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# Annexation Strategy Report

September 2009



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Planning Assistance Provided By:



# Annexation Strategy Report City of High Point

## Table of Contents

<b>Introduction</b>	3
<b>Executive Summary</b>	3
<b>1.0 Analysis of Existing Conditions Impacting Annexation</b>	4
1.1 Opportunities for and limitations to annexation	4
1.2 Existing policies that impact annexation	5
1.3 Identification of areas generally suitable for annexation	5
<b>2.0 Identification of Potential Annexation Areas</b>	5
2.1 Areas that qualify for involuntary annexation	5
2.2 General municipal services cost estimates for short-term annexation areas	9
2.3 Estimates of projected revenue generation for short-term areas	14
2.4 Mid and long-term annexation areas – considerations for general municipal services and associated cost estimates	18
2.5 Identification of areas that are best suited for voluntary annexation	19
<b>3.0 Evaluation of Potential Annexation Areas</b>	19
3.1 Factors that the city will consider in evaluating the feasibility of involuntary annexations	19
3.2 Recommendations for establishing priorities for undertaking involuntary annexations	20
3.3 Factors that the city will consider in evaluating the feasibility of voluntary annexations	20
<b>4.0 Annexation Policies</b>	20
4.1 Involuntary Annexation	21
4.2 Voluntary Annexation	21

## List of Tables

ES-1	General Characteristics Summary	4
2-1	General Characteristics of Short-term Involuntary Annexation Areas	7
2-2	General Characteristics of Mid-term Involuntary Annexation Areas	8
2-3	General Characteristics of Long-term Involuntary Annexation Areas	8
2-4	General Characteristics of Legislative Annexation Areas	9
2-5	Operating Costs for Short-term Areas	14
2-6	Capital Costs for Short-term Areas	14
2-7	Contract, In-lieu Payments, and One-time Costs for Short-term Areas	14
2-8	Summary of Projected Revenues for Short-term areas	16
2-9	Payback Calculations for Short-term Areas	17
B-1	Short-term Areas	24
B-2	Mid-term Areas	25
B-3	Long-term Areas	26
B-4	Legislative Areas	27
C-1	Summary of Operating Costs for Short-term Areas	28
C-2	Summary of Capital Costs for Short-term Areas	29
C-3	Summary of Contracts, In-lieu Payments, and One-time Costs for Short-term Areas	30

## List of Appendices

A	Statutory Requirements for Involuntary Annexation	22
B	Statements of Compliance with Statutory Standards	24
C	Cost Estimates for Short-term Areas	28
D	Revenue Projections for Short-term Areas	31
E	List of Streets for Short-term Areas	32
F	Payback Calculations for Short-term Areas	34
G	Process Details	35

## List of Maps

1	General Areas Suitable for Future Annexation
2	Short-term Involuntary Annexation Areas
3	Mid-term Involuntary Annexation Areas
4	Long-term Involuntary Annexation Areas
5	Legislative Annexation Areas

## Introduction

The purpose of this study is to outline and guide future annexation decisions. Major objectives of the study are to:

- Identify areas that are appropriate for annexation,
- Identify potential areas that comply with the statutory qualifications for involuntary annexation and prioritize such areas as best suited for short-term, mid-term, or long-term annexation,
- Prepare preliminary cost estimates to provide municipal services to identified short-term involuntary annexation areas,
- Prepare projections of revenues anticipated to be generated within identified short-term annexation areas,
- Identify specific areas and parcels that are likely candidates for annexation by legislative action,
- Identify areas that best suited for voluntary annexation by petition of property owners, Determine a course of action for undertaking future annexations, and
- Evaluate current policy and options for w/s extensions outside city limits.

## Executive Summary

The entire High Point Planning Area was evaluated to identify areas that would qualify for annexation. Short-, mid-, and long-term annexation areas, as well as legislative annexation areas, were mapped collectively and individually. Voluntary annexation areas were not mapped because annexation is initiated by property owners, not the City of High Point. The areas were classified as follows:

**Short-term:** These areas tend to be immediately adjacent and/or surrounded by the city limits with no significant cost to provide city services

**Mid-term:** Peripheral areas that will have some capital and operating costs to provide city services

**Long-term:** Areas also on edge that have capital and service costs, but they are also in growth areas and their use may change in the near future. Providing services in the near term would be inefficient because the services will likely need to change when the use changes, e.g. garbage collection and water and sewer service requirements, are different for various land uses (residential single family vs. industrial warehouse).

**Legislative:** These areas do not qualify for annexation. They are the remnants/doughnut holes. Some are developed, others are not. If they are developed, they are developed at too low of a density to qualify for annexation. Others are slivers that have been left behind as a result of voluntary annexations. These areas would need legislative action to be annexed. There are no statutory qualifications for areas annexed through legislative action.

**Voluntary:** These areas tend to be individual/undeveloped lots that are in the NC 68 growth corridor that are good candidates for voluntary annexation. Use will likely change upon annexation from residential to industrial.

The following table summarizes the general characteristics of the areas determined to be most suitable for involuntary and legislative annexation action:

<b>Table ES-1 General Characteristics Summary</b>					
	<b>Short-term Areas</b>	<b>Mid-term Areas</b>	<b>Long-term Areas</b>	<b>Legislative Areas</b>	<b>Total All Areas</b>
Total Acres	1,310.00	3,821.18	961.37	313.57	<b>6,406.12</b>
Households	553	1,081	265	17	<b>1,916</b>
Population	1,541	2,922	792	50	<b>5,305</b>
Total Parcels	782	1,537	389	54	<b>2,762</b>
Residential	520	959	255	7	<b>1,741</b>
Vacant	231	470	115	46	<b>862</b>
Commercial	22	24	9	4	<b>59</b>
Institutional	7	8	3	0	<b>18</b>
Industrial	3	26	7	0	<b>36</b>
<b>Total Valuation</b>	<b>\$83,844,022.00</b>	<b>\$218,029,867.00</b>	<b>\$49,328,991.00</b>	<b>\$7,033,867.00</b>	<b>\$358,236,747.00</b>

Map 1 shows the locations of the 30 short-term, 8 mid-term, 11 long-term, and 16 legislative annexation areas.

This report contains general service needs and preliminary costs and revenues for the purposes of creating an overview annexation strategy. Once annexation of a particular area is pursued, then the statutorily required Plan for Services Report will be prepared for that particular area with detailed service plans and up-to-date cost and revenue figures.

## **1.0 Analysis of Existing Conditions Impacting Annexation**

### **1.1 Opportunities for and limitations to annexation**

**A. Annexation Agreements.** The City of High Point currently has formal annexation agreements with the City of Greensboro, Town of Jamestown, Town of Kernersville, City of Thomasville, and Town of Archdale. High Point and Trinity do not have an annexation agreement. The existing annexation agreement boundaries are delineated in Map 1-1.

**B. Resolution of Consideration.** High Point adopted a Resolution of Consideration on June 18, 2007. In accordance with NCGS 160A-49 (i), the Resolution of Consideration is valid for a two-year period after adoption. The major benefit of maintaining a valid Resolution of Consideration is to allow a shorter timeframe for establishing the effective date of an involuntary annexation.

**C. Annexation History.** The City of High Point has not undertaken an involuntary annexation since 1997. Growth of the corporate limits has occurred since that time through voluntary annexations of developing properties.

## 1.2 Existing policies that impact annexation

**A. Annexation Policies.** Currently, the City of High Point has no formal, written policy regarding voluntary or involuntary annexation. Involuntary annexation requests are processed by the Planning and Development Department which coordinates the review with other affected municipal departments.

While voluntary annexation ensures that developing properties are incorporated in a timely and efficient manner, it does not account for urban growth and development occurring within the city's planning jurisdiction where utilities and other support infrastructure are provided by entities other than the City of High Point. Nor does it account for pockets of older, urbanized development and underdeveloped properties that are gradually engulfed by areas incorporated through voluntary annexation petitions. Most frequently these "*doughnut*" holes contain properties that have been developed utilizing private wells and septic systems.

**B. Utility extension plans and policies.** The city policy of requiring petitions for voluntary annexation as requests for city water and/or sewer service are made has ensured that most major developments are incorporated as utilities are being installed.

## 1.3 Identification of areas generally suitable for annexation

Areas generally suitable for annexation were initially identified by evaluating the existing land use patterns, the existing land development intensity patterns and building footprints, and the existing and proposed locations of water and sewer utilities. Identified areas include urbanizing unincorporated areas located on the periphery of the existing corporate limits as well as unincorporated areas that are partially or totally surrounded by the existing City of High Point corporate limits - so called "*doughnut holes*". High Point's entire unincorporated planning area was reviewed in the process of identifying areas suitable for annexation.

## 2.0 Identification of Potential Annexation Areas

### 2.1 Areas that Qualify for Involuntary Annexation

Based upon the initial evaluation of the general areas suitable for annexation, areas that qualify for annexation were categorized as (i) annexation areas that comply with the NCGS 160A-48 qualifications for involuntary annexation and (ii) areas that may best be considered for legislative annexation whereby the city seeks a special act of the NC General Assembly.

## **A. Involuntary Annexation Areas Meeting Statutory Requirements**

To qualify for involuntary annexation, an area, in general, must:

- Be contiguous to the current corporate limits.
- Have at least one-eighth of the total boundary contiguous to the current corporate limits.
- Not be located within another incorporated municipality.
- Be developed for urban purposes.

Qualifying areas may also include a non-urbanized 'land bridge' area that links an urbanized area to the municipality through the provision of services and/or water and sewer lines or is sufficiently contiguous to a combination of the urbanized area and the municipality's corporate limits. Appendix A provides a more detailed explanation of the statutory requirements for involuntary annexation and Appendix B illustrates how each individual potential area complies with those standards.

Areas complying with the statutory qualifications for involuntary annexation were further subdivided into areas deemed most suited for short-term, mid-term, and for long-term annexation.

## **B. Summary of Compliance with Statutory Standards**

All of the proposed involuntary annexation areas comply with the minimum one-eighth (12.5%); contiguity requirement (with the exception of Area 9) and meet one or more of the "developed for urban purposes" standards. Appendix B includes short, mid, and long-term, as well as legislative annexation areas. Tables B-1 through B-4 summarize compliance of the proposed annexation areas with the minimum general statutory requirements for involuntary annexation.

- Short-term Annexation Areas.** A total of 30 separate short-term annexation areas were delineated. Table 2-1 provides the general characteristics of these potential short-term annexation areas.

<b>Area No.</b>	<b>Location</b>	<b>Population</b>	<b>Households</b>	<b>Acres</b>	<b>Assessed Valuation</b>
2	Cedar Springs Subdivision	126	43	74.93	\$10,709,900.00
2A	Kendale Estates	86	28	46.92	\$9,433,400.00
6C	Skeet Club/N. Main St.	0	0	0.16	\$117,700.00
10A	Business 85/Bethel Dr.	268	124	455.47	\$15,022,900.00
14	Hickswood Rd.	498	165	364.95	\$22,974,700.00
16	East Fork Road/Penny Rd.	157	55	99.94	\$3,992,300.00
16A	Penny Rd.	14	5	6.21	\$607,500.00
17	Riverbend Subdivision	62	21	44.01	\$4,427,122.00
19	Tarrant Rd.	14	5	10.9	\$148,400.00
19A	W. Wendover Ave.	5	2	2.36	\$277,400.00
20	Mort Road/ Endotrail Rd.	86	29	83.11	\$6,639,600.00
31	Barrow Rd.	6	2	1.66	\$366,700.00
37	Devon Ct.	29	10	22.1	\$2,800,600.00
38	Guilford College Rd.	8	3	3.47	\$351,400.00
39	Guilford College Rd.	5	2	3.12	\$366,200.00
40	Penny Rd-Wendover Ave.	24	8	24.16	\$1,621,900.00
41	Woodpark Dr.	6	2	2.18	\$92,000.00
42	Woodpark Dr.	9	3	2.7	\$310,500.00
44	Eastchester Dr.	0	0	4.21	\$267,800.00
46	Willard Rd.	3	1	2.01	\$157,200.00
47	Deep River Rd.	3	1	1.77	\$112,600.00
48	Pinecroft Street/Central Ave. Area	77	27	37.91	\$1,844,100.00
49	Central Ave.	3	1	1.56	\$72,700.00
53	E. Fairfield Rd.	11	4	1.68	\$56,300.00
56	Dilworth Rd.	3	1	0.84	\$119,400.00
58	Deacon Ct.	3	1	2.33	\$155,100.00
62	Skeet Club Rd.	3	1	0.37	\$62,000.00
63	Willard Dairy Rd.	3	1	0.56	\$138,800.00
64	Willard Dairy Rd. at Penny	3	1	0.95	\$122,200.00
72	E. Kivett Dr.	20	7	7.28	\$475,600.00
<b>Totals</b>		<b>1,535</b>	<b>553</b>	<b>1,309.82</b>	<b>\$83,844,022.00</b>

Map 2 shows the general locations of the short-term annexation areas.

2. **Mid-term Annexation Areas.** A total of 8 separate mid-term annexation areas were delineated. Table 2-2 provides the general characteristics of these potential mid-term annexation areas.

<b>Area No.</b>	<b>Location</b>	<b>Population</b>	<b>Households</b>	<b>Acres</b>	<b>Assessed Valuation</b>
5	Tanglebrook/Mariondale	120	39	134.94	\$4,885,851.00
6	North Main Street- W. Westover Dr.	752	329	929.18	\$35,062,336.00
8	Shadow Valley Rd.	130	45	125.58	\$17,568,030.00
8B	W. Lexington Avenue- Chestnut Dr.	596	205	524.02	\$40,886,380.00
11	Fairfield Rd./Jackson Lake	117	41	96.04	\$6,485,400.00
12	Cox Ave.	252	88	154.88	\$9,262,800.00
13	Business 85/Kivett Dr./Riverdale Dr.	831	290	1,063.79	\$71,918,400.00
21	Piedmont Pkwy./Hickory Grove	62	21	479.93	\$20,713,400.00
<b>Totals</b>		<b>2,860</b>	<b>1,058</b>	<b>3,508.36</b>	<b>\$206,782,597.00</b>

Map 3 shows the general locations of the mid-term annexation areas.

3. **Long-term Annexation Areas.** Eleven long-term annexation areas were identified. Table 2-3 provides the general characteristics of these potential long-term annexation areas.

