

City of Wilmington Comprehensive Annexation Policy



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(ADD ADOPTION DATE)

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The Comprehensive Annexation Plan is available from the City of Wilmington Development Services Department, 305 Chestnut Street, PO Box 1810, Wilmington, NC 28402, or by calling 910.254.0900.

Cover maps, clockwise from left: 1856 Plan of Wilmington (www.docsouth.unc.edu), 1945 corporate limits map, 1929 street map of Wilmington (www.historicmapsrestored.com)

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Table of Contents

Section A: Purpose and Creation of Annexation Program.....	4
Section B: Annexation Overview.....	6
I. Annexation Defined	
II. A Short History of Annexation in Wilmington	
III. Methods of Annexation	
IV. Current Annexation Issues	
V. Importance of and Reasons for Annexation	
VI. Benefits to Existing Property Owners	
VII. Impact on Unincorporated Property Owners	
Section C: Evaluation Criteria.....	15
Section D: Public Information Element.....	16
I. Target Stakeholders	
II. Key Topics	
III. Primary Activities	
Section E: Annexation Policies.....	18
I. Policies for Considering City-Initiated Annexation	
II. Policies for Considering Citizen-Initiated Annexation	
Section F: Conclusion.....	22
Section G: Study Areas.....	##

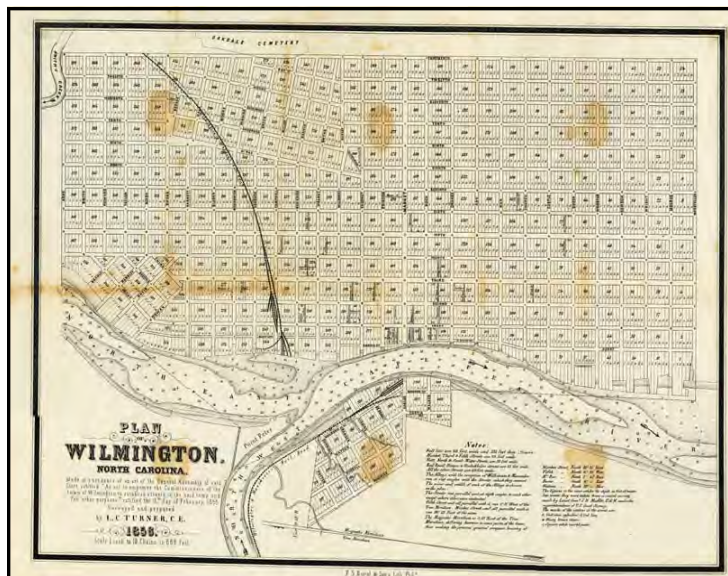
Section A: Purpose and Creation of an Annexation Program

The City of Wilmington's goal is to establish a comprehensive annexation master plan that guides future annexation decisions and provides for an orderly and predictable extension of our municipal boundaries. The city also desires to inform residents and property owners impacted by future annexation of its implications, the costs and benefits, and what to expect in the process.

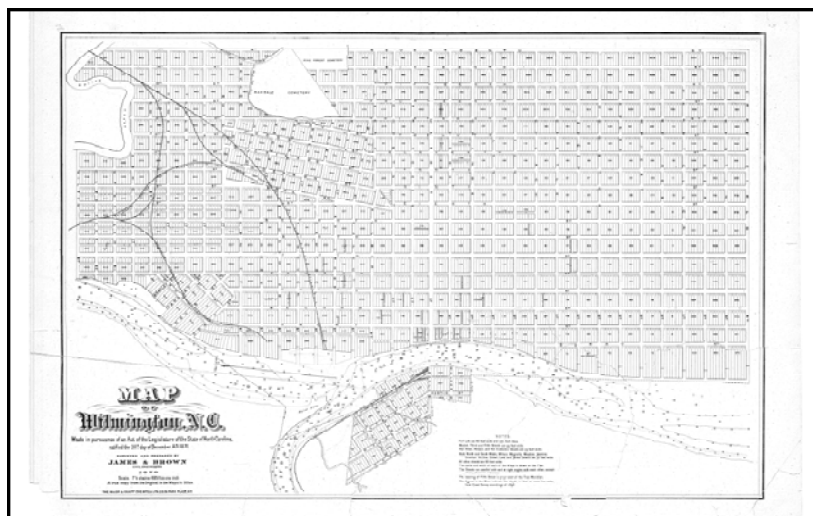
This plan is based on research of other municipalities in North Carolina. The plan establishes the city's annexation program, identifies appropriate areas to be studied and reviewed for possible annexation, and gives detailed information on annexation procedures in the state of North Carolina.

Specifically, the City of Wilmington's comprehensive annexation program establishes annexation policies and evaluation criteria to objectively identify which properties are appropriate to annex and why. The program addresses both citizen-initiated annexation [referred to in the North Carolina General Statutes (NCGS) as *voluntary annexation*] and city-initiated annexation (referred to in the NCGS as *involuntary annexation*), including establishing a process in which areas for city-initiated annexations are considered on a two-year cycle.

Guidelines for a comprehensive public information element are included to engage stakeholders within annexation study areas, ensure ample notice of possible annexation, and raise awareness and understanding of the important details of annexation.

