Report for Northeast Annexation Areas “A” and “B” approved by the Board of Aldermen on September 14, 2004.

INFORMATION

The Carrboro Board of Aldermen, on September 14, 2004 initiated procedures for the possible annexation of two areas generally located northeast of Carrboro’s city limits, Annexation Area “A” and Annexation Area “B”, through the adoption of a Resolution of Intent. Northeast Annexation Area “A” generally located north of Homestead Road and west of Rogers Road includes the following subdivisions: Camden, Highlands, Highland Meadows and Highlands North. Northeast Annexation Area “B” generally located south of Eubanks Road and West of Rogers Road includes the Fox Meadow and Meadow Run subdivisions. As proposed by the Resolution of Intent, a Public Information Meeting was held by the Town’s staff on November 1, 2004 approximately 75 people attended the November 1st public information meeting representing at least 42 properties with 12% from Area “A” and 88% from Area “B”. The public information meeting notes are provided as “Attachment C”. The Carrboro Board of Aldermen conducted a public hearing on November 16, 2004 minutes are provided as “Attachment D”. Approximately 100 people attended the November 16th public hearing representing 56 or 18% of the 309 properties with 36 or 21% of Area “A” properties represented and 20 or 15% of Area “B” properties represented. About 50 people addressed the Board of Aldermen which included several Carrboro residents. About 2/3 of the speakers were from Area “A”.

The Board of Aldermen may adopt an annexation ordinance between 10 and 90 days after the November 16, 2004 public hearing and after providing the Town of Chapel Hill with 60 days written notice. A notice as described by section 7 of the 1995 Annexation Boundary Agreement was mailed to Chapel Hill on November 19, 2004 and received on November 22, 2004. The effective date of the annexation (proposed for January 31, 2006) will be at least one year but not more than 400 days after the annexation ordinance is adopted.

The attached Annexation Ordinance provides the following sections:

Section 1 describes by metes and bounds the external boundary of each annexation area (Annexation Area “A” and Annexation Area “B”).

Section 2 provides specific findings showing that each area to be annexed meets the statutory standards of G.S. 160A-48.

Section 3 sets forth the Town's purpose and intent to provide municipal services as set forth in the adopted annexation service report.

Section 4 is a specific finding by the Board of Aldermen that the Town will have sufficient funds appropriated by the effective date to finance the construction of 900 linear feet of sewer outfall line proposed in the annexation report to service Area B. The construction of the outfall line is to be completed within two years from the January 31, 2006 effective date or by January 31, 2008.

Section 5 states that citizens and property in the annexation areas will be subject to the same debts, laws, regulations, privileges and benefits as other parts of Town from and after the effective date of the annexation ordinance.

Section 6 states that the annexation area will be subject to Town Taxes.

Section 7 provides a statement requiring the annexation ordinance and map to be recorded with the register of deeds, Secretary of State and delivered to the board of elections.

Section 8 establishes an effective date of January 31, 2006.

Section 9 directs staff to publish a notice of annexation ordinance adoption.

FINANCIAL IMPACT

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 provided within the annexation report on pages 9 through 21. The 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. Costs 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.

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

| | Year 1 | | Year 2 | | Year 3 | |
|------------------------|----------------------------|-----------------|---------------------------|-----------------|---------------------------|-----------------|
| | 1/31/2006-6/30/2006 | | 7/1/2006-6/30/2007 | | 7/1/2007-6/30/2008 | |
| ANNEXATION AREA | Area "A" | Area "B" | Area "A" | Area "B" | Area "A" | 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 Annexation Ordinance with an annexation effective date of January 31, 2006.