

Town of Gibsonville

ANNEXATION FEASIBILITY STUDY



PREPARED BY
THE PIEDMONT TRIAD COUNCIL OF GOVERNMENTS



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I. INTRODUCTION

With a 2000 population of 4,372, the Town of Gibsonville is granted authority to expand its municipal limits by annexation in Article 4A, Part 2 of the North Carolina General Statute 160A (Annexation by Cities of Less than 5,000). North Carolina law has different annexation procedures for cities over and under 5,000 in population. Pursuant to the legislative authority granted to cities under 5,000 in population, the Town of Gibsonville has initiated a process that may lead to the incorporation of several adjacent areas.

To begin the process, the Town requested the Piedmont Triad Council of Governments to study the areas to determine the legal eligibility for annexation. Those findings are incorporated into this Study.

Under the authority vested in the Gibsonville Board of Aldermen, in G.S. 160A-37(a), the Board may adopt a Resolution of Intent in October, 2003. By following a timetable consistent with statutory requirements, the Board may determine by late December, 2003 whether or not to adopt an annexation ordinance. The timetable would call adoption of an annexation report in early November, 2003 and the public information meeting and public hearing in December, 2003. The desired effective date of annexation is January 1, 2005.

II. FEASIBILITY ANALYSIS

Benefits of Annexation

Municipal annexation has been described as the process that allows areas that have become urban in character to become municipal as well. The process maintains North Carolina's basic pattern of government responsibility between counties and cities and allows the special needs of citizens living in urban areas to be met. In most cases, a city's economic growth also depends on the periodic expansion of its boundaries.

Typically, annexation has substantial benefits for a municipality:

- Annexation enables towns to adequately and efficiently extend services such as police and fire protection and public utilities into areas of urban development around municipal boundaries;
- A town's tax base can be increased; and
- Annexation brings an automatic increase in the town's population which will increase its share of certain state and federal funds which are distributed based on population.

Annexation can also have benefits for residents within an annexed area. For those living in the annexation area, it means receiving the full range of municipal services, rights and privileges; a reduction in user and service fees and a likely reduction in homeowner's insurance rates.

Furthermore, the extension of services not only benefits residents, but it also helps attract additional growth to new areas of the city. The overall benefit to the town and its residents is the enhancement of the entire community through proper and directed growth.

Annexation in North Carolina

North Carolina law recognizes extension of municipal boundaries through annexation as a desirable mechanism to promote sound urban growth and assure adequate provision of governmental services.

State Policy

The State of North Carolina has set forth its policy regarding annexation for cities with populations less than 5,000 in the General Statutes, Article 4A, Part 2 of G.S. 160A-33. The declared policy is:

- (1) Sound urban development is essential to the continued economic development of North Carolina;
- (2) Municipalities are created to provide the public services essential for sound urban development and for the protection of health, safety, and welfare in areas being intensively used for residential, commercial, industrial, institutional and governmental purposes, or in areas undergoing such development;
- (3) Municipal boundaries should be extended, in accordance with legislative standards, to include such areas and provide the high quality of governmental services required for the public health, safety, and welfare;
- (4) New urban development in and around municipalities having a population of less than 5,000 persons tend to be concentrated close to the municipal boundary rather than being scattered and dispersed as in the vicinity of larger municipalities, so that the legislative standards governing annexation by smaller municipalities can be simpler than those for larger municipalities and still attain the objectives set forth in the law; and
- (5) Areas annexed should receive the services provided by the annexing municipality in accordance with G.S. 160A-35(3).

As a prerequisite to annexation, the town is required to prepare a report which includes plans for the extension of each major municipal service to the area proposed for annexation, which must include:

- (1) A map of the town showing the present and proposed boundaries of the municipality;
- (2) A map showing proposed extensions of water mains and sewer outfalls, bearing the seal of a registered engineer or licensed surveyor;
- (3) A statement showing that the area to be annexed meets the legal requirements and standards prescribed by G.S. 160A-36;
- (4) A statement setting forth plans for extending into the proposed annexation area each major municipal service offered within the town at the time of annexation (water, sewer, fire, police, street maintenance, solid waste) and the method of financing such services;
- (5) A statement of the impact of the annexation on the rural fire departments providing services in the area to be annexed and the impact of the annexation on fire insurance rates; and
- (6) A statement of impact on the town's finances and services, including revenue change estimates.

