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1. VISION STATEMENT

To improve the coordination of land use decisions through enhanced cooperation between Orange County and the Town of Hillsborough in the development of a planned growth pattern for urban and rural areas defined by their associated services and environmental assets.

2. ACKNOWLEDGEMENTS

County and Town Governing Boards*

Orange County Commissioners

- Barry Jacobs, Chair
- Margaret Brown, Vice Chair
- Moses Carey, Jr.
- Dr. Alice Gordon
- Dr. Stephen Halkiotis

Hillsborough Town Commissioners

- Joe Phelps, Mayor
- Frances L. Dancy, Mayor Pro Tem
- Evelyn P. Lloyd
- Brian J. Lowen
- Michael Gering
- L. Eric Hallman

- John M. Link, Jr., County Manager

- Eric Peterson, Town Manager

Urban Transition Area Task Force

Orange County Members

- ❖ Barry Jacobs, County Commissioner
- ❖ Margaret Brown, County Commissioner Alternate
- ❖ Craufurd Goodwin, Planning Board
- ❖ Renee Price, Planning Board, Alternate
- ❖ Tom Magnuson, Recreation & Parks Advisory Council
- ❖ Deborah Judd, Recreation & Parks Advisory Council, Alternate

Town of Hillsborough Members

- ❖ Michael Gering, Town Commissioner
- ❖ Eric Hallman, Town Commissioner
- ❖ Paul Newton, Planning Board
- ❖ Bryant Warren, Parks & Recreation Board

County and Town Staff

Orange County Planning Department

- Craig Benedict, Planning Director
- Tom Altieri, Comprehensive Planning Supervisor
- Gene Bell, Planning Systems Coordinator
- Carla Thames, Planner

Hillsborough Planning Department

- Margaret Hauth, Planning Director

*At time of Task Force appointments.

3. INTRODUCTION AND MISSION OF THE TASK FORCE

INTRODUCTION

A Joint Meeting of the Orange County Board of Commissioners and the Hillsborough Town Board of Commissioners was held on March 22, 2004. A topic of discussion was the formation of a task force to study the County's Transition Areas, located adjacent to the Town's planning jurisdiction, and make recommendations on the location of Transition Areas and the provision of public services.

On May 4, 2004, the County Commissioners adopted a *Resolution Authorizing the Creation of a Joint Orange County/Town of Hillsborough Urban Transition Area Task Force and Appointment of Members to Serve on the Task Force*. The Hillsborough Town Board adopted an almost identical resolution on June 14, 2004. Copies of the respective resolutions are provided in Appendix A.

MISSION

The Joint Orange County/Town of Hillsborough Urban Transition Area Task Force was charged with:

- Identifying the areas within the Town of Hillsborough Extraterritorial Jurisdiction (ETJ) and along its external fringe that can be serviced with Town water and sewer services based on its existing and planned capacities, which are both precursors to urban-style growth; and
- Identifying demands for additional public services (Town and County) such as, but not necessarily limited to, public transportation, recreation and aging, parks, schools, and economic development.

Specifically, the Task Force was directed to:

1. Identify areas within the Town of Hillsborough Extraterritorial Jurisdiction (ETJ) and along its fringe that can be serviced with public water and sewer;
2. Study the relationship between areas that can be serviced with public water and sewer (identified through item 1 above) and the location of Orange County Land Use Element Transition Areas and provide recommendations for modifying or re-drawing boundaries of Transition Areas as appropriate;
3. Make recommendations, if any, for changes to Water and Sewer Management, Planning and Boundary Agreement;
4. Demarcate a boundary between urban and rural developments;

5. Estimate the amount of development that could be accommodated within the Hillsborough Economic Development District (EDD) based on the existing zoning construct;
6. Examine the potential for greenway corridors in and around Hillsborough, including one through the Waterstone development along Cates Creek;
7. Estimate the demand for other public services in the Transition Areas including but not necessarily limited to public transportation, recreation and aging, parks, schools, and economic development; and recommendations for any required actions; and
8. Identify opportunities for coordinated planning between the two jurisdictions.

