



Office of the
Mayor



DATE: February 28, 2008

TO: Cities and Towns in Rowan County
Mayors, Managers, Administrators and Clerks

FROM: Mayor Susan W. Kluttz, Salisbury *SWK*
Member, NCLM Board of Directors
S. Ellis Hankins, NCLM Executive Director *SEH*.

RE: City-Initiated Annexation Proceeding, City of Salisbury

We write respectfully to request your support for your fellow municipal elected officials in Salisbury during this difficult time. As you know, opponents of the current city-initiated annexation proceeding have become very vocal. We want to share our viewpoint and information about how and why the Salisbury City Council has undertaken this annexation proceeding, and our thoughts about the statewide implications of this municipal annexation issue.

Elected municipal officials need adequate authority and flexibility to address local issues, opportunities and problems. Further, we believe local municipal officials best understand the municipal issues and interests within their community, and should retain the authority to determine if annexation is a good fit for their community. All of that authority comes from the North Carolina General Assembly, and was historically predicated on the belief that local elected boards best understand their community, have the wisdom to plan and set the direction of their municipality, and therefore should have the authority to determine if and how they wished to annex.

The statutory policy is that areas that become urban in character should eventually become part of a municipality and receive urban level services. The statutes provide stringent development standards or criteria, and only areas that qualify may be annexed by means of a city-initiated annexation proceeding. The city or town must provide a detailed written report describing how the major services provided inside the existing city limits will be provided and financed. Individual property owners who want water and sewer lines extended to their property may file a petition, if the city is the provider of those public services, and the city then is obligated to fund water and sewer lines to those properties under the same financial policies that already apply inside the city. The statutes contain timetables and deadlines for provision of all major services. They also contain detailed requirements for written notice to property owners, with opportunities for them to have questions answered and to have their opinions and concerns heard in a public hearing.

The statutes contain extensive remedies, in court and before a state agency, in case property owners feel that their area does not qualify for annexation, the service plans do not comply with the statutory requirements, the city did not follow the statutory procedural

requirements, or services were not provided as required by statute after the effective date of annexation. The statutes require that the court award attorneys fees to prevailing property owners in many cases.

The General Assembly has amended these statutes many times since they were enacted in 1959 to address concerns and objections of some citizens, and the League membership has supported most of those changes. The General Assembly, however, has not departed from the original sound policy.

Municipal officials have supported this policy and sound use of this important statutory authority for many years, by a strong consensus. The Core Municipal Principles adopted by the League membership in 2006 and readopted last year contains the following paragraph:

MUNICIPAL GROWTH:

Healthy municipal centers are essential to the economic viability of the state. Municipalities must maintain the ability to expand and provide the higher level of services demanded by the citizens.

Cities and towns are the economic engines of the state and must be permitted to grow in an orderly and reasonable manner that supports the continued economic development of the state. New growth in and around existing municipalities should utilize existing infrastructure for the most efficient use of public revenue. Annexation ensures that all those who benefit from a municipality through use of the infrastructure, municipal amenities, proximity to jobs, commerce, and cultural resources, bear a fair share of the cost of providing those services. The legislature should not permit a new incorporation whose primary purpose is to prevent a proposed annexation without evidence of its ability to provide the necessary services. Municipalities are encouraged to enter into agreements to foster interlocal cooperation and long range planning.

Wise and fair use of these city-initiated annexation statutes has served all of North Carolina well, and has helped keep our cities and towns strong in every way. Objective evidence shows that the ability of our cities and towns to expand to include adjacent developing areas has contributed significantly to the financial soundness of our cities, our very strong bond ratings, cost effective delivery of municipal services, and the ability of our cities to support and sustain sound growth and economic development.

Sometimes the words of others make the case better than we can. Recently the Columbia, SC newspaper, The State, published an opinion editorial column by the chair of a statewide business group. We quote:

South Carolina's outdated annexation laws present yet another challenge to our state when we look at how we compete regionally, nationally and internationally in the new economy. We see ourselves compared daily in the media to our neighbors in the southeast, especially Georgia and **North Carolina**. Both of those states have annexation laws that better reflect today's growth patterns and allows cities to grow and expand as their population on the urban fringe grows. South Carolina's annexation laws give us just another reason to fall behind in our ability to attract businesses and workers of the new economy, because our cities are constrained by artificial boundaries that can't keep up with the pace of our neighboring states. Not that any of our cities aspire to be a New York or Atlanta, but we

do need to give our cities increased flexibility to take in new residents when it makes good sense.

The author, Edward Sellers, is the CEO of Blue Cross Blue Shield of South Carolina and chair of a statewide business organization called the SC Council on Competitiveness. Their council includes the SC Chamber of Commerce and many business organizations. Our friends in South Carolina are right—**the North Carolina way is better.**

Following the orderly growth principals established in the Salisbury Vision 2020 Comprehensive Plan, the City of Salisbury, since 2003, has implemented a systematic annexation program. Based on the projected ability and capacity to provide city services and utilities, the Vision 2020 Plan identified several key corridors emanating from the Salisbury city limits that would likely facilitate growth and economic development opportunities for the community. By following the well-reasoned North Carolina laws directing annexation, Salisbury has systematically qualified properties eligible for urban services.