Methods of Annexation

North Carolina law gives a municipality two methods of annexing adjacent property: annexation by petition and the statutory standards method for city initiated annexation. Annexation by petition is a fairly quick and simple process that allows landowners to petition for annexation. Annexation by statutory standards, on the other hand, is a more complicated and lengthy process in which a municipality can annex property which meets the statutory standards of contiguity, population density and intensity of development. This process has been repeatedly upheld by the courts and is one of the reasons for North Carolina's strong and fiscally sound towns and cities.

Annexation by Petition

Property owners in an area contiguous to the city may initiate this process. It requires 100% of the property owners desiring annexation to petition the city council to adopt an annexation ordinance. If this requirement is met and a petition of property owners is declared valid, the city council, after proper notice and public hearing, "...may pass an ordinance annexing the property" (G.S.160A-31). This permissive language indicates that a city may reject a valid annexation petition for reasons such as inability to provide services or financial disadvantage to the municipality.

Annexation by Statutory Standards

This process is initiated by the municipality for the purpose of incorporating an adjacent urbanizing area into its city limits. The principle underlying this method is that whatever is urban should be municipal.

In order for an area to be eligible under this method of annexation by a city of less than 5,000, it must meet the statutory standards listed in G.S 160A-36:

- (1) The area must be adjacent or contiguous to the city;
- (2) One-eighth (12.5%) of the area's aggregate external boundary must coincide with the present city limits;
- (3) No part of the area is included within the boundaries of another municipality; and
- (4) The area must be developed for urban purposes such that:
 - a) It is developed such that it meets both the "use test" and the "subdivision test":
 - (1) Use Test. At least 60% of the total number of lots and tracts are used for residential, commercial, industrial, institutional or governmental purposes; and
 - (2) Subdivision Test. The area is subdivided into lots and tracts such that at least 60% of the total acreage, excluding properties used for commercial, industrial, governmental or institutional purposes, consists of lots and tracts three acres or less in size.

OR

- b) It is developed such that at the time the annexation report is approved, all tracts in the area are used for commercial, industrial, governmental or institutional purposes;

OR

- c) It is the entire area of any county water and sewer district created under G.S. 162A-86(b1), provided that the municipality contracts with the district to operate the sewer system, and is annexing the entire service area.

Procedure for Annexation

There are several steps a municipality must take in order to annex land using the statutory standards method, detailed in G.S. 160A-37. They are:

1. Resolution of Intent.

The Resolution of Intent is adopted by the governing board and must describe the boundaries of the area being considered for annexation. Additionally, a date must be advertised for a public informational meeting to be held between 45 and 55 days after adoption of the resolution and a public hearing to be held between 60 to 90 days after adoption.

2. Annexation Report.

The Board of Aldermen must approve an annexation report at least 30 days before the public information meeting. This report describes in detail the city's plans for extending services to the newly annexed area. State law also require that it include a "...statement showing how the proposed annexation will affect the city's finances and services, including city revenue change estimates." This report and accompanying maps must be publicly posted in the clerk's office and delivered to the clerk to the County Board of Commissioners at least 30 days before the public information meeting.

3. Public Notice.

The notice of public hearing must contain the time and location of the public informational meeting as well as of the public hearing; describe the boundaries of the proposed annexation; include a map of the proposed areas; state that the annexation report and plans will be available at the clerk's office at least 30 days prior to the hearing; and explain owners' rights with respect to properties subject to present-use value taxation. This pertains to "qualifying farms" against which municipalities cannot levy property taxes.

This notice must be published in a newspaper having general circulation in the city once a week for at least two successive weeks before the public information meeting. Written notices must also be mailed to the property owners within the proposed area of annexation at least four weeks before the information meeting.

4. Public Information Meeting.

A municipality must conduct a public information meeting between 45 and 55 days after adopting the Resolution of Intent. Representatives of the town must be present to explain the annexation report and give citizens an opportunity to ask questions and receive answers.

5. Public Hearing.

At the public hearing before the Board of Aldermen, a representative of the town must explain the plan for extending services to the annexation area. Affected property owners and town residents must be given an opportunity to speak. The hearing must be conducted between 60 and 90 days after adoption of a Resolution of Intent.

