



Planning, Development & Inspections

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TO: Wake County Planning Board- Land Use Committee

FROM: Bryan Coates, Planner III

SUBJ: Town of Fuquay-Varina ETJ Request (Areas 1-3)

DATE: January 30, 2019

REQUEST: Extend Town of Fuquay-Varina's Extraterritorial Jurisdiction (ETJ) by approximately **22,033 acres**.

PETITIONER: Town of Fuquay-Varina

On August 6, 2018, the Fuquay-Varina Town Council adopted a resolution requesting that the Wake County Board of Commissioners consider granting extension of the town's Extraterritorial Jurisdiction by 22,049 acres. The request includes areas west along NC 42 towards Holly Springs, south along Purfoy Road & NC 55, north along Hilltop-Needmore Road, as well as Lake Wheeler Rd & US 401 toward Ten-Ten Road, and east along NC 42, Kennebec Rd, Panther Lake Rd, and Old Stage Roads within the Town of Fuquay-Varina Urban Services Area.

Town Planning staff updated the ETJ request document that was submitted to the County to show additional water & sewer projects that have been completed and under construction as well as recent annexations. The updated request is **22,033 acres**. **(See Attachment A)**

State Law

By State law, a municipality of more than 25,000 in population may exercise ETJ over an area not more than three miles beyond its corporate limits. The area beyond the corporate limits is defined as extraterritorial jurisdiction (ETJ). In determining the population of a city for the purposes of this Article, the city council and the board of county commissioners may use the most recent annual estimate of population as certified by the Secretary of the North Carolina Department of Administration, which is **25,548** for July 1, 2017 by the NC State Demographer.

The Town's official population estimate from the US Census Bureau is **27,906** for July 1, 2017.

In accordance with North Carolina General Statutes, if you operate a bona-fide farm and are added into a municipality's ETJ, only land area being used for bona-fide farm purposes is exempt from the municipality's zoning and building requirements. Upon cessation of a bona fide farm purpose the land area is subject to the municipality's development regulations.

Purpose

ETJ allows a municipality to have its development policies, procedures and standards in place in advance of development. This provision proactively influences the character of development in an area that is expected to urbanize and be serviced by municipal utilities in the near future. This enables the municipality to plan for timely, efficient provision of development and associated infrastructure and urban services, and address code enforcement issues that might impair their development. Seven criteria (**Attachment B**) have been developed to review ETJ expansion requests:

- 1) Classification as Urban Services Area
- 2) Commitment to Comprehensive Planning
- 3) Adoption of Special Regulations
- 4) Municipal Water and Sewer Service
- 5) Evidence of Feasibility for Urban Density Development
- 6) Annexation within Ten (10) Years
- 7) Existing ETJ

Background/History

The Town of Fuquay-Varina Council adopted a resolution requesting an extension of the Town's extraterritorial planning jurisdiction (ETJ) on August 6, 2018.

The Town of Fuquay-Varina Planning Department notified property owners of the ETJ request. The notification letter contained ETJ information, a Frequently Asked Questions page and meeting location details.

Fuquay-Varina held a series of community meetings to address property owners concerns and to answer questions. The meetings were held from 5:30pm to 7:30pm at the following locations:

Monday, Sept. 24, 2018 – Needmore Ruritan Club, 1837 Bass Lake Rd
Wednesday, Sept. 26, 2018 – Wake Technical Community College, 9101 Fayetteville Rd
Tuesday, Oct. 2, 2018 – Fuquay-Varina Public Service Center, 1415 Holland Rd
Thursday, Oct. 19, 2018 – Fuquay-Varina Community Center, 820 S Main St.
Friday, Oct. 25, 2018 – Fuquay-Varina Public Service Center, 1415 Holland Rd

The Town's sign in sheets contained roughly 300 individuals that attended the community meetings. Some residents attended more than one community meeting. The Town conducted a Q&A session at each meeting.

Wake County Planning staff notified property owners by mail of the Land Use Committee meetings as part of the review process.