4. RESOURCES UTILIZED BY TASK FORCE

Primary resources used by the Task Force to help analyze the possible extent of water and sewer included the following:

The Land Use Element of the Orange County Comprehensive Plan was adopted in 1981 and amended at various times in the ensuing years to address issues such as enhanced watershed protection and economic development. The Land Use Element is the guiding document in Orange County for growth management strategies. Three areas identified in the Element that merit attention are the Town of Hillsborough, Extraterritorial Jurisdiction or ETJ (an area adjacent to, but outside the municipal limits where the Town exercises planning and zoning authority) and the Orange County jurisdiction surrounding the ETJ. Much of this County area is classified as *Transition* in the Land Use Element, meaning that it may ultimately develop at higher densities with urban services. The Comprehensive Plan Land Use Element Map for Hillsborough and surrounding areas is provided in Appendix B.

The Water and Sewer Management Planning and Boundary Agreement (see Appendix C) was jointly prepared and adopted by Officials and staff from Orange County, Chapel Hill, Carrboro, Hillsborough, and the Orange Water and Sewer Authority (OWASA). It defines responsibility and Primary Service Areas (PSA) for different areas of the County. There are areas in the Town of Hillsborough PSA that extend greatly beyond the Town's extraterritorial jurisdiction (ETJ) and are under Orange County's planning jurisdiction. Any proposed changes to the existing Agreement would be sent to the approving parties for review and approval prior to any modifications occurring.

The Hillsborough Water Capacity Analysis for Fiscal Years 2004-2014 was prepared by the Town in 2003 and includes impacts associated with the Waterstone Development. Regular update of the Water Capacity Analysis is necessary to ensure an adequate water supply for Hillsborough's future. During Task Force meetings, the need to update this analysis was identified. A letter from the Hillsborough Town Manager summarizing the 2003 Town of Hillsborough Water Capacity Analysis is provided in Appendix D. A complete copy of the Water Capacity Analysis may be obtained from the Town of Hillsborough.

Orange County Planning and Inspections Analysis of Transition Areas was prepared in September 2004 to determine the development potential of the County's 10- and 20-year Transition Areas that are adjacent to Hillsborough and Mebane/Efland. This analysis has been provided in Appendix E.

Following is a list of additional resources used/discussed by the Task Force. These items are not contained in this report but are available upon request at the Orange County Planning Department.

- ❖ Town of Hillsborough/Orange County Courtesy Review Agreement and Map
- ❖ Eno River Capacity Use Agreement
- ❖ Example Subdivision Site Plans: Ashwick and Richmond Hills
- ❖ Orange County Growth Management System – Subdivision processes in “Urban” and “Rural” designated areas
- ❖ Hillsborough Economic Development District (EDD) potential future Office/Service Use

5. TASK FORCE MEETINGS AND DELIBERATIONS

The Task Force met four times between September 23 and December 15, 2004 to evaluate land use and service area issues pertaining to growth potential within the urban influence of the Town of Hillsborough. Following is a brief summary of each meeting:

Meeting One: September 29, 2004

At its first meeting, the Task Force discussed a draft mission statement, the work product to be generated, and reviewed current conditions and past research.

Meeting Two: October 20, 2004

There was additional discussion and refinement of the mission statement and work product. The idea of a Town and County funded consultant study to address the technical points of service area boundaries and utility capacities was suggested. Staff was asked to develop a list of De Facto Principles of Agreement and map for the next meeting as well as a preliminary scope of work for consultant services.

Meeting Three: November 17, 2004

There was additional discussion of the Task Force's mission to include addition of a vision statement; De Facto Principles of Agreement received further review and modifications; the first draft of a scope of services was discussed and refined; and the Task Force agreed to hold an additional meeting in December.

Meeting Four: December 15, 2004

At its final meeting, the Task Force suggested minor changes to the Vision/Mission Statement and Defacto Principles of Agreement. The Task Force also made additional changes to the scope of services discussed on November 17, and reviewed an outline for the final report of the Task Force.