6. The Annexation Ordinance.

This ordinance, which will extend the Town limits, can be passed no earlier than 10 days and no later than 90 days following the public hearing. The Board may make the annexation effective upon any date not less than 40 days or more than 400 from the adoption of the annexation ordinance. The ordinance must include specific findings showing compliance with the annexation requirements, a statement of intent to provide services, and a statement indicating that sufficient funds to finance water and sewer lines will be available on the effective date of annexation.

Methodology

Tax maps and property tax rolls were used to obtain data to analyze the area. Once each lot was identified, its size and current use was verified. Acreage included in the study is based primarily on tax records, although calculations based on GIS (geographic information system) computations were used to update incorrect or unclear tax records. Calculations of the perimeter of the area were determined by GIS measurements. For purposes of determining population, the following Census 2000 data was used.

Table I. Town of Gibsonville, Census Summary

Population	4,372
Households	1,707
Average Household size	2.56
<i>Source: US Census Bureau, 2000 Census, Summary Table 1</i>	

Description of Areas

The Town of Gibsonville requested the Piedmont Triad Council of Governments to assess the feasibility of annexing several areas contiguous to the Town Limits. The maps included with this report show each area in relation to the existing town limits, and identify the tax parcels under consideration for annexation.

NC 61, North

This area, lying north of the existing town limits, contains 47 parcels, of which 29 are in residential, commercial or institutional use, and 27 are one acre or less in size. The area is primarily residential in character. Based on parcels currently in residential use, there are 29 households, with an estimated population of 74.

With the voluntary annexation of the two parcels as noted, this area will meet the minimum requirements to qualify for statutory standards annexation.

NC 61/NC 100

This area, lying west of the existing town limits, contains 29 parcels, of which 25 are in residential, commercial or institutional use, and 28 are three acre or less in size. The area is primarily residential in character, with some limited commercial and institutional uses. Based on parcels currently in residential use, there are 24 households, with an estimated population of 61 people.

In order to provide adequate public services, this area is recommended to be annexed in two sections.

Shaw Street

This area, lying south of the existing town limits is adjacent on two sides to the town limits. It contains 19 parcels, of which 18 are in residential, commercial or institutional use, and all 19 are three acres or less in size. The area is primarily residential in character. Based on parcels currently in residential use, there are 18 households, with an estimated population of 46 people.

Springwood Church Road, North and South

This area, lying south and east of the existing town limits, contains 17 parcels, of which 11 are in residential, commercial or institutional use, and 13 are three acres or less in size. The area is primarily residential in character. Based on parcels currently in residential use, there are 10 households, with an estimated population of 24.

These combined areas were found to be ineligible for annexation due to the size of tracts included in the study area. An alternate configuration consisting of 5 parcels, of which 3 are in residential, commercial or institutional use and all are three acres or less in size. The area consists of residential and commercial uses. Based on parcels in residential use, there are 2 households with an estimated population of 5.

Compliance with G.S. 160A-36, Eligibility

The detailed description of each area below demonstrates the level of compliance with the standards set forth in North Carolina General Statute 160A-36 (b).

NC 61 North

- It is contiguous to the town limits;
- It is not located within another municipal boundary;
- 37.8% of the area's total boundary coincides with the municipal boundary (given the two voluntary annexations), and this complies with the statutory 1/8th (12 1/2%) requirement;
- The area is developed for 'urban purposes' because it meets both the use and subdivision tests.

Use Test: 29 of the 47 lots, or 61.7%, are used for residential, commercial, industrial, institutional or governmental purposes; and

Subdivision Test: 40.04 acres out of 57.34 total residential and undeveloped acres, or 69.83%, are in lots and tracts of 3 acres or less in size.

NC 61/NC 100, Area A

- It is contiguous to the town limits;
- It is not located within another municipal boundary;
- 52.9% of the area's total boundary coincides with the municipal boundary, and this complies with the statutory 1/8th (12 1/2%) requirement;
- The area is developed for 'urban purposes' because it meets both the use and subdivision tests.