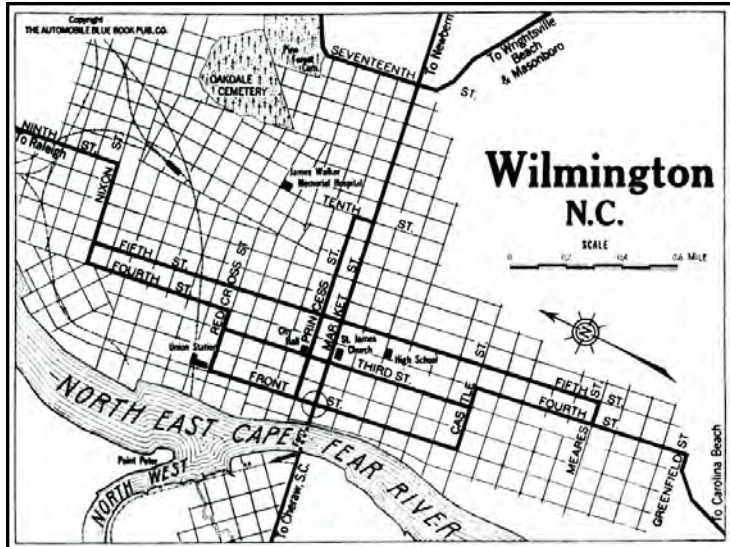


1856 Map of Wilmington (www.docsouth.unc.edu)



1870 Map of Wilmington

While not required by state law, this program is developed to help residents in potential annexation areas and current Wilmington citizens understand the various aspects of annexation. This document contains significant information about annexation and establishes policies and criteria to guide future annexation decisions. The plan serves as a policy guide and does not grant any procedural rights; therefore, any deviation from the plan is not a basis for



1919 Map of Wilmington

challenging annexation ordinances in the future.

This plan identifies annexation study areas and establishes a phasing plan with associated timeframes for annexation of these areas. This phasing plan designates areas that may be annexed within a certain time period (e.g. 2010-2014, 2014-2018, beyond 2018).

Property owners within areas that are identified as a result of this plan must note that any stated timeline is a general estimate and is subject to change. The comprehensive annexation map (Section G) identifies

the annexation study areas and the plan outlines time-periods for annexation. These Council-adopted policies will be used as a guide in selecting areas that will be presented to City Council for potential city-initiated annexation during each even-numbered calendar year (e.g. 2012, 2014, 2016). Once an area is selected, city staff will present preliminary budget impacts for each recommended qualifying area. It is up to the council to decide every even year whether to pursue annexation for an area recommended by city staff. Should the council select an area(s) to pursue for annexation based on these policies, staff may begin the official process required by state law for city-initiated annexation.



1929 Map of Wilmington (www.historicalmaps.com)

Section B: Annexation Overview

This section contains an overview of annexation in Wilmington and in general. It also provides information for citizens and property owners in annexation study areas on what may be expected throughout the process.

I. Annexation Defined

Annexation is the legal process by which municipalities add land to their corporate limits. Since 1959, the NCGS have given all municipalities the authority to annex areas that meet specified standards provided that required procedures are followed and the municipality commits to extend basic services into the annexed areas. The state's annexation policy favors the expansion of cities to provide essential urban services to areas that are deemed urban in character, which is defined by the state in NCGS 160A-48 *Character of Area to be Annexed*. Specifically, only municipalities are authorized by law to provide the full range of basic urban services, from water and sewer service to street maintenance and improvements; counties are not.

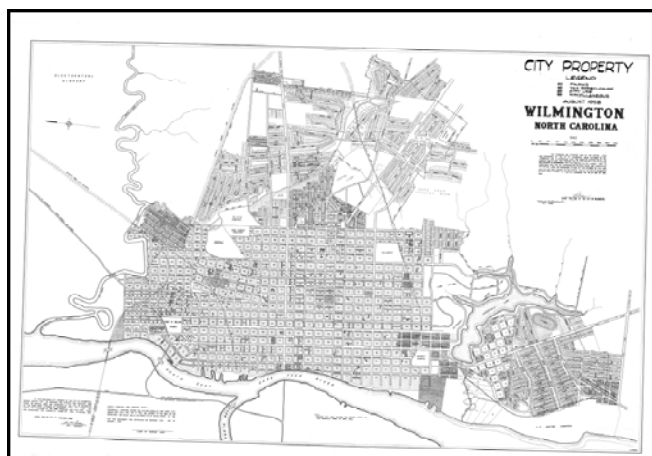
II. A Short History of Annexation in Wilmington

North Carolina is unique among other states in terms of annexation laws and nationally, North Carolina's law has been viewed as a sound approach to orderly urbanization. The general principals of annexation have been creating strong cities and towns for more than fifty years. The North Carolina General Assembly gave cities and towns the authority to annex in 1959. The rules have been revised several times since then, but annexation remains the most effective tool in ensuring that cities and towns remain economically viable and healthy. Without annexation, there would likely be more municipalities providing duplicative services at higher costs. *

North Carolina has more municipalities rated AAA by bond rating services than any other state;** these strong bond ratings lower the cost of borrowing for capital projects. No doubt, annexation authority is one reason that North Carolina cities and towns have been able to maintain these ratings.

The City of Wilmington has grown significantly and incorporated much area since it was first laid out in 1733 and incorporated in 1739. The earliest maps show a small town centered around the riverfront. By the 1870s, Wilmington was the largest town in North Carolina and one of the most important on the eastern seaboard. The 1856 map shows the city reaching to Oakdale Cemetery and extending from the river and Market Street in a neat rectangle.