Requested Area

The Town's ETJ expansion request totals **22,033** acres. Due to this large geographic area, the ETJ request is divided into five (5) areas, which the town derived from locations bounded by and including the Town's preferred growth areas (PGA's). The PGA's have been used to identify areas of planned or anticipated growth, and to steer capital improvement plan (CIP) projects

specifically for water and sewer infrastructure expansions, as well as to inform likely areas for development.

Wake County Planning staff decided to review the ETJ request by area identified within the Town of Fuquay-Varina ETJ request report.

Area One (1): 42 West PGA (see attachment C)

Is approximately **2,817 acres**, consists of the 42 West preferred growth area (PGA) and is the westernmost portion of the Town's urban service area (USA). Area 1 is bounded on the west and north by the Town's urban service area (USA) perimeter created by an annexation agreement with the Town of Holly Springs. The southern perimeter is bounded by the Wake and Harnett County line.

Area Two (2): Needmore PGA and 55 North PGA (see attachment D)

Is approximately **3,078 acres**, is comprised of the Needmore and 55 North Preferred Growth Areas (PGAs) and is north of the Town's contiguous corporate limits. Its importance lies in thoroughfare connections to both Holly Springs and Cary. Major arteries such as Bass Lake Road, Sunset Lake Road, and Hilltop Needmore Road continue to facilitate growth throughout southern Wake County, including in Fuquay-Varina. Area 2 is bounded on the north by the Town's urban service area (USA) perimeter, created by an annexation agreement with the Town of Holly Springs and an annexation letter of understanding with the Town of Cary, along Middle Creek. The eastern, western, and southern perimeters of Area 2 are bounded by the Town's existing jurisdictional boundaries.

Area Three (3): 401 North PGA (see attachment E)

Contains approximately **3,662 acres** and is the most northernmost portion of the Town's urban service area (USA). This area is the most vital for regional connectivity. It contains the US 401 corridor connecting Raleigh to Fayetteville and will contain NC 540 with an interchange. Two other interchanges of NC 540 will be just to the east (Garner Urban Services Area) and west along Bells Lake Road that separates Fuquay-Varina Urban Services with the Town of Cary. The request area is bounded along Ten-Ten Road & Fanny Brown with an annexation agreement with the Town of Garner and along Bells Lake Road with an annexation letter of understanding with the Town of Cary.

ANALYSIS:

ETJ CRITERIA

(1) Classification as Urban Services Area:

The area proposed for ETJ expansion should be classified as Urban Services Area associated with the municipality.

The proposed ETJ extension area is within the Town of Fuquay Varina's Short Range Urban Service area in the Wake County Land Use Plan.

- ✓ All acres within Area 1-3 are classified as Fuquay-Varina Short Range Urban Services Area within the Wake County Land Use Plan General Classifications Map. **(see attachment F)**

The Town of Fuquay-Varina has annexation agreements with the Town of Holly Springs and Town of Garner and an annexation letter of understanding with the Town of Cary.

(2) Commitment to Comprehensive Planning:

The municipality should demonstrate a commitment to comprehensive planning, preferably including adopted land use, public facilities and transportation plans, engineering studies, and a capital improvements program (CIP) including funding to implement the CIP. This commitment must be demonstrated through official actions by the governing body.

A. Land Use Planning

The Town of Fuquay-Varina adopted its current “2035 Community Vision Land Use Plan” in June 2017. The Town of Fuquay-Varina’s new plan includes its entire urban services area and requested ETJ.

In November 2009 the Town adopted its Town Center Overlay District Plan. The Town Center Overlay District Plan was developed with the intent of retaining the history and character contained in Fuquay-Varina’s two (2) downtowns, as well as insuring infill development occurs in consideration of said history and character.

Prior to the 2035 Land Use Plan, the Town of Fuquay-Varina adopted its 2005 Land Use Plan. This plan incorporated not only the Town’s corporate limits and ETJ, but also anticipated future use of the Town’s entire urban services area.