Use Test: 16 of the 17 lots, or 94.1%, are used for residential, commercial, industrial, institutional or governmental purposes; and

Subdivision Test: 14.97 acres out of 18.99 total residential and undeveloped acres, or 78.8%, are in lots and tracts of 3 acres or less in size.

NC 61/NC 100, Area B

- It is contiguous to the town limits;
- It is not located within another municipal boundary;
- 23.3% of the area's total boundary coincides with the municipal boundary, and this complies with the statutory 1/8th (12 1/2%) requirement;
- The area is developed for 'urban purposes' because it meets both the use and subdivision tests.

Use Test: 9 of the 12 lots, or 75%, are used for residential, commercial, industrial, institutional or governmental purposes; and

Subdivision Test: 9.95 acres out of 9.95 total residential and undeveloped acres, or 100%, are in lots and tracts of 3 acres or less in size.

Shaw Street

- It is contiguous to the town limits;
- It is not located within another municipal boundary;
- 36.02% of the area's total boundary coincides with the municipal boundary, and this complies with the statutory 1/8th (12 1/2%) requirement;
- The area is developed for 'urban purposes' because it meets both the use and subdivision tests.

Use Test: 18 of the 19 lots, or 94.7%, are used for residential, commercial, industrial, institutional or governmental purposes; and

Subdivision Test: 14.63 acres out of 14.63 total residential and undeveloped acres, or 100%, are in lots and tracts of 3 acres or less in size.

Springwood Church Road, North

- It is contiguous to the town limits;
- It is not located within another municipal boundary;
- 66.5% of the area's total boundary coincides with the municipal boundary, and this complies with the statutory 1/8th (12 1/2%) requirement;
- The area does not meet the subdivision test.

Use Test: 5 of the 8 lots, or 62.5%, are used for residential, commercial, industrial, institutional or governmental purposes; and

Subdivision Test: 7.39 acres out of 18.29 total residential and undeveloped acres, or 40.4%, are in lots and tracts of 3 acres or less in size.

Springwood Church Road, South

- It is contiguous to the town limits;
- It is not located within another municipal boundary;
- 67% of the area's total boundary coincides with the municipal boundary, and this complies with the statutory 1/8th (12 1/2%) requirement;
- The area does not meet the subdivision test.

Use Test: 6 of the 9 lots, or 66.6%, are used for residential, commercial, industrial, institutional or governmental purposes; and

Subdivision Test: 7.43 acres out of 16.23 total residential and undeveloped acres, or 45.7%, are in lots and tracts of 3 acres or less in size.

Springwood Church Road (alternate)

- It is contiguous to the town limits;
- It is not located within another municipal boundary;
- 26.2% of the area's total boundary coincides with the municipal boundary, and this complies with the statutory 1/8th (12 1/2%) requirement;
- The area meets the subdivision test.

Use Test: 3 of the 5 lots, or 60%, are used for residential, commercial, industrial, institutional or governmental purposes; and

Subdivision Test: 5.18 acres out of 5.18 total residential and undeveloped acres, or 100%, are in lots and tracts of 3 acres or less in size.