<b>Area No.</b>	<b>Location</b>	<b>Population</b>	<b>Households</b>	<b>Acres</b>	<b>Assessed Valuation</b>
1	Clinard Farms Rd.	394	128	677.43	\$25,806,700.00
4	Sandy Ridge Rd.	58	19	50.32	\$5,669,200.00
9	National Hwy.	160	55	104.89	\$10,343,450.00
18	Joy Dr.	26	9	24.48	\$1,165,100.00
26	Penny Rd. Extension	3	1	2.94	\$208,300.00
29A	Willard Dairy Rd.	14	5	14.27	\$1,292,200.00
33	Pegg Rd.	3	1	1.10	\$85,500.00
43	Haverly Dr.	39	13	13.05	\$1,192,400.00
51	Burton Ave.	84	29	61.69	\$3,047,400.00
54	Myerwood Dr.	5	2	5.10	\$259,370.00
55	Hedgecock Rd.	6	3	6.10	\$259,371.00
<b>Totals</b>		<b>792</b>	<b>265</b>	<b>961.37</b>	<b>\$49,328,991.00</b>

Map 4 shows the general locations of the long-term annexation areas.

**B. Legislative Annexation Areas.** A total of 16 individual areas were identified as best suited for annexation through legislative action. These areas range from a single parcel less than one acre in size to 20 parcels totaling over 186.05 acres. Many of the areas are completely surrounded by the current High Point corporate limits. Table 2-4 provides the general characteristics of these potential legislative annexation areas. It should be noted that there are no statutory requirements for legislative annexations.

<b>Area No.</b>	<b>Location</b>	<b>Parcels</b>	<b>Population</b>	<b>Households</b>	<b>Acres</b>	<b>Assessed Valuation</b>
6B	N. Main St.	2	0	0	1.48	\$172,367.00
17A	W. Wendover Ave.	3	2	1	15.49	\$474,000.00
32	Barrow Rd.	4	9	3	35.09	\$554,400.00
40A	W. Wendover Ave.	1	0	0	0.68	\$93,300.00
45	Deep River Rd.	1	0	0	0.82	\$135,500.00
47A	Deep River Rd.	1	0	0	1.07	\$25,000.00
57	Johnson St.	20	27	9	186.05	\$4,355,300.00
59	Rest Haven Rd.	5	3	1	12.28	\$255,700.00
60	Twisting Creek Dr.	2	6	2	11.32	\$143,500.00
61	Ballard Pond Dr.	1	3	1	5.87	\$254,900.00
65	Lawndale Ave.	7	0	0	1.20	\$21,700.00
66	Triangle Lake Rd.	1	0	0	0.16	\$50,600.00
67	S. Main St.	1	0	0	0.61	\$177,900.00
68	E. Fairfield Rd.	3	0	0	3.37	\$180,200.00
70	Tarrant Rd.	1	0	0	1.91	\$99,000.00
71	National Center Dr.	1	0	0	1.01	\$41,000.00
<b>Totals</b>		<b>54</b>	<b>50</b>	<b>17</b>	<b>278.41</b>	<b>\$7,034,367.00</b>

Map 5 shows the general locations of the legislative annexation areas.

## **2.2 General Municipal Services Cost Estimates for Short-term Annexation Areas**

**A. Police Protection.** The Police Department projects that the short-term annexation areas can be adequately served with existing officers, vehicles, and equipment. Prior to reaching a decision to initiate annexation of the areas, the Police Department should re-evaluate capital needs and operations costs.

**B. Fire Protection.** The Fire Department projects that the proposed short-term annexations will result in some extra costs, but they are generally insignificant when considered individually.

Some of the proposed short-term annexation areas are currently provided fire protection services by rural fire departments including the Colfax, Horneytown, GuilRand, and Pinecroft-Sedgefield Fire Departments. Annexation will result in a

reduction in the rural fire departments' service areas and revenues. NCGS 160A-49.1 and NCGS 160A-49.2 contain provisions concerning the effect of municipal annexation upon the financial bases of rural fire departments. If a rural fire department makes a written request for a good faith offer to provide fire protection in the area to be annexed, the city is required to make a good faith effort to negotiate a five-year contract with the rural fire district. Any offer by the city to a rural fire department which would compensate the rural fire department for revenue loss directly attributable to the annexation by paying such annually for five years is deemed to be a good faith offer of consideration for the contract. None of the provisions of NCGS 160A-49.1, however, obligate the city or rural fire department to enter into any contract. Estimated contract payments to the rural fire departments are projected to total **\$20,690** annually for five years. NCGS 160A-47(3)(a) provides that a contract with a rural fire department to provide fire protection service in an annexed area is an acceptable method of providing such service.

NCGS 160A-49.2 provides that an annexing municipality will pay annually to a rural fire department a proportionate share of any payments due on any debt relating to facilities or equipment of the rural fire department, if the debt was existing at the time of annexation, with the payments in the same proportion that the assessed valuation of the area of the fire district annexed bears to the assessed valuation of the entire district on the effective date of annexation. A payment schedule must be jointly presented to the Local Government Commission for approval. One-time debt assumption payments are estimated to total **\$8,276.00**.

If, because of annexation, the rural fire department must terminate the employment of any full-time employee, the city must do one of the following:

- Offer employment in the High Point Fire Department; or
- Offer employment in some other City of High Point municipal department; or
- Pay a sum equal to the person's salary for one year as the equivalent of severance pay.

The High Point Fire Department staff has not, at this time, determined whether or not these particular provisions regarding an offer of employment or reimbursement of salaries are applicable to the proposed annexations. Once all current employment data is made available and evaluated, the staff will assess the impact, if any, of the proposed annexations on full-time rural fire department employees.

**C. Emergency Medical Services.** The provisions of emergency medical services will not be impacted by the proposed short-term annexations.

**D. Garbage Collection and Disposal/Recycling.** The proposed short-term annexations would result in additional capital costs of **\$865,000.00** for the following additional equipment: one automated garbage truck, one automated recycling truck, one rear packer truck for yard waste, and one boom truck for bulk

garbage. The projected annual operating costs total **\$220,165.52** for the following additional personnel: one garbage truck operator, one recycling truck operator, one packer truck operator, two sanitation workers, one boom truck operator, and one sanitation worker for the boom truck. The initial costs have been allocated to short-term areas. The same equipment and personnel can service future annexation areas; therefore, a portion of these costs may be re-allocated at a later date.

NCGS 160A-49.3 provides that impacts on a private solid waste collection firm must also be addressed by the annexing city. If the collection firm meets the qualifications outlined in the statutes, the city must contract with that firm for a period of two years to provide collection services or pay to the collection firm, in lieu of a contract, a sum equal to the economic loss determined by a formula in the statutes. In these particular annexation areas, it is estimated that one or more private collection firms may meet the qualifications of NCGS 160A-49.3(a)(4) if it serves an average of 50 or more residential customers. Consequently, the City of High Point may be required to contract with the private collection firm or to reimburse the firm for any economic loss (defined as 12 times the average monthly revenue for the three months prior to the passage of the resolution of intent). For purposes of municipal service cost projections, it is assumed that all dwellings within the proposed annexation areas are currently served by a qualifying private garbage collector. Consequently, reimbursement payments to qualifying private collectors would total **\$122,766.00** per year for a two-year period.

**E. Street maintenance.** Annexation of short-term areas will add 19.84 miles of streets into the City of High Point (see Appendix E for a complete list of streets). Costs associated with annexation typically involve pavement maintenance, markings, signs, and traffic signalizations. It has been determined that annexation of the short-term areas will result in insignificant costs, which will not cause any hindrances to the annexation. Further research will be needed at the time of annexation to determine actual costs involved. It should be noted that certain street maintenance costs are eligible for reimbursement from NCDOT (pavement, signs, and markings). Initial traffic signalization costs may be shouldered by NCDOT and private developers. Signalization operational and maintenance costs are eligible for reimbursement from NCDOT.

**F. Street lighting.** Streetlights will be required within some of the short-term annexation areas. Based upon a unit cost of \$9.00 per streetlight per month, these additional streetlights will result in a total annual operating cost of **\$22,140.00**. Areas with five parcels or less or a population equal to or less than 20, were not included in this estimate. These areas may also incur a cost, but it will not be significant or cause any hindrance to the annexation.

**G. Water Service.** Existing water service within the proposed annexation areas is a combination of private wells, community water systems, and City of High Point service. Due to the close proximity to High Point water system, it has been determined that the cost to provide water service to short-term areas will be insignificant, however; at the time of initiation of annexation, a detailed evaluation of water service requirements should be prepared to include capital and operating costs.

NCGS 160A-47(3)(b) requires that major trunk water mains must be in place within two years of the effective date of annexation so that property owners will be able to secure public water service according to the city's policies for extending service to individual lots or subdivisions. City water trunk lines exist throughout each of the short-term annexation areas and vary in size between 6", 8", 12", and 16" water mains. No system improvements to major trunk water mains are anticipated to comply with this statutory requirement.

NCGS 160A-47(3)(b) also provides that property owners within proposed annexation areas may specifically request the extension of water and/or sewer lines to their property or to a public street right-of-way adjacent to their property. If requested in writing by any owner of an occupied dwelling unit or an operating commercial or industrial property no later than five days after the annexation public hearing, the city must provide the requested service, in accordance with its current extension and assessment policies, within two years of the effective date of annexation. If any such requests are submitted, the city must, at the time of adoption of the annexation ordinance, amend its report and plan of services to reflect and accommodate such requests, if an amendment is necessary.

It is incumbent upon the city to plan for the eventuality of having property owners request service to individual properties within annexation areas. Consequently, the city should, prior to initiating annexation, prepare a preliminary plan, cost estimates, and a timetable for extending the water distribution system throughout the entire proposed annexation area. Also, the city should ensure that its extension policies and procedures are compatible with city objectives for equitable provision of water service to newly annexed areas. Specifically, the current mandatory connection requirement (Section 8-2-41) that property owners connect to city water mains within 30 days after such facilities are made available should be reevaluated.

At the time of annexation, the need for a fire protection study to determine adequate fire protection will be evaluated. Short-term areas may not trigger the need for such a study; however, the larger, more distant areas may require further study prior to annexation.

Any High Point utility customers within the proposed annexation areas currently paying outside water rates will, upon the effective date of annexation, have their rates adjusted to the standard applicable rates for city customers. Therefore, there will be a reduction in water fees currently collected in such situations; however, due to the low number of outside customers, the loss would be insignificant.

**H. Sewer Service.** The proposed short-term annexation areas are primarily provided wastewater treatment services through on-site septic systems or City of High Point. NCGS 160A-47(3)(b) requires that major sewer outfall lines must be in place within two years of the effective date of annexation so that property owners will be able to secure public sewer service according to the city's policies for extending service to individual lots or subdivisions. City sewer outfall lines exist in some but not all of the proposed short-term annexation areas. Sewer

system improvements will be required to comply with this statutory requirement. Proposed improvements to the city's sewer system for short-term areas include:

1. **Area 10A:** Sewer extension for Area 10A, north of Bethel Drive, is estimated to cost **\$500,000.00**. The area south of Bethel Drive to Business 85 will need further analysis in order to determine costs.
2. **Area 16:** Extend 12" sewer outfall 3,500 ft. map section EF-9 (sewer system study 1988) toward East Fork Pump Station. **\$420,000.00**.

The cumulative cost of all of the above sewer system improvements is estimated to be **\$920,000.00**, not including Area 10A south of Bethel Drive.

NCGS 160A-47(3)(b) also provides that property owners within proposed annexation areas may specifically request the extension of sewer and/or water lines to their property or to a public street right-of-way adjacent to their property. If requested in writing by any owner of an occupied dwelling unit or an operating commercial or industrial property no later than five days after the annexation public hearing, the city must provide the requested service, in accordance with its current extension and assessment policies, within two years of the effective date of annexation. If any such requests are submitted, the city must, at the time of adoption of the annexation ordinance, amend its report and plan of services to reflect and accommodate such requests, if an amendment is necessary.

It is incumbent upon the city to plan for the eventuality of having property owners request service to individual properties within annexation areas. Consequently, the city should, prior to initiating annexation, prepare a preliminary plan, cost estimates, and a timetable for extending the sewer collection system throughout the entire proposed annexation area.

Also, the city should ensure that its extension policies and procedures are compatible with city objectives for equitable provision of sewer service to newly annexed areas. Specifically, the current mandatory connection requirement (Section 8-2-41) that property owners connect to city sewer mains within 30 days after such facilities are made available should be reevaluated.

Any High Point utility customers within the proposed annexation areas currently paying outside sewer rates will, upon the effective date of annexation, have their rates adjusted to the standard applicable rates for city customers. There will be a reduction in sewer fees currently collected in such situations; however, due to the low number of outside customers, the loss in the short-term areas will be very insignificant.

**J. Public transportation.** In the short term, Hitran services will not be substantially impacted by the proposed annexations. However, the proposed consolidation of local transit systems over the next 10-15 years is intended to broaden service areas and provide more multi-modal choices for citizens. The cost of this consolidation to the city has not been determined, but it has been determined that costs would not be directly attributable to the proposed short-term annexations.

**L. Summary of Cost of Services for Short-term Areas**

A preliminary estimate of the costs to serve the short-term annexation areas are shown in Tables 2-5 through 2-7. Cost data for individual short-term annexation areas can be found in Appendix C, Tables C-1 through C-3.

<b>Table 2-5 Operating Costs for Short-term Areas</b>	
Police	\$0.00
Fire	\$0.00
Garbage and Recycling	\$220,165.52
Street Lighting	\$22,140.00
Water and Sewer	\$0.00
Transportation	\$0.00
<b>Totals</b>	<b>\$242,305.52</b>

<b>Table 2-6 Capital Costs for Short-term Areas</b>	
Police	\$0.00
Fire	\$0.00
Garbage and Recycling	\$865,000.00
Water and Sewer	\$920,000.00
Transportation	\$0.00
<b>Totals</b>	<b>\$1,785,000.00</b>

<b>Table 2-7 Contract, In-lieu Payments, and One-Time Costs for Short-term Areas</b>	
Annual RFD Contract	\$20,690.00
RFD Debt Assumption	\$8,276.00
Private Garbage Collector In-lieu Payment	\$81,030.00
<b>Totals</b>	<b>\$109,996.00</b>

Grand total of estimated costs (Tables 2-5, 2-6, 2-7) **\$ 2,137,301.52.**

**2.3 Estimates of Projected Revenue Generation for Short-term Areas**

**A. Property tax.** Additional real and personal property valuation associated with the short-term annexation areas is projected to total **\$96,085,770.60**, with annual property tax revenues totaling **\$597,138.02**. Projected property tax revenues are based upon the city's current tax rate of \$0.633 per \$100.00 valuation and a collection rate of 98.3 percent for real property and personal property. It is estimated that each residential household has personal property valued at an average of approximately \$22,000.00. Personal property valuation for nonresidential properties is not included in the revenue projections.