By 1870, the rectangle expanded to beyond the cemetery to 17th Street to the west and to Smith Creek to the north. The 1919 and 1929 maps show a departure from the linear nature of the expansion of the city, with the corporate limits following Burnt Mill Creek. After 1945, land development patterns began to change dramatically with the



1958 Map of Wilmington

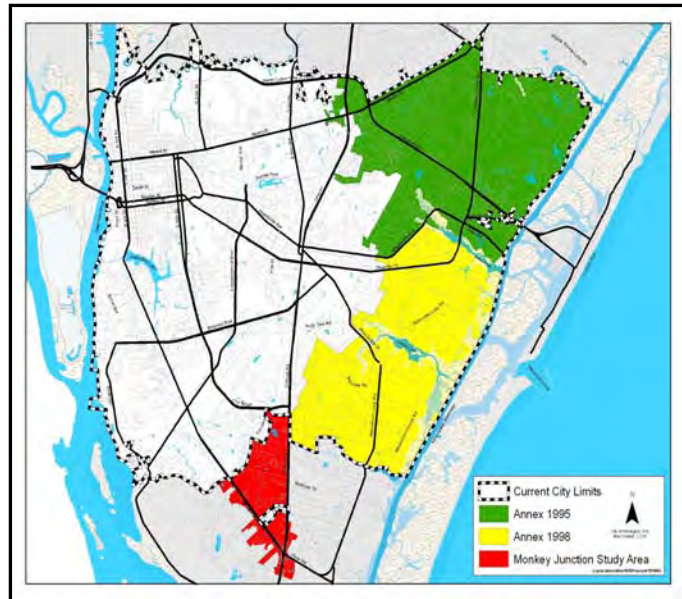
* Michael Crowell, *Annexation*. 1.1.05 www.tharringtonsmith.com, 4.8.09.

** Raleigh *News and Observer*, "How NC Should Tweak its Annexation Laws," 12.29.08.

proliferation of the automobile and the city and population began to grow exponentially.

The most recent and largest city-initiated annexations in Wilmington occurred in 1995 and 1998, with effective dates in 1999 and 2000, respectively. The two combined annexations brought approximately 26,000 residents and 19.75 square miles of land into the city limits. The Monkey Junction area is under consideration for annexation at this time, with an anticipated effective date of June 2010. This area is significantly smaller in area and population (approximately 1.48 square miles and 3,300 people) than the 1995 and 1998 annexation areas.

The majority of annexation requests in Wilmington are citizen-initiated and involve relatively small parcels of land near the city limits wishing to develop under the city's regulations. Each process is assessed on a case-by-case basis.



Map of Recent Annexation History

III. Methods of Annexation

Wilmington, like other municipalities in North Carolina, may expand its corporate boundaries through two options: 1) citizen-initiated annexation or 2) city-initiated annexation. Both have specific procedures and qualifying standards that must be followed.

Citizen-initiated annexation in Wilmington

- represents the primary method of annexation in North Carolina
- requires properties to be either:
 - ◊ contiguous to existing city boundaries or
 - ◊ no point on a proposed satellite annexation be closer to the primary corporate limits of another municipality
- allows property owners to receive services that New Hanover County does not provide, including street maintenance, long-range planning, and a higher level of fire protection;
- in the past a majority of these annexations have been associated with new developments that desire/require city water and sewer service
- allows for new services that must have public infrastructure (e.g., shopping centers, offices, large churches, public schools, and higher-density residential developments)
- makes available parks, recreation and cultural resources, police, fire and EMS
- requires the following actions:
 - ◊ property owner submits a petition to the city requesting annexation
 - ◊ city council adopts a resolution calling for a public hearing on the annexation
 - ◊ city council holds a public hearing
 - ◊ city council adopts an ordinance annexing the property
- typically includes an immediate effective date following annexation ordinance's adoption.

City-Initiated Annexation in Wilmington

Orderly growth requires that, once an area is urbanized, a city be enabled to add this urbanized area to its jurisdiction. Once that area is added to the city, the city is obligated to provide services at the same level as within the existing city. The standards for urbanization and procedures for city-initiated annexation are dictated by state statute. According to the NCGS, areas to be annexed must:

- Be adjacent to or contiguous with the current corporate limits;
- Have at least one-eighth (12.5%) of the total boundary contiguous to the current corporate limits;
- Not be located within another incorporated municipality; and
- Be developed for **urban purposes** according to the state definition (required meet **only one** of the state's following tests, A, B, C, or D):
 - A. Population density of 2.3 persons per acre; or
 - B. Population density of 1 person per acre plus 60% of parcels of 3 acres or less and 65% of parcels are 1 acre or less; or
 - C. 60% of parcels are used for residential, commercial, industrial, institutional or governmental purposes and 60% of the vacant and residentially-used acreage are in parcels 3 acres or less; or
 - D. All tracts are used for nonresidential uses (i.e., commercial, industrial, governmental, or institutional purposes).
- The NCGS also require the city take the following actions:
 - ◇ adopt resolution of intent to annex specific areas;
 - ◇ mail notices of required public meetings/hearings to all property owners subject to the resolution;
 - ◇ adopt an annexation report and plan of services that shows how the areas meet required standards, how the city plans to extend services, and lists revenue projections and a summary of costs and benefits to property owners within the proposed annexation areas;
 - ◇ hold a public information meeting to explain the annexation report and plan of services;
 - ◇ hold a public hearing;
 - ◇ adopt the annexation ordinance with a specific effective date;
 - ◇ provide government services to newly annexed areas according to the city's policies and procedures, all of which must be in accord with state law; and
 - ◇ allow for appeals by residents and/or property owners based upon failure of the city to follow required processes/procedures.