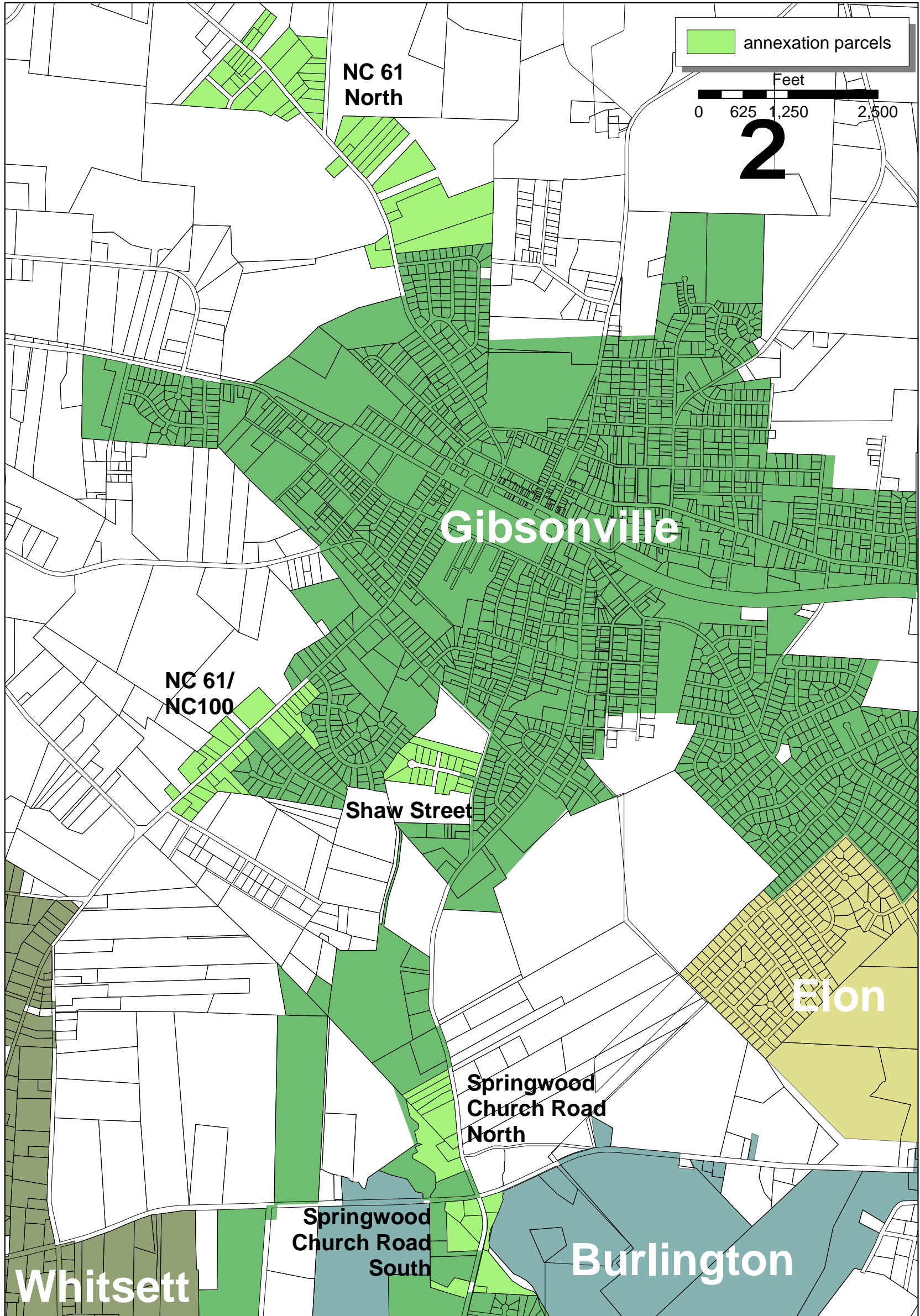
The following table summarizes the statutory compliance criteria examined for each proposed annexation area.