The Fuquay-Varina/Garner Area Plan was adopted by the Board of Commissioners in 2004. The Fuquay-Varina/Garner Area Land Use Plan encourages growth close to municipalities to take advantage of existing and planned infrastructure, such as transportation, water and sewer facilities. The Plan also encourages higher densities and a wider range of land uses where existing and planned short-range community facilities and infrastructure can support them. **(see attachment G)**

The Town of Fuquay-Varina has been a partner with Wake County on its Southwest Area Land Use Plan, as well as many regional studies through Capital Area Metropolitan Planning Origination (CAMPO)

B. Transportation Planning

The Town of Fuquay-Varina adopted its current “2035 Community Transportation Plan – CTP” in July 2017. **(See attachment H)** The 2035 CTP was developed in close coordination with Wake County, CAMPO, and NCDOT staff as well as other community members. This plan anticipates current and future needs for all modes of transportation in the Town’s corporate limits, ETJ, and USA.

The Town adopted a Land Development Ordinance (LDO) in October 2016. The LDO replaced previous development regulations originally adopted in 1965. As previously

indicated, right-of-way dedication and construction of road improvements, in compliance with the 2035 CTP, is required with development. These improvements include not only traditionally referenced travel lanes, but also pedestrian and bicycle facilities. The LDO also requires a traffic impact analysis (TIA) be performed and recommended improvements made, when warranted. Areas developed within the Town's jurisdiction are required to provide a level of private investment in vehicle, bicycle and pedestrian amenities above that which exists in the County's jurisdiction.

In addition to the public right-of-way (road) network maintained and operated by Fuquay-Varina within the Town's contiguous corporate limits, satellite annexations throughout the ETJ and USA also include Town-owned and operated public right-of-way. As annexations occur the Town's network expands. The Town of Fuquay-Varina requires more road and pedestrian improvements than Wake County for new development.

Development in the county's jurisdiction typically dedicates right-of-way and may require construction of a turn lane. If the ETJ request is approved the Town of Fuquay-Varina's LDO requires construction of improvements identified in the Town's 2035 CTP.

The Town of Fuquay-Varina adopted a Pedestrian Master Plan in 2013, a Greenway Master Plan in 1999 and Open Space Plan in 2002.

C. Capital Improvements Program (CIP)

The Town of Fuquay-Varina has been proactive in developing its Community Improvement Programs (CIPs) and 5-Year Plans (includes staffing and operation costs) for many years. **(see attachment I)** The Town focuses on infrastructure, street improvements, fire and police services, and recreation facilities.

In 2015 Town residents supported a bond referendum for transportation, water and sewer improvements. The bond included a property tax increase to advance three major road improvements. The 2015 bond included; \$21 million for transportation, \$3 million for water and \$2 million for sewer.

In 2007, the Town put forth a bond referendum for water, sewer, streets & sidewalks, parks, and downtown improvements. Following is the breakdown of the 2007 bond by type and value:

Water Bond:	\$2 million	Sewer Bond:	\$4.5 million
Street Bond:	\$8 million	Sidewalk Bond:	\$2 million
Downtown Bond:	\$2 million		

The Town of Fuquay-Varina has partnered with North Carolina Department of Transportation (NCDOT) and the Capital Area Metropolitan Planning Organization (CAMPO) have assisted and strengthened the Town's ability to administer transportation projects.

The Town of Fuquay-Varina has received Standard and Poor's AAA credit rating and Moody's Investor Services' Aa1 rating. Overall Fund balance information can be found in the ETJ request report provided by the Town.

Adoption of Special Regulations:

*Where the municipality proposed ETJ expansions along major transportation corridors designated by the County as Special Transportation Corridors, the municipality should have adopted and be willing to apply regulations comparable to those for **Special Transportation Corridors**.*

There are no special transportation corridors designated by Wake County in Fuquay-Varina's ETJ or Urban Services Area. The County does not have a Special Highway Overlay Zoning District along NC 540 beyond the Research Triangle Park (RTP) boundary in Northwestern Wake County. That information considered, a series of regulations contained in the Town's Land Development Ordinance (LDO) ensure important transportation corridors are protected and that land adjacent thereto is developed in consideration of the corridors. A map of future NC 540 and its three interchanges impacting the request area is included. **(see attachment J)**

Fuquay-Varina's LDO Use standards require that developments with greater transportation impact are in proximity to major transportation corridors that can adequately support them. For example, the permitted size and/or density of shopping centers, multifamily developments and form-based developments is increased based on access to corridors of significant planned size and capacity. This serves to ensure investments in the public road network are best supported by development and to mitigate impacts of larger developments on the larger community by steering such developments toward major transportation corridors.