Citizen-initiated annexations typically take three months to process, while city-initiated annexations take approximately one-and-one-half years from start to effective date.

IV. Current Annexation Issues

The City of Wilmington, exercising authority given to it and other municipalities by the General Assembly, has and can vote to annex qualifying properties in order to provide services, manage urban growth, and protect the area's health, safety, welfare, and environment. Most property owners facing a city-initiated annexation oppose this action and the increase in taxes. The main focus of the City of Wilmington's comprehensive annexation program is to acknowledge and, wherever possible, successfully address the following issues:

Individual property rights versus long-term communal interests - Individual property owners opposed to annexation are concerned that the process designated under state law is contrary to democratic principles and individual property rights. They may be concerned that their individual interests are being subjected to the interests of a larger community that they feel they do not belong to (such as Wilmington) rather than seeing themselves as part of a state that defines annexation as important.

Timing, completeness, and clarity of information about annexation - For a number of reasons, many property owners frequently do not completely understand the complex issues of annexation. Inaccuracies are primarily related to the costs of public infrastructure and if and when properties are required to connect. In addition, property owners may be confused about how zoning regulations apply to their existing properties. Specifically, owners may be concerned about any additional regulations that may apply to them upon annexation.

Timing of annexation - Property owners in qualifying annexation study areas are often concerned about if and when annexation will occur. Many residents may be less opposed to annexation if they are provided enough notice to prepare for its implications.

V. The Importance of and Reasons for Annexation

Annexation is an important tool for North Carolina, which allows its localities to expand their boundaries, protections, and services in accordance with adopted plans and policies. Only municipalities are authorized by state law to provide the full range of services required to support developed/developing areas (i.e., water and sewer services, solid waste collection and disposal, street maintenance and improvements).

North Carolina's 100 counties are not authorized under state law to provide street maintenance and improvement. Municipalities can provide the services and facilities to support more urban and concentrated development. Schools, restaurants, hospitals, apartments, shopping centers, and other retail areas require the complete array of services that counties are not directly nor typi-



"Bird's Eye View of Kinston." The city is now, and was historically, at the center of the larger community. (www.docsouth.unc.edu)

cal. Schools, restaurants, hospitals, apartments, shopping centers, and other retail areas require the complete array of services that counties are not directly nor typi-

cally authorized under state law to provide. North Carolina annexation policy allows for municipalities to expand, which maintains the financial strength needed to deliver essential services at a reasonable cost.

Annexation is important to a municipality's fiscal health. The state's annexation statute allows cities to extend their tax base and receive tax payments from those receiving services, creating a more equitable and stable tax base. This, in turn, helps the city better meet its capital needs. In addition, allowing for the growth of existing cities reduces redundant services and costs; helps provide for economies of scale; provides more uniform levels of service; and ultimately improves the vitality and quality of our communities and, therefore, our state.*

One of the most important issues of many of the owners of property being considered for city-initiated annexation is their perception that the process is undemocratic since the state-mandated process does not include a referendum for them to vote on the proposal. Further, some property owners believe they have no representation regarding annexation. The process for annexation was adopted into law in 1959 by members of the North Carolina General Assembly, a group of decision makers that all registered voters in North Carolina elect regardless of jurisdiction or incorporation. In a representative democratic society there are areas of public policy where a determination must be made about what is in the best interest of the public as a whole if individuals and their property are to be protected and provided for now and for the long-term.

The authority to make city-initiated annexation decisions has the same basis in democratic theory that gives elected officials the authority to make decisions that are in the best interest of protecting the public health and welfare as their representatives. Specifically, the authority to make these decisions is the same that allows elected officials to regulate land use, define individual behaviors and the use of property that are nuisances to the public as whole.



The “good of the whole” philosophy is at the heart of the state’s enabling statutes for annexation. According to David M. Lawrence with the Institute of Government at The University of North Carolina at Chapel Hill,

“The involuntary annexation statutes are based on the idea that an incorporated city is at the center of, but is not the whole of, an urban community – a community defined less by governmental boundaries than by economic and social realities. Although the city is not the whole of its urban community, it has much to do with the community’s existence, health, and growth. If the city did not exist, the larger community would probably not exist either. It is the attractive power of the jobs and quality of life generated by or within the city that creates the larger urban community. That being the case, the statutes are based on the conclusion that it is good public policy – for the city and its citizens, for those living in the urban fringe, and for the

*George Esser, the Municipal Government Study Commission

people of North Carolina – that the city be able unilaterally to annex developed and developing property within its surrounding urban community. “

In addition, the state annexation statutes for city-initiated annexation support municipalities' annexing developed areas adjacent to their boundaries to ensure that those that receive benefits also participate at an appropriate and meaningful level in paying for these services/benefits.

Municipalities are established by the state to make decisions to support the objectives of the larger urban community. Allowing extension of municipal boundaries to be the responsibility of individual residents living outside a municipal boundary would not fulfill the municipalities' responsibility given to them by the state to protect and promote the health, safety and welfare of existing and future residents in consideration for the long-term viability of North Carolina.