Table II. Summary of Annexation Criteria

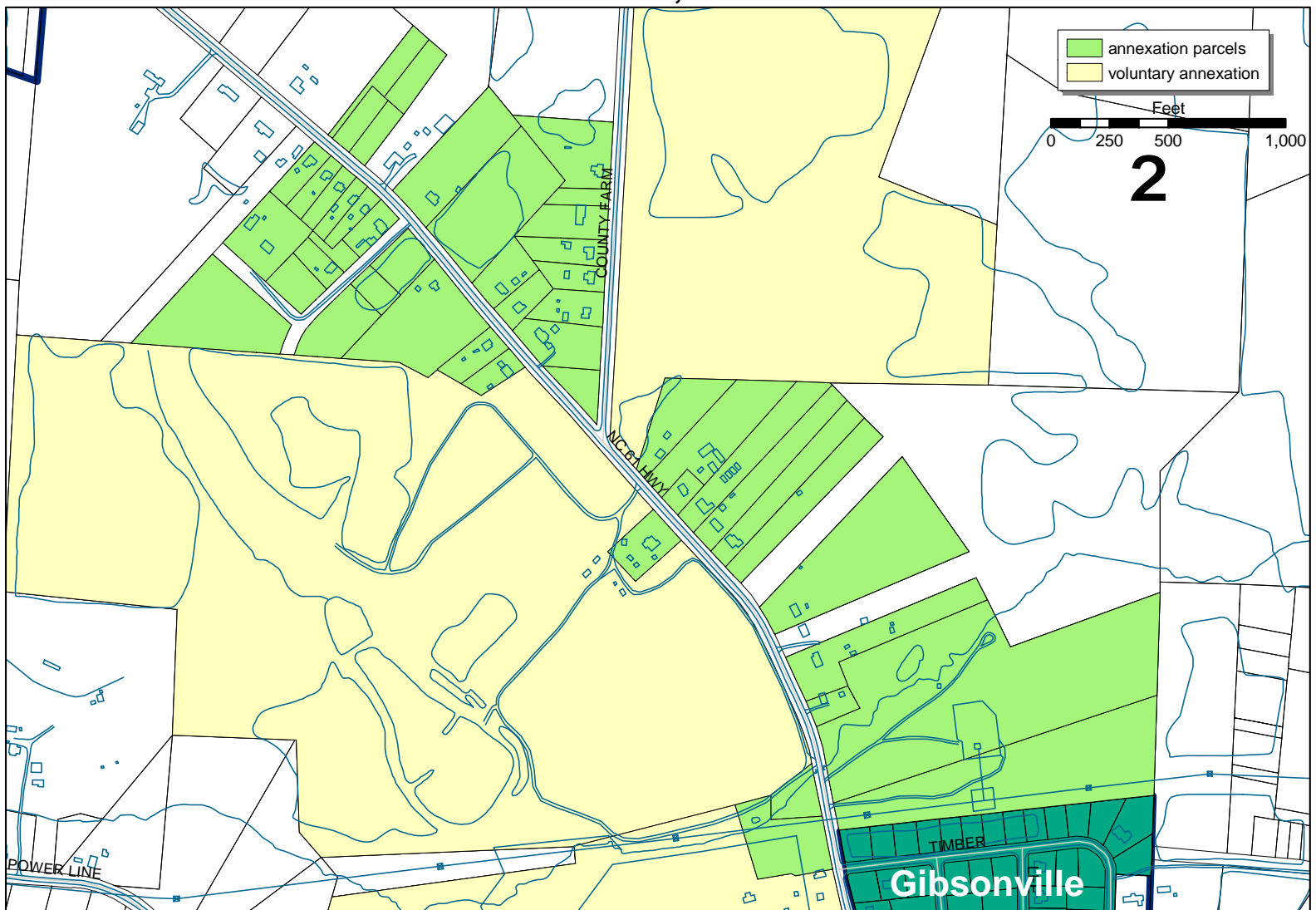
Area, in acres	
NC 61 North	85.72
NC 61/100 A	18.99
NC 61/100 B	10.82
Shaw Street	14.63
Springwood Church Road, alternate	6.63
Number of parcels	
NC 61 North	47
NC 61/100 A	17
NC 61/100 B	12
Shaw Street	19
Springwood Church Road, alternate	5
Parcels in residential, commercial, institutional, industrial or governmental use	
NC 61 North	29, or 61.7%
NC 61/100 A	16, or 94.1%
NC 61/100 B	9, or 75.0%
Shaw Street	18, or 94.7%
Springwood Church Road, alternate	3, or 60.0%

Total residential and undeveloped acreage	
NC 61 North	57.33 acres
NC 61/100 A	18.99
NC 61/100 B	9.95
Shaw Street	14.63
Springwood Church Road, alternate	5.18
Residential and undeveloped property in tracts of 3 acres or less	
NC 61 North	42.71 acres, or 74.5%
NC 61/100 A	14.97 acres, or 78.8%
NC 61/100 B	9.95 acres, or 100%
Shaw Street	14.63 acres, or 100%
Springwood Church Road, alternate	5.18 acres, or 100%
Total External boundary	
NC 61 North	17,435 linear feet
NC 61/100	8,965
Shaw Street	3,415
Springwood Church Road, N	4,090
Springwood Church Road, S	6,210
Springwood Church Road, alternate	2,555
Boundary contiguous to municipal limits	
NC 61 North	6,590 linear feet or 37.8%
NC 61/100	3,685 linear feet or 41.1%
Shaw Street	1,230 linear feet or 36.0%
Springwood Church Road, N	2,720 linear feet or 66.5%
Springwood Church Road, S	4,165 linear feet or 67.0%
Springwood Church Road, alternate	670 linear feet or 26.2%
Area within another municipal boundary	
NC 61 North	0 acres
NC 61/100	0 acres
Shaw Street	0 acres
Springwood Church Road, N	0 acres
Springwood Church Road, S	0 acres
Springwood Church Road, alternate	0 acres
<i>Sources: Guilford County Tax Department, Town of Gibsonville</i>	