Due to topographical and jurisdictional constraints, the logical direction for Salisbury growth is to the northwest along U.S. Highway 70, to the south along U.S. Highway 29 and to the west along N.C. Highway 150. These corridors are currently experiencing substantial commercial and residential development pressures, although some neighborhoods, especially those along N.C. Highway 150, are near development capacity and residents have enjoyed the proximity to Salisbury with no shared economic responsibilities for many years.

Salisbury believes that it is pursuing the annexation of just over 2,000 acres and approximately 1,700 residents in a responsible manner and in complete compliance with the North Carolina General Statutes. While the properties within the proposed annexation are currently served by well and septic systems, Salisbury intends to responsibly plan a utility system that will exceed current levels of service and provide opportunities for additional development along the corridor. General city services, including fire protection, police, sanitation, street maintenance (and other services) will meet or exceed current levels of service within the area while equitably sharing costs and benefits among current and future city residents. In essence, the Salisbury annexation plan is fair, reasonable and fully meets the expectations of the 1959 General Assembly that purposefully created a process that allowed North Carolina cities to grow in an orderly and responsible manner.

You might know that a study committee of the North Carolina House of Representatives is at work, and might recommend some changes to the municipal annexation statutes for consideration during the 2008 session that will convene in May. Ellis Hankins, the League Executive Director, spoke to the committee on February 13 and explained why municipal officials support the current statutes by such a strong consensus. He also pledged that the League would work with members in good faith on reasonable amendments to address concerns expressed by some citizens, as we have done in the past. He also informed the members that under longstanding policy adopted by the membership, the League will oppose statewide or local bills that would harm the sound policy of these statutes. That includes local bills to impose a moratorium on city-initiated annexation authority, such as recently proposed for Rowan County.

This year we will proudly celebrate the accomplishments of municipal officials working together for 100 years through the North Carolina League of Municipalities. For many years the League motto has been "In Unity There is Strength." We feel that local municipal elected boards understand what is best for their community, and that local elected boards should retain the right to determine if and how annexation is a good fit for their community. An annexation moratorium through a local bill would effectively take this right of local

determination away from municipal elected bodies. The incremental effect of one restrictive local bill after another, first in one county and then many, would be to block or repeal this municipal authority. Again, we strongly feel that each municipal board in our county should preserve their right to determine how to use municipal annexation authority as local municipal boards best understand their own municipal interests. We hope and believe that municipal elected officials throughout Rowan County will join with the members of the Salisbury City Council and the other members of the League to preserve this essential municipal annexation authority. Further it is important that we support each other as we make decisions that we believe are necessary and appropriate for the long term best interests of all the citizens of our communities.

We hope that you will consider adoption of the enclosed RESOLUTION in support of responsible city-initiated annexation. Should you have any questions or need additional information, please contact either of us as follows: Mayor Susan Kluttz, 704-638-5231; or Ellis Hankins, NCLM Executive Director, 919-715-4000. Thank you in advance for your consideration and your support.

RESOLUTION

IN SUPPORT OF SOUND, FAIR AND UNIFORM MUNICIPAL ANNEXATION STATUTES

WHEREAS, the North Carolina General Assembly has determined that it is in the best interests of North Carolina citizens to allow municipalities authority to undertake annexation of adjacent developing areas under strict, specified circumstances and standards; and

WHEREAS, orderly growth through annexation provides a means for cost effective provision of needed municipal services; and

WHEREAS, such orderly growth helps prevent unnecessary duplication of services, proliferation of special taxing districts and promotes environmental protection and the economic strength of cities, towns and the state; and

WHEREAS, annexation allows municipalities, on behalf of their residents, to ensure that those who benefit from municipal services and their proximity to a municipality help pay a fair share of the cost of those services and benefits; and

WHEREAS, the City of Salisbury is undertaking an annexation as authorized by the North Carolina General Statutes and has announced its intentions to follow the law and exceed the required service levels, under City policies that limit the amount of assessments for water and sewer service extensions to properties in the area; and

WHEREAS, other North Carolina municipalities might choose to initiate lawful annexation proceedings in accordance with longstanding state law; and

WHEREAS, municipal officials elected by the people of our cities and towns need adequate authority to address local issues and needs, and it is in the public interest for the city-initiated annexation statutes to remain uniform statewide;

NOW THEREFORE, BE IT RESOLVED that _____
DO HEREBY declare its opposition to a moratorium on lawful municipal annexation proceedings, and its support for the underlying sound basic principles of North Carolina's annexation statutes.

This ____ day of _____, 2008.

Mayor