VI. Benefits of Annexation

Annexation accomplishes several goals that are beneficial to property owners. These goals include:

- improving service efficiency and effectiveness and eliminating the cost of providing duplicative services;
- planning for future service delivery and development of utility capacity to benefit the property owners in qualifying annexation areas;
- protecting the environment and public health;
- accomplishing these goals in a manner that does not place a financial burden on the residents of the annexation areas or the existing citizens of Wilmington; and
- allocating the cost of providing urban services and infrastructure to serve those benefiting on an equitable basis.

Property owners/residents in unincorporated areas benefit the city through their valued patronage of commercial establishments; however, only 21 cents

of every dollar in sales tax generated within the city is returned to the city. Most of the sales tax (74 cents) is returned to the county and the remaining 5 cents is returned to the incorporated beach communities. Most of the tax revenue not being returned to the city is due to the fact that the county distributes sales tax on a property tax levy basis. Using this basis essentially rewards local governments for raising their property tax rate by allowing them to claim a greater amount of sales tax revenue. Therefore, keeping property tax rates low penalizes the city since only 21% of all the sales tax generated within the city limits is returned to the city. Therefore, visitors to the city do not fully participate in financially supporting the city's obligation to provide essential urban services such as street construction, street maintenance, fire protection, and police protection, to these commercial areas.

Unincorporated property owners/residents also benefit the community with their involvement in schools, religious institutions, charities, volunteerism, and civic organizations. Nonresidents may work or shop in the city, use city-maintained streets to reach their destination, come under municipal police protection while in the city, and take advantage of traffic improvements all without bearing financial responsibility for those services. Despite their valuable contributions to our community, unincorporated citizens do not participate fully and appropriately in financially supporting the city obligation to provide the essential urban services necessary to support these community benefits.

Lack of full participation in financial support creates inequity among unincorporated property owners and city taxpayers. Annexation of developed properties as allowed by the state ensures that everyone that benefits contributes to funding necessary government services and facilities. Without the ability to annex, Wilmington residents would be carrying more than their fair share of the financial responsibility for the area's high quality of life.



In addition, developed properties that exist within our designated service area and outside of our city limits can produce inefficiency, duplication and unnecessary costs in the provision of services for the county and city tax payers. The existence of unincorporated residential areas on the outskirts of existing municipalities increases the county taxes municipal residents pay because there are duplications in urban services such as police patrol, parks and recreation, solid waste disposal and others.

posal and others.

Over time, annexation of qualified areas reduces duplication of urban services and will help keep taxes lower for everyone, both within and outside of municipalities. As the tax system stands now, municipal residents are subsidizing the duplicative urban services that are provided by the county because municipal residents also pay county taxes.

VII. Impact on Unincorporated Property Owners

One of the main questions that residents with property proposed for annexation ask is, "How much will this cost me?" While the answer will vary from property owner to property owner, the most significant financial impact for most potential annexations is the payment of municipal property taxes, both real and personal (including homes, cars, boats, etc.).

The following paragraphs detail the financial impacts, benefits, utilities and impact of regulations.

Financial impact

Upon annexation, new residents and property owners assume both the benefits and the full and fair responsibilities of living within the city. One such responsibility is payment of property taxes. Yard waste pickup, enhanced police service and fire protection, street maintenance, or-

dinance enforcement, and capital contributions toward roads, parks, and open space will all be provided through these property taxes. Based on the current tax rate, net financial impact would be approximately 33.25 cents per \$100 in assessed value (City of Wilmington current property tax or millage rate). For details on budget allocations, please review a current copy of the City of Wilmington's annual budget, available online at www.wilmingtonnc.gov.

Effects of city zoning on property regulation

Like most municipalities, the City of Wilmington ensures the development and maintenance of healthy neighborhoods through regulations that address safety, health, welfare and appearance. Below is a list of what many property owners consider to be the most significant regulations.

Potential areas of regulations for property of newly annexed residents include:

- abandoned/nuisance vehicles are not permitted;
- signage – most off-site directional signage is not allowed;
- loud and disturbing noises are prohibited;
- minimum housing standards are established to ensure safe housing fit for human habitation;
- overgrown yards are regulated for safety reasons;
- long term parking of commercial vehicles on residential properties is regulated;
- use/structures that do not meet current setbacks or use regulations are allowed to continue until significant changes are proposed; and
- expansion of non-conforming uses (e.g. farm animals in residential zoning districts).

What the City of Wilmington does not typically regulate:

- color of houses, roofs or accessory residential buildings (except in designated historic districts);
- landscaping on single family residential property (except in designated historic districts);
- whether property owners can have flags in their yards; and
- additional building code regulations above the state requirements.

Upon the annexation effective date, the city will assign a zoning designation that will be the best fit for the existing land use while minimizing the creation of non-conformities. Typically,



when the city rezones properties that are currently in use, elements that do not conform to the city zoning regulations and codes are grandfathered. This means that the non-conforming element may continue but could not be expanded to increase the nonconformity.

Because New Hanover County issues building permits for projects within the city limits, newly annexed citizens will still apply to the county for building permits. All permits issued for property within the city limits, with the exception of plumbing, mechanical, and electrical, require city review and approval for zoning-related issues. The same state building code is utilized in both the county and city, so building code enforcement will not

change upon annexation. For most property owners, few changes will occur for the use of property upon annexation, and every effort will be made to support the property's existing use.