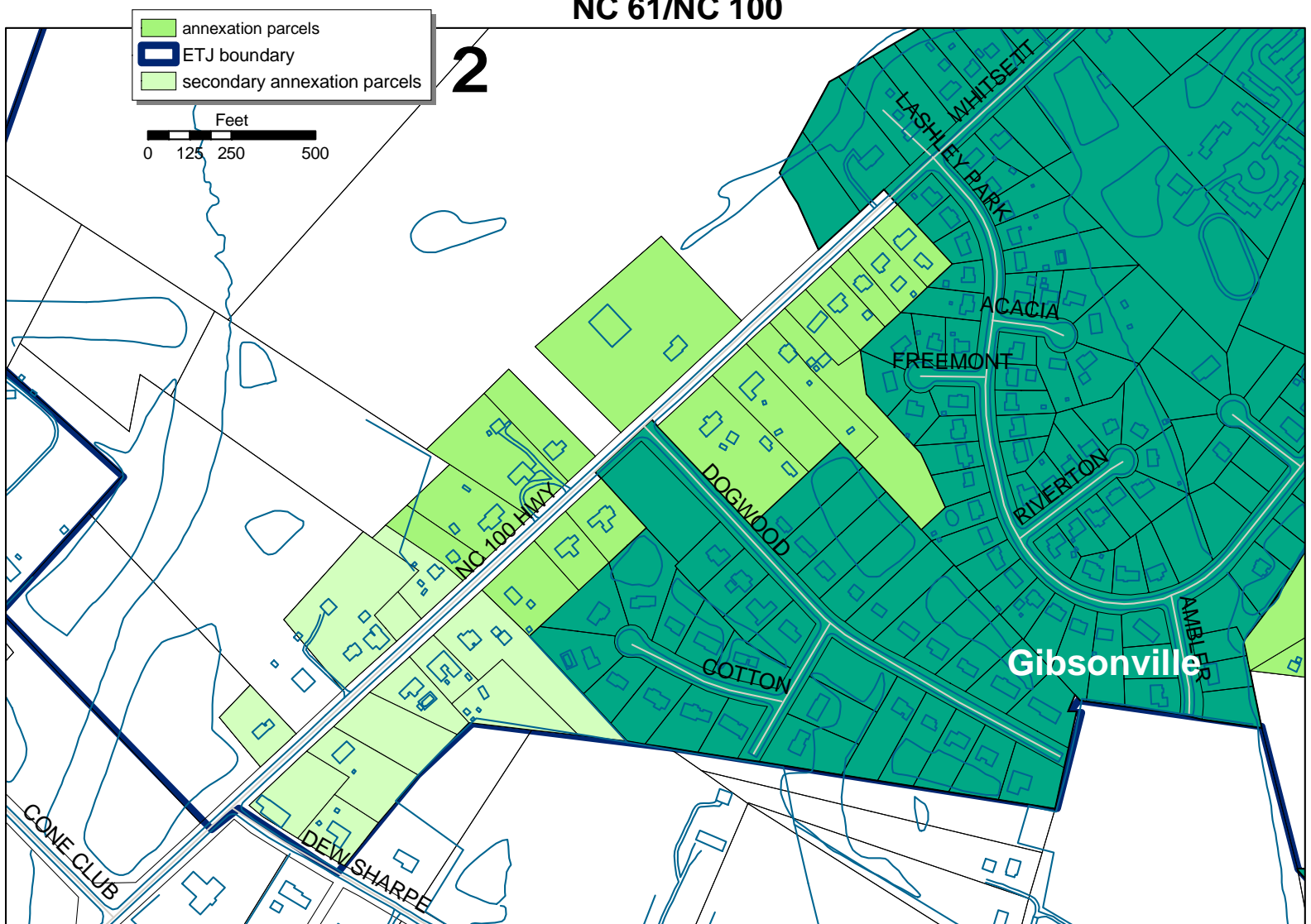
Gibsonville annexation feasibility study overview