The Town's Future Land Use Map (**see attachment K**) contains land use classifications that encourage and allow higher density development and mixed-use projects near the major transportation corridors.

Historic Preservation

The Town has a long and storied association with the Wake County Historic Preservation Commission, by way of the many historic buildings and sites that the Town and Wake County have partnered to preserve. These historic landmark sites and buildings add value to the community, whether they are within the Town's corporate limits, extraterritorial jurisdiction (ETJ), or urban service area (USA).

Historical sites, structures and landmarks were identified and considered as part of the Town's 2035 Community Vision Land Use Plan (LUP) and are included on the LUP map for ease of identification and to honor the Town's built heritage. The information below is provided, as described in the LUP.

The Fuquay Springs Historic District is a national historic district encompassing 36 contributing buildings and one contributing site. The predominantly residential district was developed between about 1899 and 1946. Located in this district are the separately listed Ben-Wiley Hotel and Fuquay Mineral Spring. The district was listed on the National Register of Historic Places in 1996, with a boundary increase in 2014.

The Varina Commercial Historic District is a national historic district encompassing 12 contributing buildings in the central business district. The district developed between about 1899 and 1926. It was listed on the National Register of Historic Places in 1990. In addition to the two (2) national historic districts, there are also many significant historic structures within and outside of the downtown areas that have been designated and added to local registers by both Wake County and Fuquay-Varina, including schools, churches, and residential buildings.

Land Use Regulations

Fuquay-Varina staff evaluated current Wake County Unified Development Ordinance and Fuquay-Varina town standards and recommended several ordinance changes related to areas of concern voiced by the community. The changes were adopted by Fuquay-Varina Board of Commissioners on January 7, 2019 and addressed agricultural uses not on a bona fide farm, home occupations, and fencing requirements. **(see attachment L)**

*Where the municipality proposed ETJ expansions within a **water supply watershed**, the municipality should have adopted, and be willing to apply, water supply watershed protection policies and provisions that meet or exceed the applicable State water supply watershed regulations or an adopted Plan for the water supply watershed.*

Watershed Supply Protection

The Town originally adopted a Watershed Protection Ordinance in 1993. This adoption was based on North Carolina Watershed Protection Rules in effect at that time. In 1998, the NC Watershed Protection Rules changed, ultimately altering the boundary of the watershed so that it was no longer in the Town's jurisdiction. In particular, the Kenneth Creek/Neil's Creek channel to the Cape Fear River was no longer in the Town's jurisdiction nor was the watershed boundary. Despite the watershed boundary no longer being within the Town's jurisdiction, the Town voluntarily maintained watershed protection regulations. The Town upheld this commitment in the adoption of LDO in 2016 which contained the watershed protection regulations.

For evaluating an ETJ expansion request, the municipality's application of such special regulations to its existing ETJ should be considered as evidence of its willingness to apply these special regulations.

(4) Municipal Water and Sewer Service:

The municipality should show how the area proposed for ETJ expansion would be served by water and sewer service within five (5) years of the effective date of ETJ extension. The systems should be designed with adequate treatment capacity and adequately sized major trunk line extensions to service the area proposed for ETJ extension. The municipality should include needed improvements in its capital improvements program (CIP).

The Town is located along a ridgeline that places the northern jurisdiction in the Neuse River Basin and the southern jurisdiction in the Cape Fear River Basin. Each of the basins is a drainage area attributed to the river for which it's named. The basins are specifically important

in this discussion for they essentially dictate how Fuquay-Varina's water and sewer utility infrastructure is laid out, services are provided, and treatment is completed.

1) Water Treatment

Fuquay-Varina has several water sources available currently, with these and others potentially available for service of long-term future needs. The Town currently purchases water capacity from three (3) sources out of both basins; Harnett County, Johnston County, and the City of Raleigh. Water capacity purchased from these jurisdictions is provided in the table below.