Benefits of Annexation

Newly annexed residents receive benefits from being within the city limits. Upon the effective date of annexation, the city begins providing essential and high-quality services to support new and existing development. These services include police and fire protection and other general government services, such as:

- storm debris collection and street cleaning;
- yearly curbside leaf collection;
- street maintenance including pothole repair and resurfacing for qualifying roads;
- quick response, dependable, and comprehensive life safety and protection services;
- abatement of nuisances (e.g., overgrown yards, minimum housing codes);
- right to submit a request for sidewalks ;
- right to vote in city elections;
- street lighting; and
- possible lower commercial insurance rates.

Section C: Evaluation Criteria

The most important aspect of a quality annexation program is the proper selection of potential areas to annex. The areas chosen for possible annexation should be based on characteristics that distinguish them from other qualifying areas. **These characteristics include the ability to meet NCGS requirements and the ability of the city to provide services to these properties.**

The following criteria and others should be used to prioritize those properties that should be annexed:

Urban Tests – Requirements established by state law should be considered when identifying annexation areas. For example, NCGS requires that 12.5% of the boundary of the qualifying annexed area be contiguous to Wilmington’s corporate limits. Typically, the higher the percentage of contiguous boundary, the easier and more efficient it is to serve the area through city services instead of through the county. Those annexation areas with a greater percentage of contiguous boundaries should be prioritized unless other criteria are deemed more important.



Current and Future Ability To Serve – This criterion is reflective of the city’s ability to service potential annexation areas with services and facilities either existing or planned. Measurement for this criterion may be the proximity to public service facilities (e.g., parks, fire stations) as well as the city’s ability to provide services in a timely manner. This helps provide a more strategic extension of boundaries based on existing and future infrastructure planning and assists with infrastructure and capital improvements project planning.

Public Input—The purpose of this element is to articulate processes and methods used to determine the annexation study areas and to ensure that, following the prioritization of annexation areas, all legal requirements for annexation public information and notice are met or exceeded. Implementation of this element is guided by the principle that such information and notice should be provided as soon as possible and far enough in advance that affected citizens have adequate time to review and react to the communication. The city will turn to stakeholder groups to establish annexation area needs and to fine-tune annexation area boundaries.

The purpose of public input is not to facilitate local debate on the merits, morality, or legality of state annexation law since those topics are more appropriately addressed with lawmakers of the North Carolina General Assembly.



Section D: Public Information Element

The purpose of this element is not to facilitate local debate on the merits, morality, or legality of state annexation law since those topics are more appropriately addressed with lawmakers of the North Carolina General Assembly. Below is an outline of the basic public information program that will follow the adoption of the comprehensive annexation plan map.

Goals

- Provide for more orderly, predictable extension of municipal boundaries
- Give affected property owners ample notice of the likelihood of annexation
- Raise awareness and understanding of the details on annexation process, costs, requirements, and methods of provision of municipal services

I. Target Stakeholders

While every annexation will generate an individualized communication plan, the groups most likely to be included at some point in the public information process include:

- New Hanover County and city of Wilmington residents and property owners;
- New Hanover County and City of Wilmington elected officials and staff (including school systems) in which annexation is planned;
- media; and
- existing service providers—CFPUA, volunteer fire, solid waste haulers, etc.

II. Key Topics

While every annexation may generate an individualized education plan, the information most likely to be presented to groups at some point in the public information process includes:

- Wilmington's comprehensive annexation plan;
- legal process and schedule for annexation—local and state;
- counties' role in annexation (reduction in county operating costs);
- annexation costs, savings, and benefits, including to county taxpayers;
- utility, public safety, and general government services;
- planning and development, including the role of annexation in the state's economic development and environmental protection;
- city governance—structure, public involvement, voting, and elections;
- comparison of the city's annexation program structure and costs with other North Carolina jurisdictions;
- environmental data; and
- costs and consequences to Wilmington citizens of not annexing adjacent properties.

III. Primary Activities

Following the council's adoption of a resolution of intent to annex, state law requires notification of the required public information meeting and hearing be sent to property owners by first class mail. In addition to the local and state publicity, public involvement, and advertising requirements relative to annexations, the City of Wilmington will use the following strategies to help achieve the annexation program's public information goals:

Communications Plans

Develop and implement a flexible communications plan to address information issues consistently for all voluntary annexations, and develop and implement separate communications plans for each involuntary annexation. All plans should include goals, objectives, target stake-

holders, key messages, primary activities, budget, and timetable.

Annexation E-mail Service

Develop and implement a free subscription-based service where anyone can register on the City of Wilmington's web site to be notified by the public information office of any annexation up for consideration before the City Council. Two lists should be provided, one for citizen-initiated annexation and the other for city-initiated annexations. In ordinary circumstances, the e-mail should go out to subscribers no less than five business days prior to the first public meeting at which the annexation item is scheduled to be heard. The e-mail should alert subscribers to the proposed action and provide a link to online information about the proposed annexation and include contact information for the staff member overseeing the project. In extraordinary situations—emergency and specially-called public meetings—the e-mail should be sent at the same time public notice for the meeting is posted in accordance with state law.

Video

A video detailing Wilmington's annexation program should be developed and loaded onto the city's web site as well as played regularly on GTV. Other videos should also be developed for each involuntary annexation to be used during public information sessions.

