



MEMORANDUM

TO: Mayor and Board of Commissioners

FROM: Bryan Gruesbeck, Town Manager

SUBJECT: Proposed Annexation of Property on Suttles Rd. (A-2015-02) from Chatham Park Investors

DATE: May 26, 2015

Background: During the May 11, 2015 Board of Commissioners meeting you set a public hearing for May 26, 2015 to review an annexation request from Chatham Park Investors, LLC. Mayor Terry suggested that Staff prepare an Impact or Economic Analysis for the property in order to better determine the feasibility of the Town's ability to provide statutorily obligated services.

Land Use Patterns: As indicated in the Memorandum (and accompanying maps) provided by Mr. Bass, Town Planner, the property requested for annexation is on Suttles Road (SR 1809). It is in the Town of Pittsboro's Extra Territorial Jurisdiction (ETJ) and zoned as Planned Development District (PDD). The property is 29.29 acres and contiguous to the corporate limits to Town of Pittsboro.

The property proposed to be annexed consists of all or portions of five (5) lots recently approved for development. There is currently one (1) site plan pending for a Hospice care facility upon the two (2) acre lot. We are not otherwise aware of the development plans or proposed uses for the remaining area offered for annexation. All or portions of the other five (5) approved subdivision lots were annexed in 2012 and 2014. The medical office building under construction is on the portion already within the town limits.

As a result, it may be difficult to determine and describe the impacts of annexing property without knowing the uses that will be brought into the Town of Pittsboro.

Impacts of Each Municipal Service Currently Performed within the Town of Pittsboro:

1. **Wastewater/Sanitary Service:** There is currently wastewater service and capacity available for this site. Any necessary upgrades to accommodate the project will be at the cost of the developer. Sufficient capacity has been determined to exist for this property.
2. **Water Service:** There is currently existing water service and capacity available for this site. Any necessary upgrades to accommodate the subject property will be at the cost of the developer.

3. **Streets**: The current developed parcels will be served by .34 miles of local or Town streets which will be added through the middle of the subject property. All street improvements will be at the cost to the developer. The property will also be served by nearby State maintained roads (Russett Run, Suttles Road and US15-501). There will be a minimal impact to Powell Bill revenues – either by revenue gained from the new streets or the maintenance required.
4. **Storm Water and Soil Sedimentation Controls**: The Town of Pittsboro has reviewed and required the provision of effective storm water and soil sedimentation controls. Necessary improvements will be at the expense of the developer.
5. **Parks and Recreation**: The current developed parcels will not impact the use of existing parks or create the need for additional facilities. The uses on the developed property do not generate the need for additional parks facilities. Future impacts will be dependent upon the form of future development upon the subject properties.
6. **Police**: Police coverage is currently provided by the Town of Pittsboro Police Department because the subject property is within the ETJ. Police calls to the office buildings developed on two (2) of the parcels will be minimal. Likewise, police calls to the Hospice facility can be assumed to be minimal. The anticipated uses do not generate the same volume of calls for service as residential or commercial uses. Future impacts will be dependent upon the form of future development upon the subject properties.
7. **Fire Protection**: The Pittsboro Fire Chief and Chatham County Fire Marshall reviewed and approved the site plans for the developed parcels. Cost impacts to the Town as related to fire protection for the developed properties will be non-existent based on the current contract with the Pittsboro Fire Department.
8. **Administration/Finance/Human Resources**: Existing and future development will connect to existing Town water and sewer service and will create additional work in the form of reading water meters and increasing the number of bills. Impact appears negligible.
9. **Solid Waste/Recycling**: The proposed annexation will increase the number of collection points on the developed parcels. The impact of the subject property from the undeveloped property is unknown. In both cases, the new developments will assume the costs paid to private waste haulers. Town Staff collect payments but the impact will be minimal. The developed parcels will not otherwise generate yard waste that requires Town of Pittsboro Staff to collect.

Impact to Town of Pittsboro Revenues

Estimated Ad Valorem Tax Revenues: \$72,154. This was calculated as follows:
 $\$275,000 \text{ Land Value} \times 24.19 \text{ Acreage} (29.29 - 5.1) = \$6,652,250 \text{ for Total Land Value.}$
 $\$6,652,250 \text{ total land value} + \$10,000,000 \text{ total building value} \times .4333 \text{ current tax rate} =$
 $\$72,154.$ This calculation is based on information provided from Chatham Park with land value at \$275,000 per acre; 29.29 total acres; 5.1 acres for Hospice; building value of \$10,000,000; current tax rate of .4333.

Estimated increase in Powell Bill: \$1,661. This was calculated as follows: 24.22 current miles maintained by Powell Bill Funds + .34 miles from proposed annexation = 24.56 total street miles. \$120,000 revenue budgeted for Powell Bill x 24.56 total miles = \$4,886 per mile. \$4,886 per mile x .34 proposed miles = \$1,661. This calculation assumes 24.22 for current roads/streets maintained by Powell Bill funds; .34 miles for proposed annexation; and \$120,000 currently budgeted as revenue.

Impact Fees: To be determined.

Estimated Water/Sewer Collection: \$30,000. This was calculated as follows: \$2500/mo x 12 mo = \$30,000. This figure was based on a review of similar commercial services currently being provided to existing customers by determining an average monthly bill for water and sewer collection.

Estimated Garbage Collection: \$7,056. This was calculated as follows: \$196 monthly fee for 8 yard with 2 services per week x 12 month x 3 locations (Medical Office 1, Medical Office 2 and Hospice) = \$7,056.

Action Requested: Review and provide direction as appropriate.