6. TASK FORCE PRODUCTS, RECOMMENDATIONS, AND IMPLEMENTATION

As noted in the previous section under Task Force Meetings and Deliberations, the Task Force developed three products for consideration by the respective Town and County governing boards:

1. De Facto Principles of Agreement and Map, including implementation strategies, is intended to serve as the basis for future planning efforts in the Hillsborough ETJ and Orange County Urban Transition Areas and other adjacent 'rural' areas;
2. Implementation of De Facto Principles of Agreement; and
3. Joint Strategic Growth Plan - Scope of Work Possibilities is a preliminary listing of tasks a consultant would be asked to address if a jointly funded study by Town and County were to be undertaken.

Following are the three Task Force work products in the order provided above:

6.1 DE FACTO PRINCIPLES OF AGREEMENT

1. Orange County and the Town of Hillsborough should jointly contract the services of a consultant to prepare a Joint Strategic Growth Plan for Hillsborough and the surrounding urban service or transition areas of Orange County.
2. The Ultimate extent of Hillsborough's Urban Service Area (USA) for public water and sewer) shall respect the boundary established by the Water and Sewer Management, Planning and Boundary Agreement and map. (See Appendix C). This boundary respects the area designated as Rural Buffer to the south, Eno River Critical Area to the west, and sensitive environmental lands of the Eno River State Park and Stoney Creek Basin to the east.
3. The Town of Hillsborough's Intermediate USA shall generally extend on the east to the western boundary of the Lower Eno Protected Watershed, on the south to I-40 and Duke Forest but including the Hillsborough Economic Development District (EDD), and on the north to Stroud's Creek. The western Intermediate USA boundary shall follow the boundary established by the Water and Sewer Management, Planning and Boundary Agreement and map. Urban services shall be provided within the Intermediate USA before the Ultimate USA.
4. Orange County and the Town of Hillsborough shall protect the surface and groundwater resources of the Upper Eno/Neuse River Watershed, both in designated critical and protected areas, through responsible land use planning (Map provides the full extent of the Upper Eno Watershed). Lower density and more stringent impervious surface regulations improve the Town of Hillsborough's surface water supply.
5. In new subdivisions that will have Town of Hillsborough public water and sewer services, urban style development standards, consistent with the Town of Hillsborough's development standards, shall be required. Such standards may include but not be limited to sidewalks, lot size, and cluster subdivision provisions.
6. Consistent nomenclature should be used in County and Town land use ordinances.
7. There is a need to identify topics where the County and Town share common goals and where they may differ.
8. The Orange Grove Road access management plan should serve as a model for other transportation corridor plans.
9. Orange County's and Hillsborough's park needs, including the connectivity of greenways and wildlife corridors, are intertwined and joint planning coordination is encouraged.
10. Orange County and the Town of Hillsborough should establish a task force to identify significant cultural resources located within Orange County and the Hillsborough fringe that should be protected and develop appropriate policies for their protection through incorporation into respective land use ordinances.
11. Orange County and the Town of Hillsborough do not promote development patterns that can be characterized as urban sprawl and will avoid it through independent and coordinated land use planning.
12. Orange County and the Town of Hillsborough should initiate a process to amend the Town's ETJ to exclude approximately 230 acres that is located within the Upper Eno Watershed Critical Area and include an area of comparable size, located in an area suitable for urban services and agreeable to both parties, in exchange.
13. The principles provided above shall be incorporated into prospective local policies through an inter-local agreement.

* Principles of Agreement that include geographic references are highlighted above and located on the adjacent map with numbers that correspond to the appropriate Principle.

6.2 IMPLEMENTATION

Implementation strategies are provided following each abbreviated Defacto Principle of Agreement (POA). Complete Defacto Principles of Agreement are provided in Section 6.1.

POA 1 - Consultant for Orange County/Town of Hillsborough Joint Strategic Growth Plan

- Staffs shall prepare a draft cost sharing proposal for consideration by Town and County elected officials. It is expected that Orange County's share of the costs will be greater than that for the Town of Hillsborough.
- Establish a consultant selection advisory committee to work with the staffs from both jurisdictions during the Request for Proposals (RFP) and interview processes. The committee shall provide a final recommendation on the preferred consulting firm to Town and County elected officials for consideration. The Scope of Work items provided in Section 6 shall be used as a starting point for the development of an RFP.
- In the event that a consultant is not used to complete a Strategic Growth Plan for the Hillsborough fringe area as recommended, Orange County and the Town of Hillsborough shall reinstate the Orange County/Town of Hillsborough Urban Transition Area Task Force to work with joint staffs to develop a work plan for the completion of the items identified in the Scope of Work and provide project oversight until completion.