Enhanced Web Section

Maintain a detailed section about Wilmington's annexation program and current annexation activities on the city's web site. In addition to covering the annexation program basics, the site should include a link to the new e-mail services, videos, presentations, and feedback mechanisms. News releases should be posted on the city's web site and distributed to local media sources.

Flyers and Brochures

The city should develop and produce printed materials detailing Wilmington's annexation program. These materials should be available according to city standards on the web for download, from city staff, and in initial mailings to property owners potentially affected by an annexation.

Media Relations

Because of their relative lack of "news value," news releases will not generally be issued to the media for *citizen-initiated* annexations. Media, like any others with access to the internet, should be able to receive this information via the e-mail service. Information highlighting milestones in any *city-initiated* annexation process should be issued by the city to all regional media. These releases will enable the media to write articles, produce stories, and cover the milestones in special public affairs mediums.



Section E – Annexation Policies

I. Policies for Considering City-Initiated Annexation

The purpose of policies is to articulate and effectively guide decision-making regarding annexation. These policies are for general guidance only. They are not intended to be inflexible and, as with other policies of the city, may be varied under such circumstances and as the city determines to be appropriate.

1. Areas will be considered for annexation on a 2- year cycle.

To increase the predictability of the process, a resolution of consideration identifying areas for annexation will be adopted in odd-numbered years, with the formal annexation process (report for extending services, public hearing, and ordinance adoption) in even-numbered years. The specific steps involved in annexation should be timed to facilitate planning, budgeting, and extending services into annexed areas. A 2-year cycle allows all of the steps in the formal annexation process to be taken by the same council. See the example schedule below:

<p>Resolution of Consideration (odd-numbered year) June 1, 2011—Resolution of Consideration for study areas</p>
<p>Formal Annexation Process Adoption (even-numbered year) March 2012—Conduct study area fieldwork; qualifications verified April-June 2012—Service plans developed July 2012—Council adopts Resolution of Intent September 2012—Public information meeting October 2012—Public hearing November 2012—Council adopts annexation ordinances</p>
<p>Annexation Effective Date (June 30, odd-numbered year) March 2013—Notification/information packets to affected property owners June 30, 2013—Effective date of annexation</p>
<p>Resolution of Consideration (odd-numbered year) June 1, 2013—Resolution of Consideration for next study area</p>
<p>Formal Annexation Process Adoption (even-numbered year)</p>
<p>Annexation Effective Date (June 30, odd-numbered year)</p>

2. The annexation process will begin with the council's adoption of a resolution of consideration describing the specific boundaries of an area that qualifies for annexation at least one year before the adoption of a resolution of intent.

The intent of this policy statement is to give advance notice to interested parties of possible annexation. The resolution of consideration identifies areas being studied by the city to determine if all or any portion of such area(s) qualifies for annexation.

3. The ordinance adoption should occur at the end of the even-numbered fiscal year while the effective date of annexation should occur on or about June 30th of the odd-numbered fiscal year.

An annexation effective date of June 30th, the last day of the city's fiscal year, assures that the area is within the city limits for the full fiscal year beginning on July 1st. Affected property owners are entitled to receive a full fiscal year of services and become obligated to pay property taxes for a full fiscal year.

4. Large vacant property tracts will not be annexed except when reasonably necessary to annex an urbanized area.

The inclusion of large vacant tracts in an annexation area should be avoided, especially if such tracts are located at or near the exterior of boundaries proposed for the area. Large tracts are defined as those properties that are of such a size that they are available for future development (e.g., vacant 10-acre or larger properties that are on the edge of the annexation area). NCGS permit such property to be included in an annexation area if it is needed to connect urbanized areas or to avoid illogical boundaries (new "doughnut holes") or future problems in annexing the vacant or adjacent property.



5. Where natural features exist, boundaries shall be delineated to include the extent of the natural feature.

NCGS require that boundaries follow rights-of-way and/or property lines. In order to prevent conflicting requirements between landward improvements and water-based developments such as boat docks, annexation boundaries along the intracoastal waterway and creeks to the centerline of the body of water. Along the Cape Fear River, the annexation boundary shall extend to the harbor line.

6. Annexed property owners and residents will receive city services in accordance with applicable policy.

City services will be provided to annexed properties and residents in accordance with state law and city policies and in a manner that is consistent with how such services are provided throughout the city.

7. Annexation areas should be selected based upon meeting the required state standards and the city's evaluation criteria for annexation as articulated herein.

The state standards are clear on the types of areas that qualify for city-initiated annexation, as well as the city's obligation to provide services for the protection of the health, safety and welfare of citizens within areas being intensively used for both residential and nonresidential uses.



The city's established criteria (Section C) will help the council make objective and equitable decisions on the selection of future city-initiated annexation areas.

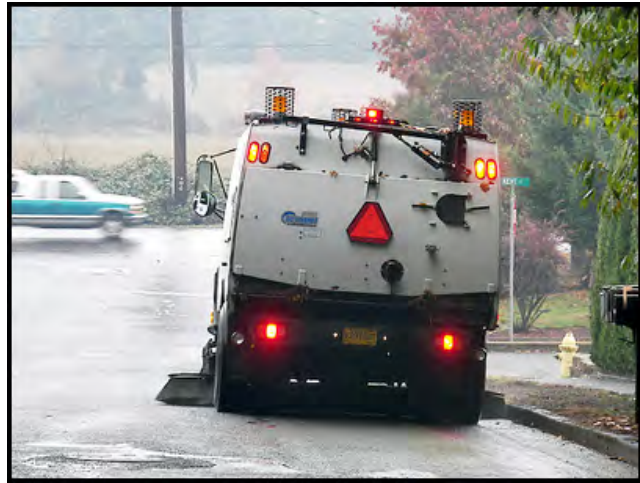
8. Although a determination of costs and revenue are required by state law, this will not be the determining factor in whether property is annexed.