Table – Water Supply Water Supply Source	Max Daily (million gallons/day)
Harnett County	2.00 mgd
Johnston County	1.50 mgd
City of Raleigh	0.75 mgd
Total Capacity	4.25 mgd

The Town's current average peak water consumption is 3.10 million gallons per (mgd). Based on the Town's average peak usage, in consideration of total water capacity, there is 1.15 mgd available to serve future development.

The Town of Fuquay-Varina estimates each household uses roughly 73 gallons per day. With its current supply of municipal water, the town could add roughly an additional 15,000 households before they would need additional water capacity.

The Town recently completed a water capacity study to evaluate additional long-term water sources to accommodate more distant future needs. The study evaluated options including construction of a Town-owned and -operated water supply reservoir or purchase of additional water capacity from existing and/or other potential sources. The study concluded that purchasing capacity from other providers would be the most practical and cost-efficient path forward; however, that option depends on the interest and ability of existing or potential sources to sell water supply capacity. For that and other reasons, the Town has initiated discussions with possible future providers and continues to evaluate the possibility of a Town-owned and -operated facility as well.

2) Wastewater Treatment

The Town of Fuquay-Varina is located along a ridgeline, previously referenced, that necessitates wastewater (sewer) collection and treatment occurs in basins on either side of the ridgeline. As such, the Town provides wastewater collection and treatment at three (3) locations within both the Neuse and Cape Fear River Basins.

The Town's current average peak collection and treatment totals 2.04 million gallons per day (mgd) distributed among its three wastewater treatment plants (WWTP): Terrible Creek WWTP, North Harnett Regional WWTP, and the Brighton Forest WWTP. With its treatment capacity at 5.717 mgd, the Town has the ability to more than double its current average peak collection.

Table – Wastewater Collection Source	Average Peak Collection	Capacity
Terrible Creek WWTP	0.8 mgd	3 mgd
North Harnett Regional WWTP	1.2 mgd	2.6 mgd
Brighton Forest WWTP	0.04 mgd	0.117 mgd
Total	2.04 mgd	5.717 mgd

The Town obtained authority from the State of North Carolina in the 1980s to permit up to six (6) mgd of treatment capacity in the Neuse River Basin and subsequently constructed the Terrible Creek Wastewater Treatment Plant on Hilltop Road in 1994. Originally designed as a package treatment plant to accommodate treatment of up to one (1) million gallons per day (mgd), it has served the Town’s wastewater collection and treatment needs for the past 24 years. In an effort to keep up with demand, in 2015 the Town initiated a capital improvement project to increase the plant’s capacity and to convert the facility from a package treatment plant to a fully operational wastewater treatment facility. Construction began the next year to increase collection and treatment capacity to three (3) mgd and was completed earlier this year (2018). The added capacity will serve the needs of future development in the Neuse River Basin, including the proposed ETJ expansion area.

Furthermore, the Town’s State-issued discharge permit at the Terrible Creek Wastewater Treatment Plant (WWTP) for six (6) mgd affords the Town the option to complete a future capital improvement project to expand the plant to double the current treatment capacity. The current plant has been designed to sport this future planned expansion.

The North Harnett Regional Wastewater Treatment Plant is located in the Town of Lillington within the Cape Fear River Basin and is the result of a joint agreement between the Town and Harnett County. The facility is supported by a 17-mile wastewater outfall line with a capacity of 6 mgd allocated to Fuquay-Varina. This capacity provides the Town with long-term viability given that, currently, it contractually treats 2.6 mgd. The Town invested \$17 million in this capital improvement project to increase capacity for large portions of its corporate limits and ETJ. A considerable portion of area within the proposed ETJ expansion is within the Cape Fear River Basin and could be served by this plant.