**B. Sales and use tax.** The sales and use tax is collected by the State of North Carolina and redistributed to counties and municipalities within the county on either a per capita basis or on an ad valorem basis. Distributions in Guilford and Forsyth Counties are made on an ad valorem basis and on a per capita basis in Davidson and Randolph Counties. Therefore, sales and use tax projections for annexation area 10A was based upon average receipts per capita and all other annexation areas, were based upon average receipts per additional tax levy. A total of **\$17,448.00** is projected to be generated annually as a result of the proposed annexations. Sales tax projections are based upon information derived from the Tax Research Office of the NC Department of Revenue for the last four quarters ending June 30, 2008.

**C. Beer and wine tax.** The beer and wine tax is an excise tax on beer and unfortified wine which is paid to the State at the wholesale level. Only those municipalities and counties permitting beer and wine sales share in the proceeds of the tax. The units of government that do share in the beer and wine tax proceeds do so on a per capita basis. Since the proposed annexation areas include permanent population, the City of High Point would receive additional revenue from the Beer and Wine Tax. The city would be eligible for additional beer and wine tax receipts based upon a per capita distribution formula established by the state. For the year April 1, 2007 to March 31, 2008, the city received **\$434,454.89** in beer and wine tax receipts that were based upon a formula of \$4.5427 per capita. Additional annual beer and wine tax receipts generated by the proposed annexations are projected to total **\$7,005.00**.

**D. Powell Bill funds.** Some of the proposed annexations may result in the city being responsible for street maintenance on streets that could qualify for Powell Bill funds. Streets that are proposed for city maintenance upon the release of maintenance from the NCDOT are delineated, by individual annexation area, Appendix E. Powell Bill fund projections are based upon the latest distribution formula of \$25.12 per capita and \$1,886.91 per mile. It is estimated that the proposed annexation areas will annually generate a total of approximately **\$76,148.09** in additional Powell Bill funds.

**E. Landfill fees.** Landfill fees of \$5.00 per month per household are projected to generate **\$33,180.00** with the proposed short-term annexation areas.

**F. Stormwater utility fees.** All properties within the proposed annexation areas would be billed a monthly stormwater utility fee of \$2.00. The stormwater billing rate for the City of High Point is based on the Equivalent Residential Unit (ERU). Based upon the estimated number of households, a total of **\$13,272.00** would be generated by the proposed annexations.

**G. Water and sewer user fees.** The extension of water lines and sewer lines to individual properties will be made in accordance with the city's extension policies. As individual property owners connect to the city's water and sewer systems, these new water and sewer customers are expected to generate user fees. For purposes of projecting future water and sewer user fee revenues, an assumption is made that there will be a petition for service extension received in all proposed annexation areas.

Water and sewer user fees are projected to generate approximately **\$392,521.80** annually. Future user fee projections are based upon an average monthly water and sewer bill of \$59.15 (\$22.04 for water and \$37.11 for sewer). These projections are based upon an average monthly consumption of 5,250 gallons of water for residential users at the current utility rates.

Any City of High Point utility customers within the proposed annexation areas currently paying outside rates will have their rates adjusted to the standard applicable rates for city citizens upon the effective date of annexation; however, it has been determined that due to the low number of outside rate customers, the loss of revenue would be insignificant.

**H. Vehicle license fees.** Residents of the City of High Point pay an annual \$5.00 per vehicle license fee. Additional fees generated by the proposed annexations are projected to total **\$5,530.00** annually. Vehicle license fee projections are based upon an assumed average of 2 vehicles per household.

**I. Miscellaneous.** Miscellaneous revenues are projected to be generated within the annexation areas from the Utility Franchise Tax and from cable television (CATV) franchise revenue. The Utility Franchise Tax is a tax levied by the state on electric, telephone, and street transportation companies that carry freight. The state shares this tax with municipalities in an amount equal to three percent of gross receipts arising from sales within the municipality. Because this source of revenue is distributed to the city on the basis of gross sales receipts, it is not possible to provide an accurate estimate of additional revenue based upon the data currently available. The city is also expected to receive an undetermined amount of additional revenue of CATV franchise revenue.

**J. Summary of revenues.** Table 2-8 provides a summary of projected revenues. Revenue data for individual short-term annexation areas can be found in Appendix D.

Revenue Source	Amount
Property Tax	\$597,138.02
Sales and Use Tax	\$17,448.00
Beer and Wine Tax	\$7,005.00
Powell Bill Funds	\$76,148.09
Landfill Fees	\$33,180.00
Stormwater Utility Fees	\$13,272.00
Water and Sewer User Fees	\$392,521.80
Vehicle License Fees	\$5,530.00
<b>Total</b>	<b>\$1,142,242.91</b>

**K. Payback.** Evaluating the amount of time required to recover the costs of providing services can be useful in establishing annexation priorities and scheduling required capital improvements. This “payback period” is, in its

simplest form, calculated by subtracting projected revenues from total costs and determining how long it will be before a positive revenue stream is accomplished. Table 2-9 illustrates the estimated payback period for individual proposed short-term annexation areas.

Calculations for each short-term annexation area are provided in Appendix F. These calculations reveal that initial costs to serve all short-term annexation areas will exceed initial revenues by **\$993,172.00**; however, with annual revenue projections estimated to be **\$1,144,129.00**, the payback period for the short-term annexations will be less than 2-years (1.87).

<b>Table 2-9 Payback Calculations for Short-term Areas</b>	
<b>Area</b>	<b>Payback Period (in years)</b>
2	0.90
2A	0.76
6C	0.00
10A	3.17
14	1.13
16	6.38
16A	1.05
17	0.81
19	1.53
19A	1.03
20	0.88
31	0.95
37	0.84
38	1.15
39	0.95
40	0.90
41	1.48
42	1.16
44	0.00
46	0.96
47	1.12
48	1.51
49	1.34
53	1.77
56	1.14
58	1.02
62	1.40
63	1.07
64	1.08
72	1.33
<b>All Areas</b>	<b>1.87</b>

## 2.4 Mid and long-term annexation areas – considerations for general municipal services and associated cost estimates

The following factors are to be evaluated when considering annexation of mid-term and long-term annexation areas.

**A. Fire protection.** Whereas, it has been determined that the cost to provide fire protection to short-term annexation areas is insignificant because of their proximity to areas currently served by city services, mid-, long-, and legislative term areas need to be studied further. An adequate number of fire hydrants and adequate fire flow may not be available throughout all the proposed annexation areas, improvements to the existing water systems may be needed to ensure adequate fire flow. The installation of fire hydrants and/or the upgrading of existing water lines may be required to ensure sufficient fire flow. Alternative fire protection measures could include the temporary use of pumper trucks and water tankers to provide adequate firefighting water.

To evaluate the fire flow situation thoroughly, the Fire Department has determined that a fire protection study will be needed to evaluate each of the areas under consideration for mid and long-term annexation. The study would focus on the size and types of structures in the area, the proximity and availability of water tankers to the area, available water sources for refilling tankers, along with the ability of getting tankers into and out of the area during water hauling operations. Where hydrants do exist, water flow measurements will be required to calculate available water flow.

**B. Street Maintenance.** Over the next decade, signalization of 8-12 existing intersections in the annexation areas may be necessary. Most will be state-system intersections, and much of the need may be driven by the development of nearby properties, so most of the initial improvement costs (ranging from \$80,000.00 to \$120,000.00 per intersection) will be shouldered by NCDOT and private developers. The city would be responsible for operations and annual maintenance costs, which are subject to reimbursement from NCDOT.

**C. Water service.** Although it has been determined that costs to serve water to short-term areas are insignificant, a major issue with water service is how to deal with service to mid- and long-term annexation areas that already have water service from another utility providers, such as the Davidson Water Company. When annexing in such a situation, the city has to ensure that the quality and cost of the existing service is comparable to that received by city water system customers. If either of these conditions cannot be met, the city will have to take the appropriate action to remedy the deficiency. Where the cost of service is different, the city will have to take measures to equalize the cost burden between customers within the annexation area and city customers.

**D. Sewer service.** To provide sewer service to future non-short-term annexation areas on the west side of High Point, two issues must be noted for any additional wastewater flow planned for the Westside Wastewater Treatment Plant (WWTP):

1. Westside WWTP is impacted by an SOC (Special Order by Consent). Until collection system upgrades are completed, Westside is only allocated 200,000 GPD. Outfalls required to be upgraded are: Koolpool 1 and 2; Kindergarten 1a, 1b, and 1c (complete); and Corbett A and B (complete). Koolpool 1 and 2 should be completed by February 2010, at which time the SOC will be lifted. Current allocation left for Westside is 107,389 GPD (June 2008). After this, only the capacity of the plant will limit allocation. The average yearly flow is 4.1 MGD. The plant is permitted for 6.2 MGD.
2. Westside WWTP is under design to increase capacity from 6.2 MGD to 10.0 MGD. Currently NCDENR does not support expansion of Westside due to the fact that the receiving stream is declared impaired. In spring 2009, Public Services and the design engineering firms submitted to NCDENR justification as to why expansion should be approved. If expansion is approved, then plant expansion should be completed by 2015. The estimated cost for this upgrade and expansion is **\$55 million**.

**E. Payback Period.** In evaluating the annexation of non-short-term areas, it should be noted that since water and sewer improvement capital costs are included in the first year, most annexations will show a large upfront cost that must be recovered over a period of years. Payback calculation assumes that both the operating costs and the revenues generated will remain stable over time. Also, development and connection fees and utility user fees should not be included as revenue. Consequently, the payback period will reflect the “worst case scenario” by including maximum costs and the most conservative revenue generation figures.

## **2.5 Identification of areas that are best suited for voluntary annexation**

Areas that are good candidates for voluntary annexation tend to be individual/undeveloped lots that are in the NC 68 growth corridor. The land use of these areas will likely change upon annexation from residential to industrial; therefore, annexation and provision of city services at this time would not be cost-effective as changes in land use may demand different levels of service.

## **3.0 Evaluation of Potential Annexation Areas**

### **3.1 Factors that the city will consider in evaluating the feasibility of involuntary annexations**

In evaluating the feasibility of involuntary annexation, the City’s primary focus should be on the statutory qualification criteria of: one-eighth contiguity to current corporate limits, non-location in another municipality, and developed for urban purpose.

In addition, the following factors would be worthy of consideration:

- Ability to provide municipal services.
- Financing of requisite municipal services.
- Elimination of environmental and public health problems.
- Consistency with growth management objectives.
- Corporate boundary that promotes efficient municipal service delivery.

### **3.2 Recommendations for establishing priorities for undertaking involuntary annexations**

While no specific timetable (expressed in years) is provided in the report, a sequencing/order of annexation of the areas studied is provided. Short-term areas are those that are in close proximity to current corporate limits and where services are readily available. Mid- and long-term annexation areas are located in areas where services are more costly to provide.

### **3.3 Factors that the city will consider in evaluating the feasibility of voluntary annexations**

There are no statutory qualification requirements for voluntary annexation; however, the City should strategically assess requests for voluntary annexation. Factors for consideration include:

- Impact on the city's ability to involuntarily annex surrounding properties in the future.
- Ability to provide a comparable level of municipal services.
- Impact on city finances.

## **4.0 Annexation Policies**

It is recommended that the City of High Point consider official annexation policies to guide decision-makers in evaluating voluntary and involuntary annexation actions. A balance of both involuntary and voluntary annexation is needed to avoid fragmentation of corporate boundaries and inefficient delivery of municipal services.

## **4.1 Involuntary Annexation**

Policies pertaining to involuntary annexation should address the following:

- Timing
  - Annexation strategy development and implementation should occur on an on-going basis and become a part of the Department of Planning and Development Annual Work Plan.
  - The annexation process should begin with a Resolution of Consideration, which should be adopted on a regular basis (every 2 years)
  - The Resolution of Consideration should be adopted one year prior to the Resolution of Intent.
  - To obtain full benefit of revenues to be derived from the annexation, the ordinance should be adopted, effective June 30.
- Avoid the annexation of large vacant tracts (in excess of 10 acres) unless reasonably necessary to annex an urbanizing areas (to connect urbanized areas or to avoid reasonable boundary configuration or future problems in annexing vacant or adjacent property).
- Annexed property owners should be provided with services in accordance with current city policies and in a manner consistent with service delivery to city residents.
- The decision to annex should not be based only on financial considerations. The following should also be considered:
  - Current and future ability to provide city services
  - Environment/health concerns
  - Degree to which areas meet statutory qualification standards.

## **4.2 Voluntary Annexation**

Whereas voluntary annexations can be both an expedient and politically acceptable mechanism for extending municipal boundaries, such actions can lead to barriers to future annexation. Policies pertaining to voluntary annexation should address the following:

- Voluntary annexation requests should be approved if they do not have a negative effect on future involuntary annexation.
- Voluntary annexation requests should only be approved if City services can be extended without an undue burden on City finances or services.
- Voluntary annexation should be approved if the property annexed will not create a situation where unincorporated properties are engulfed by annexed properties (doughnut holes).

## Appendix A Statutory Requirements for Involuntary Annexation

Municipalities with a population of 5,000 or more are authorized by the North Carolina General Statutes to annex by ordinance those areas that meet statutory standards of contiguity and intensity of development. The statutory requirements of NCGS 160A-48(b) and (c) are summarized below.

### A-1 Contiguity, Boundary, and Unincorporated Requirements

NCGS 160A-48(b) requires that the total area proposed to be annexed must meet general standards of contiguity, common boundary, and un-incorporation. 'Contiguous area' is defined by NCGS 160-A-53(1) as any area which, at the time annexation procedures are initiated, either abuts directly on the municipal boundary or is separated from the municipal boundary by a street or street right-of-way, a creek or river, the right-of-way of a railroad or other public service corporation, lands owned by the municipality or some other political subdivision, or lands owned by the State of North Carolina.