POA 2 – Ultimate extent of Hillsborough's Urban Service Area

- This Principle provides reaffirmation of the Hillsborough Primary Service Area (HPSA) as established by the Water and Sewer Management Planning and Boundary Agreement and Map. This map depicting HPSA includes lands beyond Hillsborough's Extra-Territorial Jurisdiction and within Orange County's planning jurisdiction. As the "Ultimate" extent, Orange County Planning Staff shall draft an annexation agreement for consideration by Town and County elected officials that reflects this boundary.

POA 3 – Intermediate extent of Hillsborough's Urban Service Area

- The Intermediate extent of Hillsborough's Urban Service Area has been very generally defined and requires further study through completion of an Orange County/Town of Hillsborough Joint Strategic Growth Plan. The Strategic Growth Plan shall provide recommendations for a revised Intermediate boundary for inclusion in an inter-local agreement. This agreement shall acknowledge that the extension of urban services and development shall occur in areas contained within the Intermediate Urban Service Area Boundary before extension into the area between the Intermediate and Ultimate Urban Service Area.

POA 4 – Protection of Upper Eno/Neuse River Watersheds Surface and Groundwater Resources

- Orange County shall consider the reduction of residential zoning density within the Upper Eno/Neuse River watersheds as part of the Comprehensive Plan Land Use Element Update.
- Orange County shall consider increasing permitted residential minimum lot size within the Upper Eno/Neuse River watersheds as part of the Comprehensive Plan Land Use Element Update.
- Cost sharing opportunities to protect surface and groundwater resources shall be conveyed to respective governing boards by joint staffs as opportunities present themselves. For example, the exploration of a Transfer of Development Rights (TDR) Program or Purchase of Development Rights (PDR) by Orange County may present an opportunity for coordination and cost sharing with the Town of Hillsborough.

POA 5 – Consistency of Development Standards for Subdivisions That Will Have Hillsborough’s Water and Sewer Services with Orange County’s Planning Jurisdiction

- During Orange County review of new subdivisions that will have Town of Hillsborough public water and sewer services, Planning Staff will review the Town of Hillsborough’s development standards for consistency to reduce irregularities that could create non-conformities if annexed in the future. Any inconsistencies found will be included in Staff’s report to the Orange County Planning Board and County Commissioners. Also, urban service areas, whether Town of Hillsborough or Orange County Planning Jurisdiction, will have a retroactively consistent urban design.
- When Orange County revises its land use ordinances for incorporation into a Unified Development Ordinance, concerted efforts shall be made to establish consistent regulations as they may pertain to development to be served with Town of Hillsborough public water and sewer.

POA 6 – Consistent Nomenclature Should be used in Town and County Ordinances

- When Orange County revises its land use ordinances for incorporation into a Unified Development Ordinance, or when Hillsborough amends its land use/development ordinance, concerted efforts shall be made to establish consistent nomenclature between county and town regulations.

POA 7 – Identification of Common Goals and Differences

- Whether completed by a consultant or joint staffs, the identification of topics where the county and town share common goals and where they may differ shall be part of the Scope of Work for an Orange County/Town of Hillsborough Joint Strategic Growth Plan. Typical goal areas can include, but are not limited to, transportation, land use, parks, housing, environment, public services, etc.

POA 8 – Consistent Transportation Corridor Planning

- The Orange Grove Road Access Management Plan shall be used as a model for future corridor plans prepared by Orange County and the Town of Hillsborough. It shall be Planning Staffs responsibility to ensure that the format and process used for Orange Grove Road is followed during the development of future corridor plans. South Churton Street may be an opportunity to examine access management prior to future Transportation Improvement Plan (TIP) road widening plans and concurrent with the ‘revitalization’ program by the Division of Community Assistance.