The Brighton Forest Package Treatment Plant is located in the Neuse River Basin and is Town-owned and -operated. The plant is the result of a partnership between the Town and the plant’s developer. At the time of construction, in the late 1980s, the developer secured a State permit for the plant and, transferred ownership to the Town once construction was completed. Currently, the plant serves more than 400 single-family residential lots comprising the Brighton Forest Subdivision, with a small amount of excess capacity. While the Town has no plans to utilize this extra capacity, it is available should emergency conditions arise. Fuquay-Varina’s long-term plan is to decommission this plant as sewer infrastructure is constructed so that collection and treatment at this facility can be diverted to the Terrible Creek WWTP.

Collectively, the allocations provide a total of 12 mgd treatment capacity for Fuquay-Varina’s jurisdiction and urban service area to serve potential future needs. Because Fuquay-Varina is located along a ridgeline, which creates noteworthy topographical changes throughout the

Town's jurisdiction, the ability to use gravity flow for all wastewater (sewer) collection is not possible. For that reason, pump stations are necessary to transfer wastewater to gravity lines and on to the treatment plants. Throughout its jurisdiction, the Town operates 25 pump stations for wastewater collection. In addition, one (1) pump station is under construction and six (6) more are proposed and designed to serve future development. Development to municipal standards, specifically infilling between contiguous and satellite corporate limits with future public utility easements, presents opportunities to decommission pump stations.

The Town does require proposed development within 2,500 feet of the Town's municipal water and/or sewer infrastructure to connect to said utility. This mirrors the Wake County Unified Development Ordinance (UDO) standard. The Wake County requirement currently applies to residential subdivisions utilizing a formula of lots proposed and distance.

Roughly 50% of Area One (1) is covered within the utility service agreement between Harnett County and the Town of Fuquay-Varina and was adopted by the Wake County Board of Commissioners in 2007. **(Attachment M)**

Harnett County Water Service District was created in 2003, with a revision occurring in 2007. The 2007 agreement between the Town and Harnett County is structured as follows:

- All new water lines, proposed by way of private development, are reviewed and approved by the Town and constructed to Fuquay-Varina standards. The Town conducts all inspections and approves installations.
- Upon completion of water line installation, the infrastructure is dedicated to Fuquay-Varina, following standard development practices. The Town then leases the infrastructure to Harnett County for operation and maintenance.
- The Town, based on structure outlined in the agreement, may purchase water infrastructure within the district from Harnett County. To date this option has not been exercised; however, the option is considered annually as part of the Town's capital improvement planning efforts

The Town of Fuquay-Varina has provided two maps, one showing Town-driven utility extensions that are currently under construction and projects identified in the 2019-2024 CIP and second showing developer-driven projects that are under construction or consideration. **(see attachments N&O)**. The two maps show a variety of projects under construction currently impacting the proposed ETJ area as well as existing ETJ.

The Town of Fuquay-Varina provided a 10-year Capital Improvements Map that shows existing and planned utility service improvements throughout its town limits, current ETJ and proposed ETJ. **(see attachment P)**

Wake County Planning created smaller area maps with the information on the 10-Year Capital Improvements Map provided for Areas 1-3. **(see attachments Q-S)**

(5) Evidence of Feasibility for Urban Density Development:

Areas proposed for ETJ extension by a municipality should be capable of being developed to an average density feasible for municipal annexation. This criterion is closely related to the ability of a municipality to serve the area with water and sewer service in accordance with its plan for development.

The Town of Fuquay-Varina is situated at this time to prepare itself for urban growth due to the following important factors:

- ✓ Completion of NC 540 from Holly Springs to US 401 (by 2022, STIP#R-2721) and to I-40 (by 2022, STIP# R-2828)
- ✓ Continued upgrades of US 401 to superstreet cross-section
- ✓ Completion of \$25M in local public projects financed by voter approved bonds;
- ✓ Continued county-wide population growth
- ✓ Availability of larger undeveloped parcels between the current Town of Fuquay-Varina corporate limits and the NC 540 corridor along 401 as well as NC 55 and NC 42.

According to state statutes, the urban density threshold necessary for annexation is set at 2.3 persons per acre.

The Town of Fuquay-Varina's Community Vision Land Use Plan contains a variety of classifications. Only one classification Rural Living which is less than .33 dwelling units per acre is not suitable for annexation. The Town's Land Use Plan contains a range of other densities from less than 2 units to 80 units an acre in a mixed-use setting. The Plan does encourage higher dense mixed-use development along the major thoroughfares in the current town limits, ETJ, and urban services area. The full range of land use categories are in the Town's request packet.