1. **NCGS 160A-48(b)(1), Contiguity.** The proposed annexation area must be adjacent or contiguous to the municipality's corporate boundaries at the time the annexation proceeding is begun.
2. **NCGS 160A-48(b)(2), Common Boundary.** At least one-eighth (12.5%) of the aggregate external boundary of the proposed annexation area must coincide with the municipality's corporate boundary.
3. **NCGS 160A-48(b)(3), Unincorporated.** No part of the proposed annexation area shall be included within the boundary of another incorporated municipality.

### A-2 Developed for Urban Purposes Requirements

All or part of the proposed annexation area must be developed for urban purposes at the time of approval of the annexation report. An area developed for urban purposes is defined as any area that meets any **one** of the following standards delineated in subsections 1 through 5 below. For purposes of determining what is developed for urban purposes, 'used for residential purposes' is defined in NCGS 160A-53(2) as any lot or tract five acres or less in size on which is constructed a habitable dwelling unit. Also, the area of streets and street rights-of-way may not be used to determine acreage in making the calculations needed for defining what is developed for urban purposes. Population estimates are based upon the number of dwelling units within the proposed annexation area multiplied by the average family size (as delineated in the 2000 federal census) in the township(s) of which such proposed annexation area is a part.

1. **NCGS 160A-48(c)(1), Population Density Test.** Has a total resident population equal to at least 2.3 persons for each acre of land included within its boundaries.
2. **NCGS 160A-48(c)(2), Population Density and Subdivision Test.** Has a total resident population equal to at least 1.0 persons for each acre of land included within its boundaries, and is subdivided into lots and tracts such that at least 60

percent of the total acreage consists of lots and tracts 3 acres or less in size and such that at least 65 percent of the total number of lots and tracts are 1 acre or less in size.

3. **NCGS 160A-48(c)(3), Use and Subdivision Test.** Is so developed that at least 60 percent of the total number of lots and tracts are used for residential, commercial, industrial, institutional or governmental purposes, and is subdivided into lots and tracts such that at least 60 percent of the total acreage, not counting the acreage used at the time of annexation for commercial, industrial, governmental, or institutional purposes, consists of lots and tracts 3 acres or less in size. For purposes of this section, “acreage in use” for commercial, industrial, institutional, or governmental purposes includes acreage actually occupied by buildings or other man-made structures together with all areas that are reasonably necessary and appurtenant to such facilities for purposes of parking, storage, ingress and egress, utilities, buffering, and other ancillary services and facilities.
4. **NCGS 160A-48(c)(4), Water or Sewer Districts.** Is the entire area of any county water and sewer district created under NCGS 162A-86(b1).
5. **NCGS 160A-48(c)(5), Nonresidential Uses.** Is so developed that, at the time of the approval of the annexation report, all tracts in the area to be annexed are used for commercial, industrial, governmental, or institutional purposes.
6. **NCGS 160A-48(d), Land Bridge Provisions.** In accordance with the provisions of NCGS 160A-48(d), the city may, in addition to areas developed for urban purposes, include in the area to be annexed any area which does not meet the requirements described in subsections 1 through 5 if such area either:
  1. Lies between the city boundary and an area developed for urban purposes so that the area developed for urban purposes is either not adjacent to the city boundary or cannot be served by the municipality without extending services through such sparsely developed area; or
  2. Is adjacent, on at least 60 percent of its external boundary, to any combination of the city boundary and the boundary of an area or areas developed for urban purposes.

The purpose of the “land bridge” provisions is to permit the city to extend its corporate limits to include all nearby areas which at the time of annexation are not yet developed for urban purposes but which constitute necessary land connections between the city and areas developed for urban purposes or between two or more areas developed for urban purposes. ‘Necessary land connection’ is defined in the statutes as an area that does not exceed 25 percent of the total area to be annexed.

**Appendix B  
Statements of Compliance with Statutory Standards**

Table B-1 Short-term Areas							
Area	GS 160A-48(b)2 12.5% Contiguity	GS 160A-48(c)1 Population Density ≥ 2.3 Persons Per Acre	GS 160A-48(c)2 Population and Subdivision*		GS160A-48(c)3 Use & Subdivision*		GS160A-48(c)5 Non- residential Use
			≥ 60% & ≤ 3 Acres	≥ 65% & ≤ 1 Acre	≥ 60% Total Lots Used	≥ 60% R & V Only ≤ 3 Acres	
2	<b>31.56%</b>	1.88	79.96%	18.37%	<b>85.71%</b>	<b>79.96%</b>	n/a
2A	<b>78.22%</b>	2.04	100.00%	62.50%	<b>64.58%</b>	<b>100.00%</b>	n/a
6C	<b>79.36%</b>	0.00	100.00%	100.00%	100.00%	0.00%	<b>Yes</b>
10A	<b>49.66%</b>	1.48	52.15%	78.92%	<b>79.92%</b>	<b>73.69%</b>	n/a
14	<b>87.28%</b>	1.53	<b>61.69%</b>	<b>65.25%</b>	<b>63.71%</b>	<b>63.22%</b>	n/a
16	<b>34.38%</b>	1.85	<b>81.10%</b>	<b>68.89%</b>	<b>65.56%</b>	<b>79.84%</b>	n/a
16A	<b>65.37%</b>	<b>2.66</b>	<b>100.00%</b>	<b>80.00%</b>	<b>100.00%</b>	<b>100.00%</b>	n/a
17	<b>100.00%</b>	1.56	67.06%	17.39%	<b>86.96%</b>	<b>67.06%</b>	n/a
19	<b>100.00%</b>	1.53	64.89%	0.00%	<b>100.00%</b>	<b>64.89%</b>	n/a
19A	<b>100.00%</b>	<b>3.10</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	n/a
20	<b>100.00%</b>	1.25	66.71%	6.25%	<b>87.50%</b>	<b>66.71%</b>	n/a
31	<b>100.00%</b>	<b>4.43</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	n/a
37	<b>50.63%</b>	1.35	69.04%	0.00%	<b>90.91%</b>	<b>69.04%</b>	n/a
38	<b>80.85%</b>	<b>2.59</b>	100.00%	0.00%	<b>100.00%</b>	<b>100.00%</b>	n/a
39	<b>72.68%</b>	1.91	100.00%	50.00%	<b>100.00%</b>	<b>100.00%</b>	n/a
40	<b>59.14%</b>	2.09	<b>70.41%</b>	<b>84.62%</b>	<b>64.54%</b>	<b>70.41%</b>	n/a
41	<b>100.00%</b>	<b>2.87</b>	<b>100.00%</b>	<b>66.67%</b>	<b>66.67%</b>	<b>100.00%</b>	n/a
42	<b>68.34%</b>	<b>3.42</b>	<b>100.00%</b>	<b>66.67%</b>	<b>100.00%</b>	<b>100.00%</b>	n/a
44	<b>100.00%</b>	0.00	0.00%	0.00%	100.00%	0.00%	<b>Yes</b>
46	<b>100.00%</b>	1.50	100.00%	0.00%	<b>100.00%</b>	<b>100.00%</b>	n/a
47	<b>86.48%</b>	1.71	100.00%	0.00%	<b>100.00%</b>	<b>100.00%</b>	n/a
48	<b>100.0%</b>	<b>2.44</b>	<b>79.37%</b>	<b>86.36%</b>	<b>61.36%</b>	<b>79.37%</b>	n/a
49	<b>100.00%</b>	1.84	100.00%	0.00%	<b>100.00%</b>	<b>100.00%</b>	n/a
53	<b>94.00%</b>	<b>6.31</b>	<b>100.00%</b>	<b>100.00%</b>	<b>75.00%</b>	<b>100.00%</b>	n/a
56	<b>100.00%</b>	<b>3.66</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	n/a
58	<b>100.00%</b>	1.33	100.00%	0.00%	<b>100.00%</b>	<b>100.00%</b>	n/a
62	<b>100.00%</b>	<b>8.80</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	n/a
63	<b>100.00%</b>	<b>5.39</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	n/a
64	<b>100.00%</b>	<b>5.39</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	n/a
72	<b>100.00%</b>	<b>3.06</b>	<b>100.00%</b>	<b>91.67%</b>	58.33%	100.00%	n/a

\* GS 160A-48(c)2 and GS 160A-48(c)3 require multiple sub-tests for compliance, see Appendix A. To be eligible for compliance, the area must meet the entire qualifying criterion. "R&V" refers to Residential and Vacant parcels.

Notes: The areas must qualify under GS 160A-48(b)2 and at least one of the other tests 160A-48 (c)1 through (c)5. NCGS 160A-4(c)2 must also meet ≥1 person per acre. This test is determined impart through 160A-48(c)1. Bold typeface indicates where each statutory compliance test is met.

Table B-2 Mid-term Areas								
Area	GS 160A-48(b)2 12.5% Contiguity	GS 160A-48(c)1 Population Density ≥ 2.3 Persons Per Acre	GS 160A-48(c)2 Population and Subdivision*		GS160A-48(c)3 Use & Subdivision*		GS 160A-48(d) Land Bridge	
			≥ 60% & ≤ 3 Acres	≥ 65% & ≤ 1 Acre	≥ 60% Total Used Lots	≥ 60% R & V Only ≤ 3 Acres	>60%	≤25%
5	<b>36.57%</b>	1.05	61.50%	29.31%	<b>68.97%</b>	<b>61.21%</b>	n/a	
5 LB	<b>100.00%</b>	0.00	100.00%	100.00%	0.00%	100.00%	<b>100.00%</b>	<b>5.28%</b>
6	<b>30.99%</b>	1.12	41.32%	68.89%	<b>74.17%</b>	<b>64.99%</b>	n/a	
6 LB	<b>49.70%</b>	0.78	100.00%	100.00%	0.00%	100.00%	<b>100.00%</b>	<b>4.52%</b>
8	<b>53.18%</b>	1.17	60.76%	14.81%	<b>81.48%</b>	<b>60.76%</b>	n/a	
8B	<b>23.04%</b>	1.22	52.72%	61.31%	<b>65.57%</b>	<b>63.81%</b>	n/a	
11	<b>16.00%</b>	1.44	59.19%	54.55%	<b>76.36%</b>	<b>65.72%</b>	n/a	
12	<b>21.37%</b>	1.88	<b>66.22%</b>	<b>77.24%</b>	<b>66.90%</b>	<b>65.94%</b>	n/a	
13	<b>39.15%</b>	0.96	35.77%	70.98%	<b>65.63%</b>	<b>63.58%</b>	n/a	
13 LB1	<b>100.0%</b>	0.00	0.00%	0.00%	0.00%	0.00%	<b>100.00%</b>	<b>4.40%</b>
13 LB2	<b>82.17%</b>	0.73	28.13%	56.25%	56.25%	28.13%	<b>82.17%</b>	<b>4.88%</b>
21	<b>45.61%</b>	0.14	9.68%	24.49%	<b>67.35%</b>	<b>62.73%</b>	n/a	
21 LB	<b>100.00%</b>	0.00	9.28%	50.00%	0.00%	9.28%	<b>100.00%</b>	<b>1.20%</b>

\* GS 160A-48(c)2 and GS 160A-48(c)3 require multiple sub-tests for compliance, see Appendix A. To be eligible for compliance, the area must meet the entire qualifying criterion. "R&V" refers to Residential and Vacant parcels.

Notes: The areas must qualify under GS 160A-48(b)2 and at least one of the other tests 160A-48 (c)1 through (c)3 or 160A-48(d).

The areas above are grouped together to emphasize their relationship to one another. Areas referenced by "LB" denote land bridge areas. The term "land bridge" refers to an area that lies between the municipal boundary and an area developed for urban purposes. Land bridges are dependent on the areas developed for urban purposes. e.g. Area 5LB is dependent on Area 5. See Appendix A 160A-48(d) for the statutory requirements for land bridges.

NCGS 160A-4(c)2 must also meet ≥1 person per acre. This test is determined impart through 160A-48(c)1.

**Bold typeface indicates where each statutory compliance test is met.**

**Table B-3  
Long-term Areas**

Area	GS 160A-48(b)2 12.5% Contiguity	GS 160A-48(c)1 Population Density ≥ 2.3 Persons Per Acre	GS 160A-48(c)2 Population and Subdivision*		GS160A-48(c)3 Use & Subdivision*	
			≥ 60% & ≤ 3 Acres	≥ 65% & ≤ 1 Acre	≥ 60% Total Used Lots	≥ 60% R & V Only ≤ 3 Acres
1	<b>33.49%</b>	1.26	59.41%	42.62%	<b>67.21%</b>	<b>62.27%</b>
4	<b>31.38%</b>	1.28	65.02%	38.46%	<b>73.08%</b>	<b>65.02%</b>
9	12.15%**	1.67	<b>64.60%</b>	<b>69.47%</b>	<b>72.63%</b>	<b>77.42%</b>
18	<b>37.34%</b>	1.46	100.00%	42.86%	<b>64.29%</b>	<b>100.00%</b>
26	<b>36.75%</b>	1.05	100.00%	0.00%	<b>100.00%</b>	<b>100.00%</b>
29A	<b>41.46%</b>	1.20	70.34%	0.00%	<b>71.43%</b>	<b>70.34%</b>
33	<b>73.19%</b>	<b>2.80</b>	100.00%	0.00%	<b>100.00%</b>	<b>100.00%</b>
43	<b>100.00%</b>	<b>3.82</b>	<b>100.00%</b>	<b>100.00%</b>	<b>76.47%</b>	<b>100.00%</b>
51	<b>32.47%</b>	1.45	64.30%	56.41%	<b>76.92%</b>	<b>60.54%</b>
54	<b>73.31%</b>	1.14	<b>100.00%</b>	<b>80.00%</b>	<b>60.00%</b>	<b>100.00%</b>
55	<b>100.00%</b>	0.98	100.00%	0.00%	<b>100.00%</b>	<b>100.00%</b>

\* GS 160A-48(c)2 and GS 160A-48(c)3 require multiple sub-tests for compliance, see Appendix A. To be eligible for compliance, the area must meet the entire qualifying criterion. "R&V" refers to Residential and Vacant parcels.

\*\*The aggregate boundary of area 9 will have to be reduced by over 356 feet to comply with 160A-48(b)2 or the boundary will need to be reevaluated at the time of actual annexation to determine if the contiguous boundary length has been increased.