In the interest of equity and as previously stated, an area should be *considered* for annexation primarily based on its meeting the required state evaluation cri-

teria. Once an area is determined to meet the NCGS standards for annexation, then the ultimate determining factors should be the current and future ability to provide public services and environmental/health concerns. Notification efforts should go beyond what is required by state law.

9. The city should provide appropriate, accurate and timely information to affected residents and property owners in an annexation area and to existing citizens of the city.

The city should plan to provide information on annexation to raise the awareness and understanding of the details and issues surrounding the annexation process as well as its costs, requirements, and methods and provision of municipal services. All related reports and documents will be available as required by law and will be distributed publicly in a variety of ways. City of Wilmington notification efforts should go beyond what is required by state law.



10. As required by state laws, the city will pay economic losses to all qualified solid waste collection firms and rural fire departments (RFDs).

The state annexation laws outline the process and steps the city must follow to compensate private businesses that provide public services when those private services are no longer needed because of city-initiated annexation.

11. The number and the size of the areas considered every 2 years is generally based upon the cost and the city's ability to extend services to these areas while still maintaining the quality of these services.

Evaluating potential annexation areas as they relate to the city's criteria on its current and future ability to serve is critical. For example, areas sharing similar characteristics that may be served by state-required extension of main water and sewer trunk lines/facilities should be



considered together. In addition, maintaining the quality of the service delivered to existing city residents is important in evaluating the number and size of areas to be annexed.

Principle: If the citizen-initiated annexation of land currently developed or earmarked for development may adversely affect the city's ability to annex other property in the future, staff should recommend against the requested annexation.

II. Policies for Considering Citizen-Initiated Annexation Petitions

1. Citizen-initiated annexations should be approved only in instances where the annexation of property under current or potential residential use will not adversely affect the city's ability to annex other property.

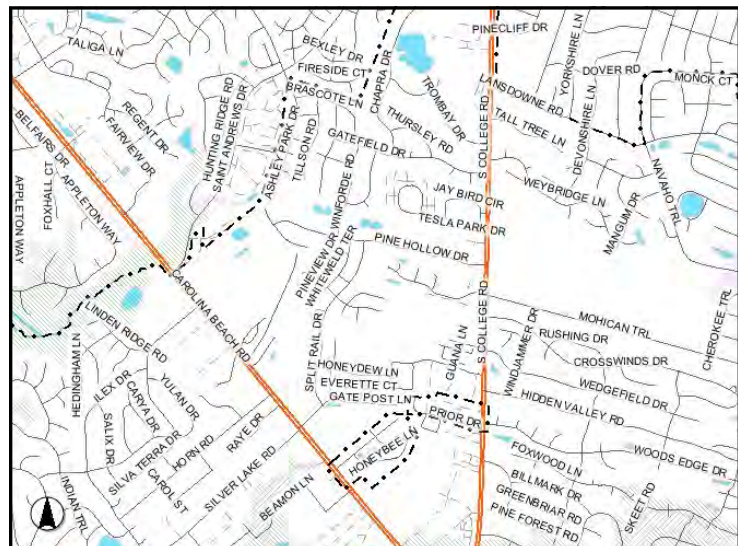
The processing of a citizen-initiated annexation petition requires a review by key departments that would provide service to the annexed area, most notably Public Services, Fire, Police, and Development Services. The question asked by each department is whether it could serve the proposed annexation area at a level comparable to areas within the city without a negative impact on its operating or capital budgets or without decreasing the level of service already furnished within the city.

Principle: If the citizen-initiated annexation of land currently developed or earmarked for development may adversely affect the city's ability to annex other property in the future, staff should recommend against the requested annexation.

2. Citizen-initiated annexations should be approved only in instances where city services can be extended to the annexation area without an undue negative impact on city finances or services.

Citizen-initiated annexation petitions may involve non-contiguous land. City staff must carefully evaluate petitions for satellite annexation, both from the standpoint of compliance with applicable state statutes, and from a service delivery/equity perspective, as discussed above. Citizen-initiated annexation properties can, however, include boundaries which, if adopted, create unincorporated territory completely surrounded by the city ("doughnut hole").

Principle: If the city cannot provide service comparable to service already provided within the city to the citizen-initiated annexation area without an undue negative impact on city finances or services, staff will recommend against the requested annexation.



Citizen-initiated annexation may create satellite areas.

3. Citizen-initiated annexations should be approved only in instances where annexation of the property will not create situations where unincorporated areas will not be encompassed by the new city limits.

Principle: If a proposed citizen-initiated annexation would create a situation in which an unincorporated area is completely encompassed by the city limits and the future annexation of such unincorporated area would create difficulties in annexing other property in the vicinity, staff will recommend against the requested annexation.

Section G—Study Areas

These study areas represent only a collection of data. They are presented in no particular order. The parcel data is based on GIS information and has not been field verified. The demographic information is based on 2000 Census data and should be updated when 2010 Census data becomes available. All information and data should be updated and field verified prior to any official annexation proceedings.