The Wake County Transit Plan programs funds to support Fuquay-Varina's growth into a key remote transit node. Transit service will be focused on connecting Fuquay-Varina to other key employment and activity centers and providing appropriate and adequate transit connections within the Fuquay-Varina area. Transit connection services from Raleigh and Garner to the Wake Technical Campus and from Fuquay-Varina to Garner and Raleigh is in operation currently. The service from Fuquay-Varina is expected to connect to the Wake Technical Campus soon.

Development in Proposed ETJ Expansion Area

Within the proposed ETJ expansion area 213.75 acres, comprising residential subdivisions and other developed lots, are served by Town water and/or sewer currently.

Most notably, this includes Wake Technical Community College Main Campus and Willow Springs Elementary School. As previously referenced, former Fuquay-Varina policy and North Carolina General Statutes provided for this type of utility allocation agreement to occur without annexation. The Town no longer permits connection to public water and wastewater (sewer) infrastructure without annexation.

(6) Annexation within Ten Years

ETJ extensions should only be granted for areas anticipated to be substantially developed and annexed within ten (10) years. The ten-year period projection should be used as a guideline, and is adopted with the understanding that actual progress in development and annexation of a given ETJ area may vary from that originally projected at the time of ETJ extension. To determine the potential for annexation within ten (10) years the following should be considered: relevant County and Municipal plans and policies, past development experiences, and previous projections.

Town of Fuquay-Varina Policy

The Town’s annexation policy has long been to require voluntary annexation as a condition of the provision of municipal water and/or sewer service.

State Annexation Law Changes

Changes to state law in 2011 concerning annexations initiated by municipalities have all but ensured that large investments in water and sewer infrastructure will no longer be made to service existing subdivisions and parcels with functioning well and septic service due to the high costs of installation and extension, and the reduced means of recouping even the costs of individual service lines.

The Town intends to continue the practice of voluntary annexations, Town-initiated utility infrastructure expansions, and annexation as a precondition for public utility services in order to encourage expansion of its corporate limits.

In 2018, the Town of Fuquay-Varina annexed roughly 998 acres the most of any municipality within Wake County. The Town of Fuquay-Varina has annexed roughly **2,978** acres since 2010 (see attached map T)

Areas within the Town’s existing corporate limits (jurisdiction) are listed below, all calculated through the end of 2018:

- Contiguous corporate limits: 8,162.3 acres
- Satellite corporate limits: 2,607 acres

Development Experience:

New Building Permits and Value

Building permits were on the rise through 2007, but the 2008 recession saw a decline that showed a slower rate of construction until 2011-2012. Since 2012 building permits for residential and nonresidential permits has generally increased annually approaching pre-2008 numbers. This trend was felt countywide during the recession.

<i>Table – Building Permits Calendar Year</i>	Residential Permits	Residential Value	Nonresidential Permits	Nonresidential Value
2007	736	\$153,177,199	89	\$33,509,321

2008	347	\$75,717,285	67	\$20,019,512
2009	221	\$41,822,512	56	\$23,588,132
2010	289	\$54,289,566	67	\$6,592,363
2011	252	\$50,404,306	60	\$9,305,400
2012	390	\$83,512,679	91	\$26,773,647
2013	516	\$109,397,315	93	\$14,426,517
2014	499	\$115,004,388	110	\$20,414,954
2015	730	\$165,701,956	85	\$21,501,885
2016	621	\$152,054,376	119	\$50,156,094
2017	626	\$144,919,932	79	\$20,371,932
2018	546	\$125,761,453	75	\$46,483,311

Population History

In 1963, the Town of Fuquay Springs and the unincorporated community of Varina combined to form the Town of Fuquay-Varina. The period from 1970 to 1990 experienced modest growth. The 2000 and 2010 Censuses demonstrated dramatic increase in the Town’s population.