Notes: The areas must qualify under GS 160A-48(b)2 and at least one of the other tests 160A-48 (c)1 through (c)3.

NCGS 160A-4(c)2 must also meet ≥1 person per acre. This test is determined impart though 160A-48(c)1.

*Bold typeface indicates where each statutory compliance test is met.*

**Table B-4  
Legislative Areas**

Area	GS 160A-48(b)2 12.5% Contiguity	GS 160A-48(c)1 Population Density ≥ 2.3 Persons Per Acre	GS 160A-48(c)2 Population and Subdivision		GS160A-48(c)3 Use & Subdivision	
			≥ 60% & ≤ 3 Acres	≥ 65% & ≤ 1 Acre	≥ 60% Total Used Lots	≥ 60% R & V Only ≤ 3 Acres
6B	100.00%	n/a	100.00%	100.00%	50.00%	100.00%
17A	100.00%	0.24	8.51%	0.00%	33.33%	8.51%
32	100.00%	0.27	0.00%	0.00%	50.00%	0.00%
40A	71.48%	n/a	100.00%	100.00%	0.00%	100.00%
45	100.00%	n/a	100.00%	100.00%	0.00%	100.00%
47A	100.00%	n/a	100.00%	0.00%	0.00%	100.00%
57	100.00%	0.15	2.98%	0.00%	9.09%	2.98%
59	100.00%	0.28	23.44%	80.00%	80.00%	9.55%
60	100.00%	0.55	0.00%	0.00%	50.00%	0.00%
61	100.00%	0.53	0.00%	0.00%	0.00%	0.00%
65	100.00%	n/a	100.00%	100.00%	0.00%	100.00%
66	100.00%	n/a	100.00%	100.00%	0.00%	100.00%
67	100.00%	n/a	100.00%	100.00%	0.00%	100.00%
68	60.94%	n/a	100.00%	33.33%	0.00%	100.00%
70	44.27%	n/a	100.00%	0.00%	0.00%	100.00%
71	100.00%	n/a	100.00%	100.00%	0.00%	100.00%

*Note: Areas annexed through legislative action do not have to meet statutory qualifications.*

**Appendix C**  
**Cost Estimates for Short-Term Areas**

**Table C-1**  
**Summary of Operating Costs for Short-Term Areas**

<b>Area</b>	<b>Police</b>	<b>Fire</b>	<b>Garbage &amp; Recycling</b>	<b>Street Lighting</b>	<b>Water &amp; Sewer</b>	<b>Transport</b>	<b>Total Costs</b>
2	\$0.00	\$0.00	\$17,119.56	\$1,836.00	\$0.00	\$0.00	\$18,955.56
2A	\$0.00	\$0.00	\$11,147.62	\$1,296.00	\$0.00	\$0.00	\$12,443.62
6C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
10A	\$0.00	\$0.00	\$49,368.04	\$0.00	\$0.00	\$0.00	\$49,368.04
14	\$0.00	\$0.00	\$65,691.34	\$9,288.00	\$0.00	\$0.00	\$74,979.34
16	\$0.00	\$0.00	\$21,897.11	\$4,644.00	\$0.00	\$0.00	\$26,541.11
16A	\$0.00	\$0.00	\$1,990.65	\$0.00	\$0.00	\$0.00	\$1,990.65
17	\$0.00	\$0.00	\$8,360.72	\$0.00	\$0.00	\$0.00	\$8,360.72
19	\$0.00	\$0.00	\$1,990.65	\$0.00	\$0.00	\$0.00	\$1,990.65
19A	\$0.00	\$0.00	\$796.26	\$0.00	\$0.00	\$0.00	\$796.26
20	\$0.00	\$0.00	\$11,545.75	\$2,268.00	\$0.00	\$0.00	\$13,813.75
31	\$0.00	\$0.00	\$796.26	\$0.00	\$0.00	\$0.00	\$796.26
37	\$0.00	\$0.00	\$3,981.29	\$216.00	\$0.00	\$0.00	\$4,197.29
38	\$0.00	\$0.00	\$1,194.39	\$0.00	\$0.00	\$0.00	\$1,194.39
39	\$0.00	\$0.00	\$796.26	\$0.00	\$0.00	\$0.00	\$796.26
40	\$0.00	\$0.00	\$3,185.03	\$1,728.00	\$0.00	\$0.00	\$4,913.03
41	\$0.00	\$0.00	\$796.26	\$0.00	\$0.00	\$0.00	\$796.26
42	\$0.00	\$0.00	\$1,194.39	\$0.00	\$0.00	\$0.00	\$1,194.39
44	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
46	\$0.00	\$0.00	\$398.13	\$0.00	\$0.00	\$0.00	\$398.13
47	\$0.00	\$0.00	\$398.13	\$0.00	\$0.00	\$0.00	\$398.13
48	\$0.00	\$0.00	\$10,749.49	\$864.00	\$0.00	\$0.00	\$11,613.49
49	\$0.00	\$0.00	\$398.13	\$0.00	\$0.00	\$0.00	\$398.13
53	\$0.00	\$0.00	\$1,592.52	\$0.00	\$0.00	\$0.00	\$1,592.52
56	\$0.00	\$0.00	\$398.13	\$0.00	\$0.00	\$0.00	\$398.13
58	\$0.00	\$0.00	\$398.13	\$0.00	\$0.00	\$0.00	\$398.13
62	\$0.00	\$0.00	\$398.13	\$0.00	\$0.00	\$0.00	\$398.13
63	\$0.00	\$0.00	\$398.13	\$0.00	\$0.00	\$0.00	\$398.13
64	\$0.00	\$0.00	\$398.13	\$0.00	\$0.00	\$0.00	\$398.13
72	\$0.00	\$0.00	\$2,786.91	\$0.00	\$0.00	\$0.00	\$2,786.91
<b>Totals</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$220,165.52</b>	<b>\$22,140.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$242,305.52</b>
<b>% of Total</b>	<b>0.00%</b>	<b>0.00%</b>	<b>90.86%</b>	<b>9.14%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>100.00%</b>

**Table C-2  
Summary of Capital Costs for Short-Term Areas**

<b>Area</b>	<b>Police</b>	<b>Fire</b>	<b>Public Services</b>	<b>Garbage Recycling</b>	<b>Water &amp; Sewer</b>	<b>Transport.</b>	<b>Total Costs</b>
2	\$0.00	\$0.00	\$0.00	\$67,260.40	\$0.00	\$0.00	\$67,260.40
2A	\$0.00	\$0.00	\$0.00	\$43,797.47	\$0.00	\$0.00	\$43,797.47
6C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
10A	\$0.00	\$0.00	\$0.00	\$193,960.20	\$500,000.00	\$0.00	\$693,960.20
14	\$0.00	\$0.00	\$0.00	\$258,092.20	\$0.00	\$0.00	\$258,092.20
16	\$0.00	\$0.00	\$0.00	\$86,030.74	\$420,000.00	\$0.00	\$506,030.74
16A	\$0.00	\$0.00	\$0.00	\$7,820.98	\$0.00	\$0.00	\$7,820.98
17	\$0.00	\$0.00	\$0.00	\$32,848.10	\$0.00	\$0.00	\$32,848.10
19	\$0.00	\$0.00	\$0.00	\$7,820.98	\$0.00	\$0.00	\$7,820.98
19A	\$0.00	\$0.00	\$0.00	\$3,128.39	\$0.00	\$0.00	\$3,128.39
20	\$0.00	\$0.00	\$0.00	\$45,361.66	\$0.00	\$0.00	\$45,361.66
31	\$0.00	\$0.00	\$0.00	\$3,128.39	\$0.00	\$0.00	\$3,128.39
37	\$0.00	\$0.00	\$0.00	\$15,641.95	\$0.00	\$0.00	\$15,641.95
38	\$0.00	\$0.00	\$0.00	\$4,692.59	\$0.00	\$0.00	\$4,692.59
39	\$0.00	\$0.00	\$0.00	\$3,128.39	\$0.00	\$0.00	\$3,128.39
40	\$0.00	\$0.00	\$0.00	\$12,513.56	\$0.00	\$0.00	\$12,513.56
41	\$0.00	\$0.00	\$0.00	\$3,128.39	\$0.00	\$0.00	\$3,128.39
42	\$0.00	\$0.00	\$0.00	\$4,692.59	\$0.00	\$0.00	\$4,692.59
44	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
46	\$0.00	\$0.00	\$0.00	\$1,564.20	\$0.00	\$0.00	\$1,564.20
47	\$0.00	\$0.00	\$0.00	\$1,564.20	\$0.00	\$0.00	\$1,564.20
48	\$0.00	\$0.00	\$0.00	\$42,233.27	\$0.00	\$0.00	\$42,233.27
49	\$0.00	\$0.00	\$0.00	\$1,564.20	\$0.00	\$0.00	\$1,564.20
53	\$0.00	\$0.00	\$0.00	\$6,256.78	\$0.00	\$0.00	\$6,256.78
56	\$0.00	\$0.00	\$0.00	\$1,564.20	\$0.00	\$0.00	\$1,564.20
58	\$0.00	\$0.00	\$0.00	\$1,564.20	\$0.00	\$0.00	\$1,564.20
62	\$0.00	\$0.00	\$0.00	\$1,564.20	\$0.00	\$0.00	\$1,564.20
63	\$0.00	\$0.00	\$0.00	\$1,564.20	\$0.00	\$0.00	\$1,564.20
64	\$0.00	\$0.00	\$0.00	\$1,564.20	\$0.00	\$0.00	\$1,564.20
72	\$0.00	\$0.00	\$0.00	\$10,949.37	\$0.00	\$0.00	\$10,949.37
<b>Totals</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$865,000.00</b>	<b>\$920,000.00</b>	<b>\$0.00</b>	<b>\$1,785,000.00</b>
<b>% of Total</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>17.37%</b>	<b>82.63%</b>	<b>0.00%</b>	<b>100.00%</b>

**Table C-3  
Summary of Contracts, In-lieu Payments, and One-Time Costs for Short-term Areas**

<b>Area</b>	<b>Annual RFD Contract</b>	<b>RFD Debt Assumption</b>	<b>Private Garbage Collector In-lieu Payment</b>	<b>Total Costs</b>
2	\$4,938.00	\$1,975.00	\$9,546.00	\$16,459.00
2A	\$4,717.00	\$1,887.00	\$6,216.00	\$12,820.00
6C	\$59.00	\$24.00	\$0.00	\$83.00
10A	\$7,511.00	\$3,005.00	\$0.00	\$10,516.00
14	\$0.00	\$0.00	\$36,630.00	\$36,630.00
16	\$0.00	\$0.00	\$12,210.00	\$12,210.00
16A	\$0.00	\$0.00	\$0.00	\$0.00
17	\$0.00	\$0.00	\$0.00	\$0.00
19	\$0.00	\$0.00	\$0.00	\$0.00
19A	\$0.00	\$0.00	\$0.00	\$0.00
20	\$0.00	\$0.00	\$6,438.00	\$6,438.00
31	\$183.00	\$73.00	\$0.00	\$256.00
37	\$1,400.00	\$560.00	\$2,220.00	\$4,180.00
38	\$176.00	\$70.00	\$0.00	\$246.00
39	\$183.00	\$73.00	\$0.00	\$256.00
40	\$0.00	\$0.00	\$1,776.00	\$1,776.00
41	\$0.00	\$0.00	\$0.00	\$0.00
42	\$0.00	\$0.00	\$0.00	\$0.00
44	\$0.00	\$0.00	\$0.00	\$0.00
46	\$0.00	\$0.00	\$0.00	\$0.00
47	\$0.00	\$0.00	\$0.00	\$0.00
48	\$922.00	\$369.00	\$5,994.00	\$7,285.00
49	\$36.00	\$15.00	\$0.00	\$51.00
53	\$28.00	\$11.00	\$0.00	\$39.00
56	\$60.00	\$24.00	\$0.00	\$84.00
58	\$78.00	\$31.00	\$0.00	\$109.00
62	\$31.00	\$12.00	\$0.00	\$43.00
63	\$69.00	\$28.00	\$0.00	\$97.00
64	\$61.00	\$24.00	\$0.00	\$85.00
72	\$238.00	\$95.00	\$0.00	\$333.00
<b>Totals</b>	<b>\$20,690.00</b>	<b>\$8,276.00</b>	<b>\$81,030.00</b>	<b>\$109,996.00</b>
<b>% of Total</b>	<b>18.81%</b>	<b>7.52%</b>	<b>73.67%</b>	<b>100.00%</b>