POA 9 – Joint Coordination in Planning for Parks

- The Orange County Planning Department shall work with the Orange County Recreation and Parks Department to assess existing methods of coordination with Hillsborough. Following this initial assessment, the Planning and Recreation and Parks Departments, in consultation with the Recreation and Parks Advisory Council, will recommend areas or processes for improving coordination for consideration and where appropriate, inclusion in inter-local agreements. Other non-profit recreation agencies and programs should also be considered.

POA 10 – Establish Joint Task Force to Identify Significant Cultural Resources and Develop Policies and Implementation Strategies for Their Protection

- The Orange County Environment and Resource Conservation and Planning Departments shall work together with the town’s Historic Preservation Planner to develop a draft resolution establishing and setting guidelines for such a task force for consideration by Orange County’s and Hillsborough’s Commissioners.

POA 11 – Limit Urban Sprawl

- The Town of Hillsborough and Orange County shall work together to limit urban sprawl through the establishment of Intermediate and Ultimate Urban Service Areas that shall be established through an inter-local agreement following completion of an Orange County/Town of Hillsborough Joint Strategic Growth Plan. Annexation boundary agreements can assist in this goal achievement.

POA 12 – Amendment of the Town’s Extraterritorial Jurisdiction (ETJ)

- The Orange County Planning Department, in consultation with the County’s Attorney, shall develop a staff report that summarizes the legal requirements for amending the town’s ETJ. This is in response to an ‘exchange’ of areas moving the ETJ out of the Upper Eno Critical Area to other areas which could be more easily developed. Upon completion, the Staff report shall be forwarded to the

Orange County and Town of Hillsborough Boards of Commissioners for review and direction.

POA 13 – Incorporation of Principles of Agreement Into Local Policies

- Where appropriate, each of the twelve (12) aforementioned Principles of Agreement shall be incorporated into prospective local policies through inter-local agreement(s) or ordinance changes.

Note: Further elaboration of Defacto Principles of Agreement is provided in Section 6.1.

6.3 JOINT STRATEGIC GROWTH PLAN – SCOPE OF WORK POSSIBILITIES FOR CONSULTANT

1. Identify areas within the Town of Hillsborough Extraterritorial Jurisdiction (ETJ) and along its fringe within Orange County’s planning jurisdiction that can be serviced with public water and sewer:
 - With currently available water supplies and with West Fork Eno Reservoir at full capacity.
 - For sewer, areas that can be served by gravity flow with a minimal number of lift stations.
 - Analyze their relationship to find common service coverage areas.

2. Study the relationship between areas that can be serviced with public water and sewer (identified through item 1 above) and the location of Orange County Land Use Element Transition Areas, and provide recommendations for Transition Areas as appropriate:
 - Develop figures on amount and type of development (residential and non-residential) that can be supported by water and sewer.
 - Provide a water and sewer extension trend analysis to see if a change in development patterns is desirable. Cost estimates for various styles of development (i.e., traditional neighborhood development and “smart growth”) should be provided.
 - Review funding options, traditional as well as innovative.

3. Recommendations, if any, for changes (text and/or map) to:
 - Water and Sewer Management Planning and Boundary Agreement
 - Upper Eno Capacity Use Agreement
 - County Land Use Element Urban Transition Area plan

4. Evaluate the:
 - Transportation impacts of various land use scenarios.
 - Land use impacts of various transportation scenarios.
 - Consistency of transportation projects that cross jurisdictional lines.

5. Demarcate a boundary between urban and rural developments with recommendations for maintaining desired character in both areas.

6. Estimate the demand for other public services for both jurisdictions (based on population projections) in the Transition Areas including but not limited to recreation and parks, transportation system, aging, schools, public safety (town police and fire), transit, and economic development; and recommendations for any required actions. This permits evaluation of comprehensive impacts.

7. Recommend a range of processes for the identification of natural and cultural resources and strategies to protect them.

APPENDICES

Appendix A - Resolutions Establishing Task Force

Appendix B - Orange County Comprehensive Plan Land Use Element Map

Appendix C - Water and Sewer Management, Planning and Boundary Agreement and Map

Appendix D - Hillsborough Water Capacity Analysis for Fiscal Years 2004-2014

Appendix E - Analysis of Transition Areas and Maps