Based on the volume of single-family and two-family residential subdivisions and multifamily residential projects approved over the past several years, and those currently in review, the Town expects that the considerable increase in growth will only escalate over the coming years. Below is the table showing the town’s population from 1970 to its 2017 estimate by the US Census;

<i>Table – Population History Year</i>	Census Population	Population Increase	Percentage Increase	Estimated Annual Percentage Increase
1970	2,882	-----	-----	-----
1980	3,110	228	7.9%	0.8%
1990	4,562	1,452	46.7%	4.7%
2000	7,898	3,336	73.1%	7.3%
2010	17,937	10,039	127.1%	12.7%
2017*	27,906*	9,969	55.6%	5.6%

*2017 US Census Estimate (Released July 1, 2018)

(7) Existing ETJ:

When a municipality requests additional ETJ, the municipality must demonstrate its progress in annexing and supplying municipal services, especially water and sewer, through the entirety of its existing ETJ. For all areas of ETJ granted after May 2, 1988, the municipality must specifically address its progress in complying with the criteria under which that ETJ was originally granted. An ETJ expansion may be granted to a municipality only when it demonstrates substantial progress in meeting this criterion.

At the end of 2018, an estimated 8,474 acres of land were included in Fuquay-Varina's extraterritorial jurisdiction (ETJ).

On May 2, 1988, Wake County adopted its ETJ criteria. At that time, the Town of Fuquay-Varina contained approximately 3,418 acres of land within its corporate limits and 8,776 acres in its ETJ. In the 30 years since then, the Town has added 7,342 acres in to its corporate limits, approximately 4,688.5 acres having been annexed from the ETJ.

When Wake County implemented the criteria for ETJ expansions in 1988, the Town’s corporate limits and ETJ consisted of approximately 3,418 acres and 8,776 acres respectively. Since then, the Town has expanded its planning jurisdiction by approximately 3,971 acres over the course of five (5) separate ETJ expansions, the largest of which occurred in 2002. The following table provides a breakdown of these expansions, as well as any subsequent annexations that occurred.

<i>ETJ Expansion History Since 1988</i> ETJ Expansion Request Name	Date	Acreage Included in Request	Acres Annexed Since Approval	Percent of Expansion Annexed
John Deere 1	January 1996	136	136	100%
John Deere 2	December 1999	48	0*	0%
US 401 Corridor	February 2002	3,660	813.9**	22.2%**
Cozart Property	August 2002	55	0	0.0%
Holly Springs Swap	May 2013	48.9	34.2	70%
Wade Nash Road	June 2016	23.3	0	0%

* John Deer utilizes the land for its local operations, however the property has not been annexed.

**The Town annexed 106.8 acres near the intersection of Hilltop-Needmore and Lake Wheeler and the most recent ETJ report did not reflect that change.

As of July 2, 2018, an estimated 8,474 acres of land were included in Fuquay-Varina’s extraterritorial jurisdiction (ETJ).

Within the current ETJ, there is an approximately 768 acres (9% of ETJ area) (**see attachment U**) of existing subdivisions that receive Town water and/or sanitary sewer but are not annexed in the Town limits.

ATTACHMENTS:

- (A) Town of Fuquay-Varina ETJ Request Report
- (B) Wake County Land Use Plan ETJ Review Criteria
- (C) Map of Area 1
- (D) Map of Area 2
- (E) Map of Area 3
- (F) Wake County General Classifications Map
- (G) Fuquay-Garner Area Land Use Plan Map
- (H) Town of Fuquay-Varina Community Transportation Plan Map
- (I) Town of Fuquay-Varina Capital Improvements Plan
- (K) Town of Fuquay-Varina Land Use Plan Map
- (L) Town of Fuquay-Varina LDO Updates
- (M) Harnett County Water District Agreement
- (N) CIP Town Driven Projects 2019-2024 Map
- (O) Developer Driven Projects Map
- (P) 10-Year Capital Improvements Map

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- (Q) Area 1 Utilities Map
- (R) Area 2 Utilities Map
- (S) Area 3 Utilities Map
- (T) Annexations Since 2010 Map
- (U) Existing Development with Town Services Map
- (V) Community Emails Fall 2018
- (W) Community Emails January 2019