**Appendix D  
Revenue Projections for Short-term Areas**

Summary of Revenue for Short-Term Areas										
Area #	Name	Property Tax	Sales Tax	Beer & Wine Tax	Powell Bill Funds	Landfill Fees	Stormwater Fees	W & S Fees	Vehicle Lic. Fees	Total Revenues
2	Cedar Springs Dr.	\$72,253.77	\$1,960.00	\$600.00	\$4,925.37	\$2,580.00	\$1,032.00	\$30,521.40	\$430.00	\$114,302.54
2A	Mahala Dr.	\$62,531.29	\$1,696.00	\$391.00	\$3,641.54	\$1,680.00	\$672.00	\$19,874.40	\$280.00	\$90,766.23
6C	Skeet Club/N. Main St.	\$732.38	\$20.00	\$0.00	\$75.48	\$0.00	\$0.00	\$0.00	\$0.00	\$827.86
10A	Bethel Dr.	\$110,453.02	\$4,249.00	\$1,217.00	\$22,029.34	\$7,440.00	\$2,976.00	\$88,015.00	\$1,240.00	\$237,619.36
14	Hickwood Rd.	\$165,544.82	\$4,490.00	\$2,262.00	\$20,849.90	\$9,900.00	\$3,960.00	\$117,117.00	\$1,650.00	\$325,773.72
16	East Fork Rd.	\$32,370.74	\$878.00	\$713.00	\$7,102.53	\$3,300.00	\$1,320.00	\$39,039.00	\$550.00	\$85,273.27
16A	Penny Rd.	\$4,464.56	\$121.00	\$64.00	\$630.94	\$300.00	\$120.00	\$3,549.00	\$50.00	\$9,299.50
17	Riverbend Rd.	\$30,422.02	\$825.00	\$282.00	\$2,480.14	\$1,260.00	\$504.00	\$14,905.80	\$210.00	\$50,888.96
19	Tarrant Rd.	\$1,607.87	\$44.00	\$64.00	\$664.91	\$300.00	\$120.00	\$3,549.00	\$50.00	\$6,399.78
19A	W. Wendover Ave.	\$1,999.88	\$54.00	\$23.00	\$125.60	\$120.00	\$48.00	\$1,420.00	\$20.00	\$3,810.48
20	Mort Rd.	\$45,284.07	\$1,228.00	\$391.00	\$3,824.57	\$1,740.00	\$696.00	\$20,584.20	\$290.00	\$74,037.84
31	Barrow Rd.	\$2,555.54	\$69.00	\$27.00	\$150.72	\$120.00	\$48.00	\$1,420.00	\$20.00	\$4,410.26
37	Devon Ct.	\$18,795.35	\$510.00	\$132.00	\$992.65	\$600.00	\$240.00	\$7,098.00	\$100.00	\$28,468.00
38	Guilford College Rd.	\$2,597.23	\$70.00	\$36.00	\$200.96	\$180.00	\$72.00	\$2,129.00	\$30.00	\$5,315.19
39	Guilford College Rd.	\$2,552.42	\$69.00	\$23.00	\$125.60	\$120.00	\$48.00	\$1,420.00	\$20.00	\$4,378.02
40	Penny Rd.-Wendover Ave.	\$11,187.23	\$303.00	\$109.00	\$3,372.86	\$480.00	\$192.00	\$5,678.40	\$80.00	\$21,402.49
41	Woodpark Dr.	\$846.25	\$23.00	\$27.00	\$150.72	\$120.00	\$48.00	\$1,420.00	\$20.00	\$2,654.97
42	Woodpark Dr.	\$2,342.73	\$64.00	\$41.00	\$226.08	\$180.00	\$72.00	\$2,129.00	\$30.00	\$5,084.81
44	Eastchester Dr.	\$1,666.36	\$45.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,711.36
46	Willard Dr.	\$1,115.05	\$30.00	\$14.00	\$75.36	\$60.00	\$24.00	\$710.00	\$10.00	\$2,038.41
47	Deep River Rd.	\$837.53	\$23.00	\$14.00	\$75.36	\$60.00	\$24.00	\$710.00	\$10.00	\$1,753.89
48	Pinecroft St.	\$15,170.81	\$412.00	\$350.00	\$2,817.31	\$1,620.00	\$648.00	\$19,164.60	\$270.00	\$40,452.72
49	Triangle Lake Rd.	\$589.26	\$16.00	\$14.00	\$75.36	\$60.00	\$24.00	\$710.00	\$10.00	\$1,498.62
53	E. Fairfield Rd.	\$897.89	\$24.00	\$50.00	\$276.32	\$240.00	\$96.00	\$2,839.00	\$40.00	\$4,463.21
56	Dillworth Rd.	\$879.85	\$24.00	\$14.00	\$75.36	\$60.00	\$24.00	\$710.00	\$10.00	\$1,797.21
58	Deacon St.	\$1,101.99	\$30.00	\$14.00	\$75.36	\$60.00	\$24.00	\$710.00	\$10.00	\$2,025.35
62	Skeet Club Dr.	\$522.68	\$14.00	\$14.00	\$75.36	\$60.00	\$24.00	\$710.00	\$10.00	\$1,430.04
63	Williard Dairy Rd.	\$1,000.56	\$27.00	\$14.00	\$75.36	\$60.00	\$24.00	\$710.00	\$10.00	\$1,920.92
64	Willard Dairy Rd.	\$897.27	\$24.00	\$14.00	\$152.72	\$60.00	\$24.00	\$710.00	\$10.00	\$1,891.99
72	E. Kivett Dr.	\$3,917.62	\$106.00	\$91.00	\$804.31	\$420.00	\$168.00	\$4,969.00	\$70.00	\$10,545.93
<b>Totals</b>		<b>\$597,138.02</b>	<b>\$17,448.00</b>	<b>\$7,005.00</b>	<b>\$76,148.09</b>	<b>\$33,180.00</b>	<b>\$13,272.00</b>	<b>\$392,521.80</b>	<b>\$5,530.00</b>	<b>\$1,142,242.91</b>
<b>% of Total</b>		<b>52.28%</b>	<b>1.53%</b>	<b>0.61%</b>	<b>6.67%</b>	<b>2.90%</b>	<b>1.16%</b>	<b>34.36%</b>	<b>0.48%</b>	<b>100.00%</b>

**Appendix E**  
**List of Streets for Short-Term Areas**

Area	Street	Mileage	Street	Mileage
2	Cedar Spring Dr.	0.384	Windchime Dr.	0.335
	Oak Spring Ln.	0.011	Willow Run Dr.	0.123
2A	Kendale Ct.	0.226	Malachai Ct.	0.135
	Mahala Dr.	0.277	Meta Ct.	0.147
6C	North Main St.	0.040		
10A	Auction Rd.	0.316	Pleasant Grove Church Rd.	0.300
	Belmar St.	0.245	Prospect St.	0.136
	Bethel Dr.	0.688	Southwest St.	0.001
	Blair St.	0.090	Tower Ave.	0.099
	Bolivar Ave.	0.235	No Name	0.309
	Bowers St.	0.071	Western Connector Loop	0.382
	Dixie Pl.	0.139	Boles Ave.	0.115
	Eastward St.	0.342	Business Interstate HWY	2.559
	Missionary Church Dr.	0.086	Business Interstate Off-ramp	0.333
	Oakmont View Dr.	0.200	Business Interstate On-ramp	0.547
	Old Thomasville Rd.	0.510	S Business Loop 85 HWY	0.140
	Pineview Ave.	0.249		
14	Briarcreek Rd.	0.164	Pennywood Dr.	0.668
	Cole Ave.	0.155	Pinelyn Dr.	0.115
	Deep River Rd.	0.094	Springview Dr.	0.105
	Hickwood Rd.	1.230	Tangle Ln.	0.597
	Lakeview Heights Dr.	0.383	Wexford Pl.	0.140
	Penny Rd.	0.539	Willard Rd.	0.230
16	Eagle Glen Rd.	0.007	McDerr Rd.	0.097
	East Fork Rd.	0.145	McLong Dr.	0.111
	Flormont Dr.	0.276	Pine Hill Dr.	0.005
	Halldale Rd.	0.326	Sunnyvale Dr.	0.214
	Malverne Dr.	0.087	Penny Rd.	0.406
16A	Penny Rd.	0.148		
17	Laurel Bluff Ct.	0.007	Riverbend Rd.	0.345
	Riverbend Ct.	0.076	W Wendover Ave.	0.061
19	Tarrant Rd.	0.166		
19A	<i>None</i>	<i>0.000</i>		

**Appendix E**  
**List of Streets for Short-Term Areas (continued)**

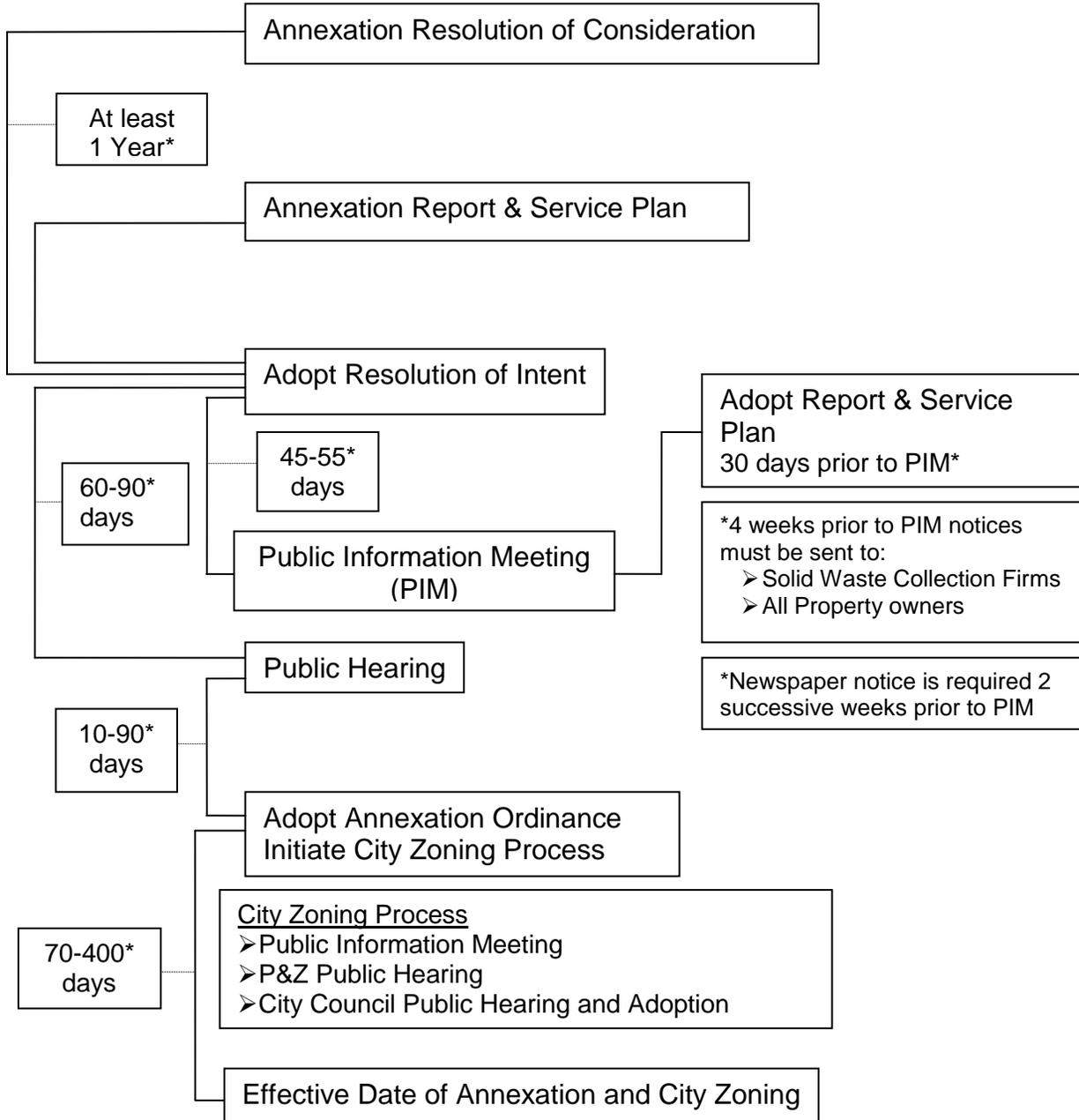
<b>Area</b>	<b>Street</b>	<b>Mileage</b>	<b>Street</b>	<b>Mileage</b>
20	Endotrail Rd.	0.255	Piedmont Trace Dr.	0.007
	Fountain Meadow Ln.	0.071	Riverbluff Terrace	0.006
	Mort Rd.	0.295	Tarrant Rd.	0.248
31	<i>None</i>	<i>0.000</i>		
37	Devoncourt Pl.	0.140		
38	<i>None</i>	<i>0.000</i>		
39	<i>None</i>	<i>0.000</i>		
40	East River Way	0.020	Samet Dr.	0.136
	Gisbourne Dr.	0.003	W Wendover Ave.	1.054
	Penny Rd.	0.237		
41	<i>None</i>	<i>0.000</i>		
42	<i>None</i>	<i>0.000</i>		
44	<i>None</i>	<i>0.000</i>		
46	<i>None</i>	<i>0.000</i>		
47	<i>None</i>	<i>0.000</i>		
48	Central Ave.	0.160	Pinecroft St.	0.194
	Lawndale Ave.	0.114		
53	<i>None</i>	<i>0.000</i>		
56	<i>None</i>	<i>0.000</i>		
58	<i>None</i>	<i>0.000</i>		
62	<i>None</i>	<i>0.000</i>		
63	<i>None</i>	<i>0.000</i>		
64	Pegg Rd.	0.041		
72	E Kivett Dr.	0.160		

**Appendix F  
Payback Calculations for Short-term Areas**

<b>Area</b>	<b>Operating Costs</b>	<b>Capital Costs</b>	<b>In-Lieu / Contract Costs</b>	<b>Revenues</b>	<b>Years</b>
2	\$18,955.56	\$67,260.40	\$16,459.00	\$114,530.83	0.90
2A	\$12,443.62	\$43,797.47	\$12,820.00	\$90,963.80	0.76
6C	\$0.00	\$0.00	\$83.00	\$830.17	0.00
10A	\$49,368.04	\$693,960.22	\$10,516.00	\$237,968.35	3.17
14	\$74,979.34	\$258,092.22	\$36,630.00	\$326,296.77	1.13
16	\$26,541.11	\$506,030.74	\$12,210.00	\$85,375.55	6.38
16A	\$1,990.65	\$7,820.98	\$0.00	\$9,313.61	1.05
17	\$8,360.72	\$32,848.10	\$0.00	\$50,985.08	0.81
19	\$1,990.65	\$7,820.98	\$0.00	\$6,404.86	1.53
19A	\$796.26	\$3,128.39	\$0.00	\$3,816.79	1.03
20	\$13,813.75	\$45,361.66	\$6,438.00	\$74,180.91	0.88
31	\$796.26	\$3,128.39	\$256.00	\$4,418.33	0.95
37	\$4,197.29	\$15,641.95	\$4,180.00	\$28,527.39	0.84
38	\$1,194.39	\$4,692.59	\$246.00	\$5,323.39	1.15
39	\$796.26	\$3,128.39	\$256.00	\$4,386.09	0.95
40	\$4,913.03	\$12,513.56	\$1,776.00	\$21,437.84	0.90
41	\$796.26	\$3,128.39	\$0.00	\$2,657.64	1.48
42	\$1,194.39	\$4,692.59	\$0.00	\$5,092.21	1.16
44	\$0.00	\$0.00	\$0.00	\$1,716.62	0.00
46	\$398.13	\$1,564.20	\$0.00	\$2,041.94	0.96
47	\$398.13	\$1,564.20	\$0.00	\$1,756.54	1.12
48	\$11,613.49	\$42,233.27	\$7,285.00	\$40,500.65	1.51
49	\$398.13	\$1,564.20	\$51.00	\$1,500.48	1.34
53	\$1,592.52	\$6,256.78	\$39.00	\$4,466.05	1.77
56	\$398.13	\$1,564.20	\$84.00	\$1,799.99	1.14
58	\$398.13	\$1,564.20	\$109.00	\$2,028.83	1.02
62	\$398.13	\$1,564.20	\$43.00	\$1,431.69	1.40
63	\$398.13	\$1,564.20	\$97.00	\$1,924.08	1.07
64	\$398.13	\$1,564.20	\$85.00	\$1,894.82	1.08
72	\$2,786.91	\$10,949.37	\$333.00	\$10,558.30	1.33
<b>All Areas</b>	<b>\$242,305.52</b>	<b>\$1,785,000.00</b>	<b>\$109,996.00</b>	<b>\$1,144,129.60</b>	<b>1.87</b>

**Appendix G  
Process Details**

Statutory Timeframe



\*NC General Statutes mandate these minimum and maximum time periods.