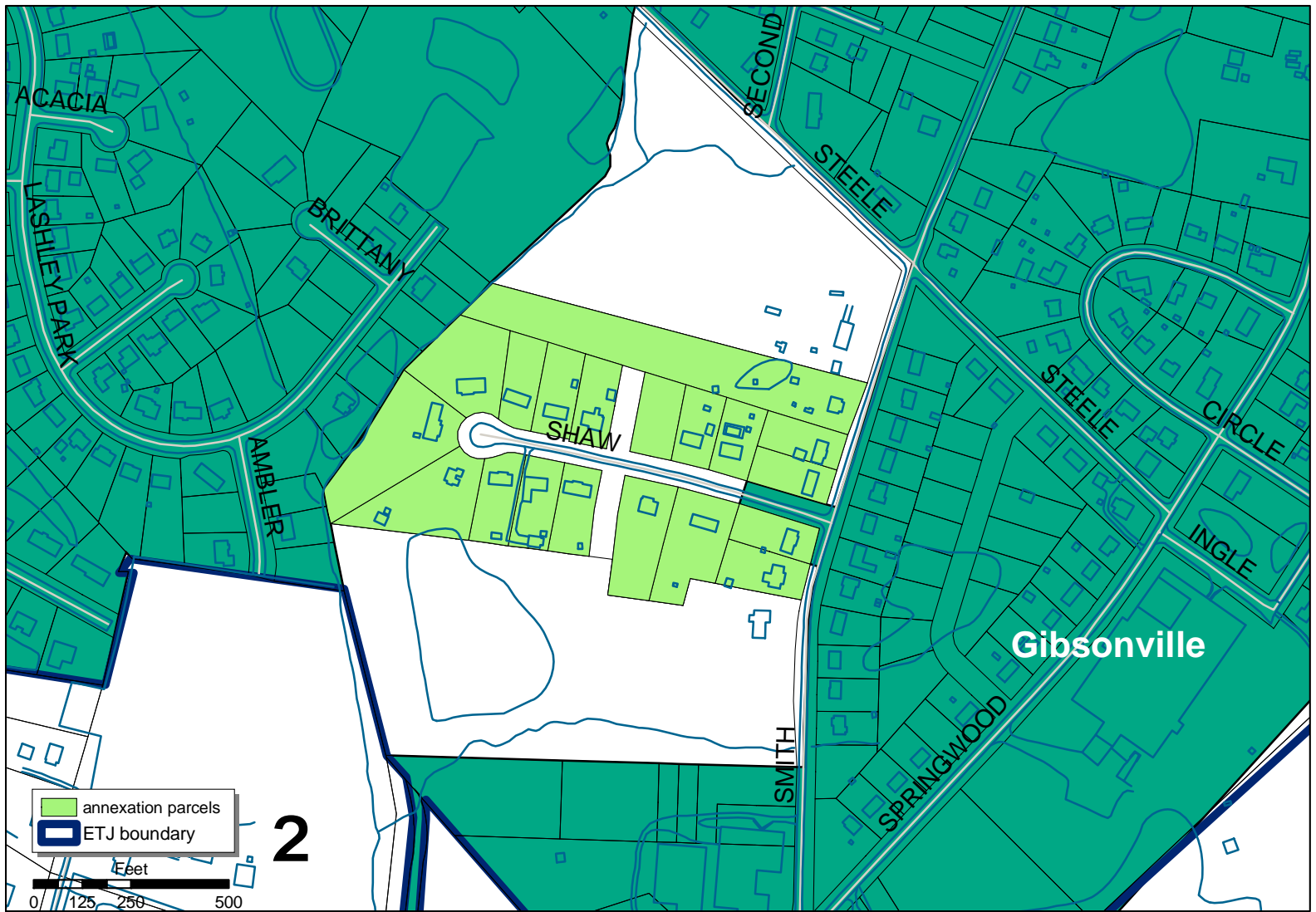
Gibsonville annexation feasibility study
NC 61, North



Gibsonville annexation feasibility study
NC 61/NC 100



Gibsonville annexation feasibility study
Shaw Street



Gibsonville annexation feasibility study Springwood Church Road, North and South