## Involuntary Annexation—Process Detail

### 1. Planning Area Annexation Strategy

The Planning & Development Department contracted with the Wooten Company to prepare a Planning Area Annexation Strategy to study the unincorporated portions of the city's planning area to determine (1) areas that will qualify for annexation (involuntary or legislative), (2) areas that should be pursued through the voluntary annexation process, (3) the community facilities and urban services needed to serve the qualified areas, and (4) a strategy to guide future annexations.

### 2. City Council Direction

After review and consideration of the strategy report, City Council gives staff direction on the next steps.

### 3. Resolution of Consideration (ROC)

A Resolution of Consideration is valid for a two-year period. If a Resolution of Consideration is adopted as a first step, a Resolution of Intent can be adopted as early as one year after the adoption of the Resolution of Consideration. If a Resolution of Intent is the first step, then the effective date of the annexation must be at least one year after the adoption of the Annexation Ordinance.

### 4. Annexation Report & Service Plan

The Planning & Development Department will contract with a consultant to assist in preparation of the required annexation report & service plan.

#### Annexation Report & Service Plan:

- Demonstrates that each of the annexation areas meets the statutory standards for annexation;
- Sets out the City's plans for extending major municipal services in the annexation area;
- Provides required Fire Protection Impact Statement; and
- Explains how the city will finance those services for each of the annexation areas.

This report must be substantially complete prior to the adoption of the Resolution of Intent and it is estimated to take approximately 2 months to complete, dependent upon the area(s) selected. If annexing multiple areas, State law allows a city to produce a single report and ordinance; however, separate reports and ordinances may be desired in case of legal challenges. The use of one or separate reports will need to be determined.

Preliminary work - Part of this initial work includes preparing information necessary for providing first-class mail notice and information concerning present-use value properties, and addressing the requirements for rural fire departments and solid waste collection firms, including the identification of these firms. In addition, the City must begin preparing annexation map(s) with a metes & bounds description of each area to be annexed.

Fire - The statutes require (1) a good faith offer by the annexing city to contract with the rural fire department to continue to provide fire service for 5 years; (2) that cities must offer employment to any full-time employee that loses employment due to annexation; and (3)

that cities assume responsibility for payment of a proportionate share of the rural department's indebtedness. Note that this requirement must be balanced with the requirement to provide adequate fire protection service to the annexed area.

Solid waste - The statutes require that cities notify all private solid waste firms serving the annexation areas. For any firm that provides the required notice to the city and that qualifies under the statutes, the cities must either (1) contract with the private firm to provide solid waste services, or (2) pay the firm for its economic loss and defined in the statutes. Note that annexing cities that contract with the private firm may buy out that contract after a minimum one-year period. A qualified firm is one that has at least 50 residential customers in the area or averages monthly revenue of at least \$500 from non-residential customers in the area.

Rural water systems - Rural water systems may qualify for protection from loss of revenue by federal statutes. Potential annexations affecting Davidson Water, Inc. would have to be examined to determine if this revenue protection applies.

Approval - After the Annexation Report & Service Plan is presented to City Council, they must approve it at least 30 days prior to the Public Information Meeting.

Distribution - The approved report must be placed in the City Clerk's office and delivered to all impacted County Clerks. Along with this report, a map and list of all property owners within the annexation areas must also be placed in the Clerk's office.

#### 5. Adoption of the Resolution of Intent (ROI)

Once the Annexation Report & Service Plan is complete or at least substantially complete and prior to City Council's approval of that report, the Council must adopt a Resolution of Intent.

##### Resolution of intent:

- Officially declares the City's intent to annex;
- Describes the boundaries of the annexation area(s);
- Establishes the date of the Public Informational Meeting; and
- Establishes the date of the City Council Public Hearing.

#### 6. Public Notice & Information

Mailed notice - At least 4 weeks prior to Public Informational Meeting the city must:

- Provide a copy of the ROI to all solid waste firms serving the annexation area(s)
- Mail notice to all freehold owners, as shown on the tax records, stating the following:
  - The date, hour, and place of the Public Informational Meeting
  - The date, hour, and place of the Public Hearing;
  - A clear description and a map of the annexation area(s);
  - A statement that the Annexation Report & Service Plan will be available in the City Clerk's office at least 30 days prior to the Public Informational Meeting;
  - A notice of a property owners rights to request accelerated extension of water or sewer lines or both; and

- An explanation of the rights of an owner of property subject to, or eligible for, use-value taxation. (i.e. agricultural, horticultural or forest lands)

Published notice - The city must publish notice at least twice, in two successive weeks, in a newspaper of general circulation. If less than half of the city is located in the county where the annexation lies, the city must also publish the notice in a newspaper with general circulation in the annexation area. First publication to second publication may not be less than 8 days and second publication must be no more than 7 days prior to the PIM.

Publication requirements:

- The date, hour, and place of the Public Informational Meeting;
- The date, hour, and place of the Public Hearing;
- A clear description and a map of the annexation area;
- A statement that the Annexation Report will be available in the City Clerk's office at least 30 days prior to the Public Informational Meeting;
- A notice of a property owners rights to request accelerated extension of water or sewer lines or both; and
- An explanation of the rights of an owner of property subject to, or eligible for, use-value taxation.

Notification to other cities - At least 60 days prior to the adoption of the Annexation Ordinance, the City must send the notice of intent to annex to all other cities with which it has annexation agreements.

Public Informational Meeting (PIM) - The Public Informational Meeting must be held not less than 45 days nor more than 55 days after the Resolution of Intent is adopted by City Council. The purpose of this meeting is to present the report & service plan and answer any questions.

7. City Council Public Hearing

The City Council Public Hearing must be held not less than 60 days nor more than 90 days after the adoption of the Resolution of Intent. The purpose of this hearing is to allow current and future residents to address the City Council on the merits of the annexation proposal and the sufficiency of the Annexation Report & Service Plan.

8. Changes After Hearing

Accelerated extension of utility lines - No later than 5 days after the public hearing, an affected property owner may file a request with the City Clerk requesting that the extension of utility lines (water & sewer) to serve their property to be accelerated and completed within 2 years. The cost of this extension to the City and to the property owner is based upon the City's current financial provisions of its extension policy. The report must be amended to reflect the additional requests for water and sewer.

Amendments to the annexation report & service -The City Council can amend the Annexation Report & Service Plan after the Public Hearing to reduce the area to be

annexed, but depending on the amendments, an additional Public Hearing may be necessary.

#### 9. Adoption of Annexation Ordinance

The City Council's adoption of the Annexation Ordinance must be not less than 10 days nor more than 90 days after the Public Hearing.

Ordinance must include:

- Metes and bounds description;
- A statement that the annexation areas meet the requirements of 160A-48 (developed for urban purposes tests);
- A statement of intention to provide services in conformity with the Annexation Report;
- A specific finding that the City will, on the effective date of the annexation, have funds appropriated in an amount sufficient to finance construction of utility lines as required in the statutes and set out in the report; and
- The effective date of the annexation.

Legal challenges - Any legal challenge to the annexation must be filed within 60 days of adoption of the ordinance.

#### 10. Effective Date

If the annexation was initiated by a Resolution of Consideration, the effective date must not be less than 70 days nor more than 400 days after the ordinance is adopted. If the annexation was initiated by a Resolution of Intent, then the effective date of the annexation must be at least one year after the adoption of the Annexation Ordinance.

Property taxes may need to be prorated depending upon the effective date of annexation. An effective date that falls on the last day of the month is preferred, because prorated taxes are not charged until the next full calendar month after the effective date. The following are timeframes for which taxes are or are not prorated:

- An effective date in the month of June is ideal to avoid the burdens of prorating taxes and the refund of fire district taxes. For annexations effective on June 30<sup>th</sup>, there is no proration and it allows the provision of services to coincide with the fiscal year.
- An effective date after June 30 and on or before September 1, will require proration of taxes and the newly annexed residents are billed on the first day of September of the current fiscal year.
- An effective date after September 1 and before July 1, the prorated taxes for the current fiscal year and the following year will be billed the September of the next fiscal year. The downside of this timeframe is that the city must finance services to the newly annexed areas from the existing tax base and the new residents will receive a tax bill in September of the following year for both the prorated taxes for the previous fiscal year and the full taxes for the current fiscal year.

## 11. Additional Requirements

Map and ordinance - The map and ordinance shall be filed with the City Clerk following adoption. The map must also be recorded in the office(s) of the County Register of Deeds and with the office of the Secretary of State within 30 days of the effective date. The City shall also deliver a map of the annexed area to the respective County Board of Elections.

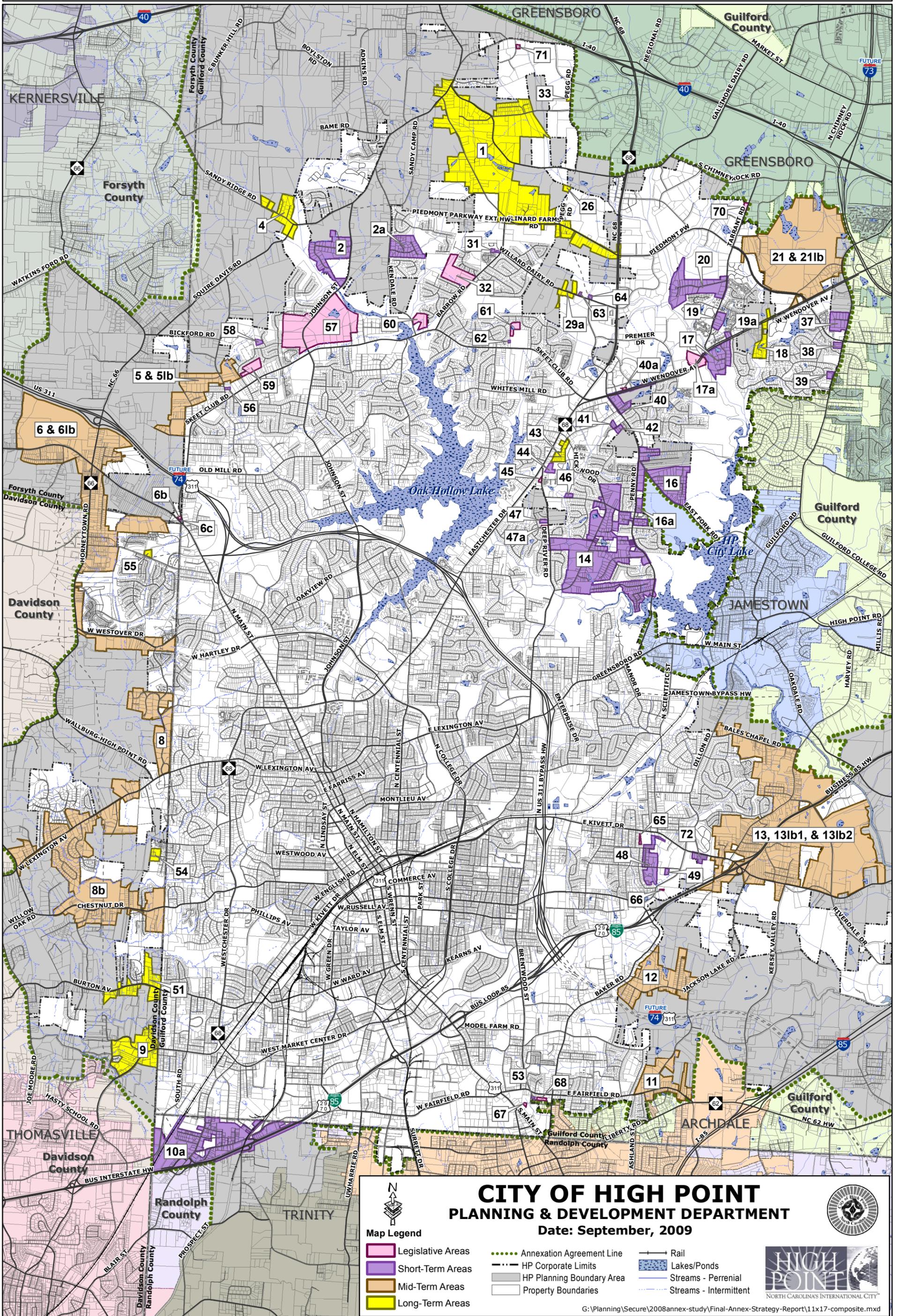
Preclearance - Guilford County is subject to the preclearance requirement of the federal Voting Rights Act (1965) and all annexations must be submitted to the Department of Justice and they must preclear the annexation prior to the annexation becoming effective. The DOJ has 60 days from the receipt of the necessary information to respond and they usually give preclearance at the end of the 60-day period.

Zoning - The City Council must initiate the process to establish city zoning for any annexation area that does not currently have city zoning (i.e. ETJ). Ideally, the zoning should coincide with the effective date of annexation; however, the city does have up to 60 days after the annexation effective date to have zoning in place.

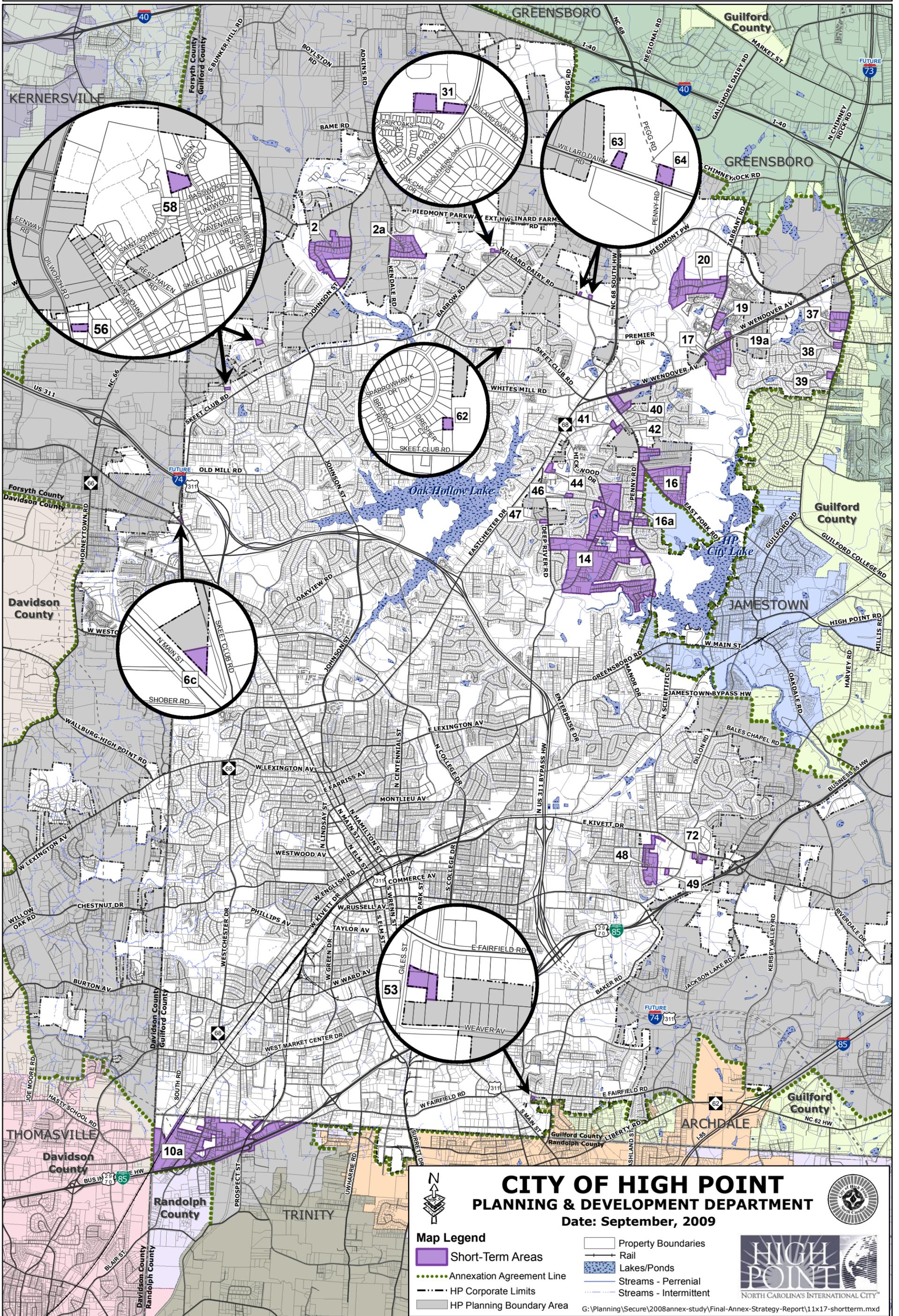
## 12. Annexation Timeframe

The minimum statutory timeframe from ROI to Effective Date is 140 days (3 months, 20 days) however, this does not include the time necessary to prepare the Annexation Report & Service Plan(s), which vary depending on complexity, size and number of areas being annexed.

# ANNEXATION STRATEGY: ALL ANNEXATION AREAS



# ANNEXATION STRATEGY: SHORT-TERM AREAS





## CITY OF HIGH POINT

### PLANNING & DEVELOPMENT DEPARTMENT

Date: September, 2009

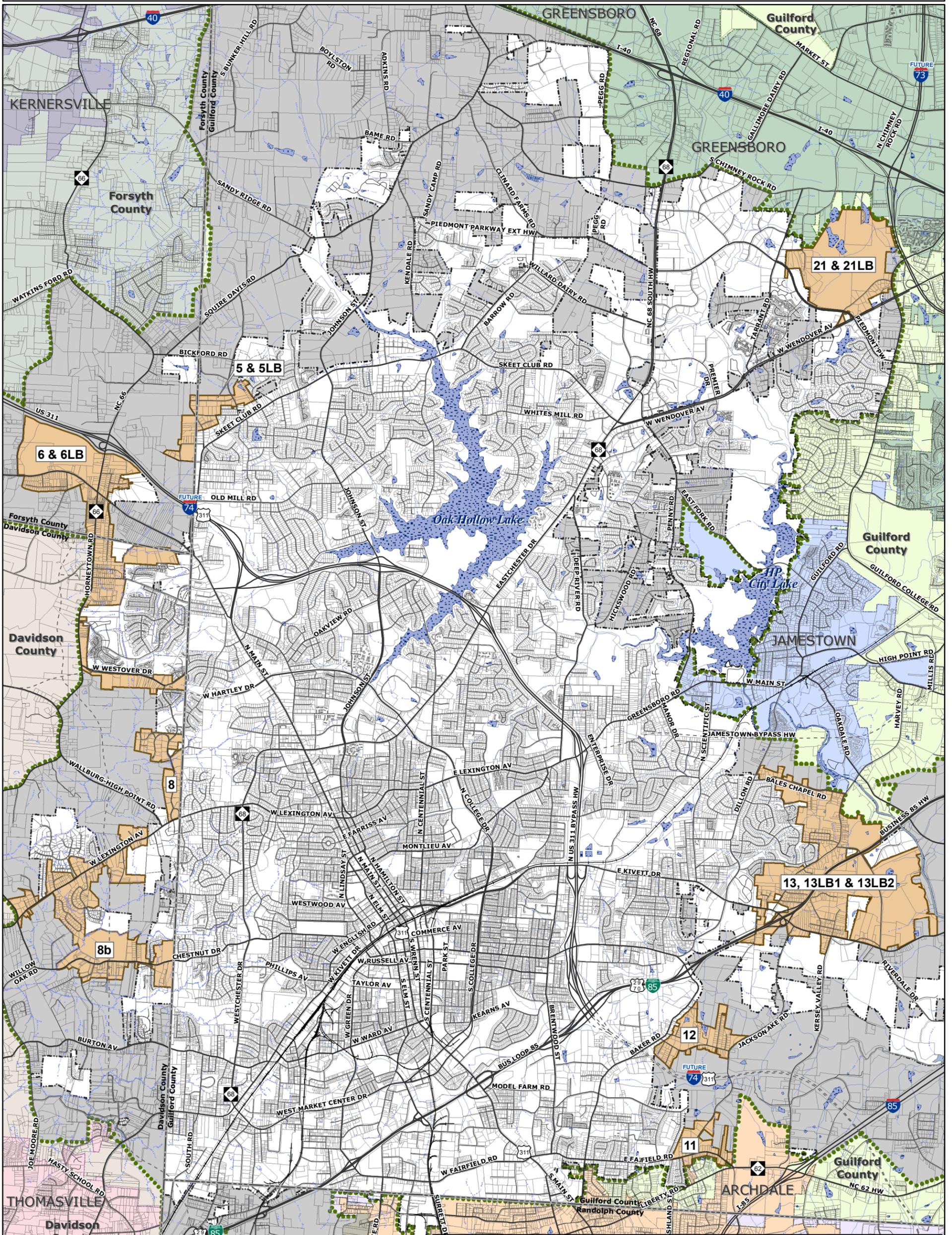


<p><b>Map Legend</b></p> <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 15px; height: 10px; background-color: purple; border: 1px solid black; margin-right: 5px;"></span> Short-Term Areas</li> <li><span style="display: inline-block; width: 15px; border-bottom: 1px dashed black; margin-right: 5px;"></span> Annexation Agreement Line</li> <li><span style="display: inline-block; width: 15px; border-bottom: 1px solid black; margin-right: 5px;"></span> HP Corporate Limits</li> <li><span style="display: inline-block; width: 15px; border: 1px solid gray; margin-right: 5px;"></span> HP Planning Boundary Area</li> </ul>	<ul style="list-style-type: none"> <li><span style="display: inline-block; width: 15px; border-bottom: 1px solid black; margin-right: 5px;"></span> Property Boundaries</li> <li><span style="display: inline-block; width: 15px; border-bottom: 1px solid black; margin-right: 5px;"></span> Rail</li> <li><span style="display: inline-block; width: 15px; height: 10px; background-color: lightblue; border: 1px solid black; margin-right: 5px;"></span> Lakes/Ponds</li> <li><span style="display: inline-block; width: 15px; border-bottom: 1px solid blue; margin-right: 5px;"></span> Streams - Perennial</li> <li><span style="display: inline-block; width: 15px; border-bottom: 1px dashed blue; margin-right: 5px;"></span> Streams - Intermittent</li> </ul>
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# ANNEXATION STRATEGY: MID-TERM AREAS





## CITY OF HIGH POINT

### PLANNING & DEVELOPMENT DEPARTMENT

Date: September, 2009



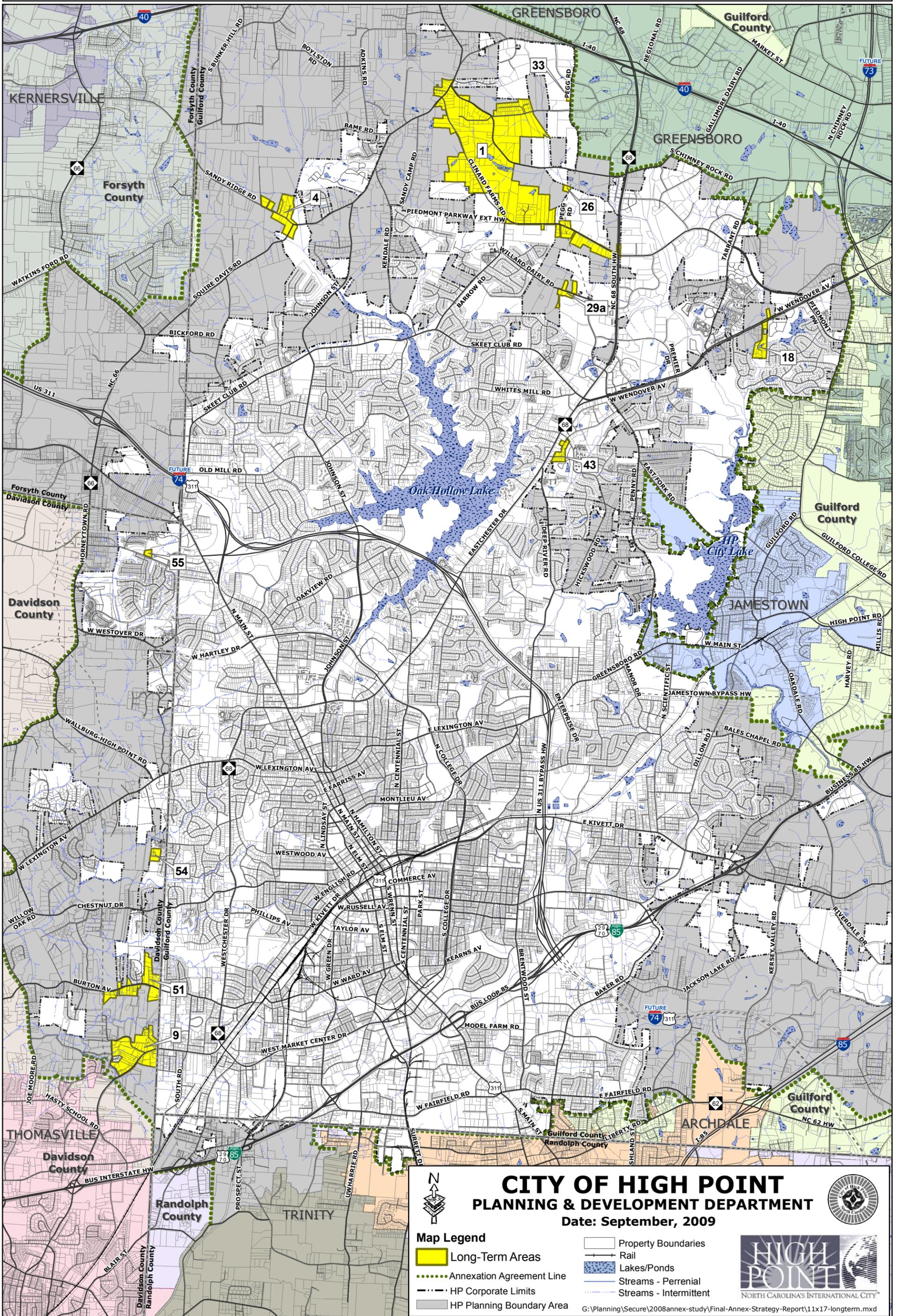
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NORTH CAROLINA'S INTERNATIONAL CITY

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# ANNEXATION STRATEGY: LONG-TERM AREAS





## CITY OF HIGH POINT

### PLANNING & DEVELOPMENT DEPARTMENT

Date: September, 2009



<p><b>Map Legend</b></p> <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 15px; height: 10px; background-color: yellow; border: 1px solid black; margin-right: 5px;"></span> Long-Term Areas</li> <li><span style="display: inline-block; border-bottom: 1px dashed green; width: 20px; margin-right: 5px;"></span> Annexation Agreement Line</li> <li><span style="display: inline-block; border-bottom: 1px dashed black; width: 20px; margin-right: 5px;"></span> HP Corporate Limits</li> <li><span style="display: inline-block; border: 1px solid gray; width: 20px; height: 10px; margin-right: 5px;"></span> HP Planning Boundary Area</li> </ul>	<ul style="list-style-type: none"> <li><span style="display: inline-block; border-bottom: 1px solid gray; width: 20px; margin-right: 5px;"></span> Property Boundaries</li> <li><span style="display: inline-block; border-bottom: 1px solid black; width: 20px; margin-right: 5px;"></span> Rail</li> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: lightblue; border: 1px solid blue; margin-right: 5px;"></span> Lakes/Ponds</li> <li><span style="display: inline-block; border-bottom: 1px solid blue; width: 20px; margin-right: 5px;"></span> Streams - Perennial</li> <li><span style="display: inline-block; border-bottom: 1px dashed blue; width: 20px; margin-right: 5px;"></span> Streams - Intermittent</li> </ul>
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# ANNEXATION STRATEGY: LEGISLATIVE AREAS

