

**POLICY GOVERNING VOLUNTARY ANNEXATIONS AS A RESULT
OF SEWER EXTENSION REQUESTS**

I. PURPOSE

It is the intent of this policy to provide direction in guiding annexation decisions as they pertain to sewer extension requests.

II. APPLICABILITY:

This policy applies to all situations where a property outside the city limits applies for sewer service from the City of Hendersonville.

III. PROCEDURES:

From time to time, property owners outside of the City of Hendersonville may request sewer service from the City of Hendersonville.

A. It is a long-standing practice of the City of Hendersonville that sewer service shall not be extended to property owners outside of the city limits unless the property owner first petitions for annexation. When a property owner contacts the Utilities Department requesting sewer service and the property is located outside the city limits, the Utilities Department will first make a determination as to whether or not extension of sewer service is feasible. If service is feasible, the applicant will be referred to the Planning Department to begin the voluntary annexation process. If a petition for voluntary annexation is not filed, the request for sewer service extension will not be forwarded to the City Council for consideration.

B. If provision of sewer service is feasible and an annexation petition is filed, staff will conduct an analysis to determine if immediate annexation of the property is in the best interests of the city. Factors to be considered include geographic proximity to existing city limits and the cost or practicality of extending the full range of municipal services to the property. If annexation is deemed appropriate at this time and sewer service provision is feasible, the request for annexation and sewer extension will be forwarded to the City Council for their consideration.

C. If sewer service is feasible but annexation is not recommended by staff, the request for sewer service extension will be forwarded to the City Council for their consideration with a stipulation that sewer service shall only be granted if the property owner executes a legally binding agreement granting the city permission to proceed with voluntary annexation of the property at any time in the future. The agreement will be in recordable form and will be recorded upon execution. The City Attorney shall be responsible for drafting and executing the necessary agreement.

D. At any time the city so chooses, properties which have been granted sewer service and which were party to an annexation agreement with the city may be annexed.

E. Nothing in this policy shall be construed to prohibit the Council from considering other factors relevant to their decision to approve or deny the extension of sewer service to a property outside the city. Satisfaction of the annexation requirements outlined in this policy shall not be considered binding on the Council to approve provision of sewer service.

F. In instances where industrial recruitment or expansion is facilitated by the extension of City sewer service, special consideration will be granted to the applicant when the conditions below are met:

1. To qualify as an industrial project, the applicant's primary business must be manufacturing as classified by the 2007 North American Industry Classification System (NAICS) where the first two digits of the applicants business classification code are 31, 32 or 33.
2. Applicant agrees to comply with Section A through E of this policy (in consideration of conditions to be offered in Section G.)

G. Applicants who meet the conditions of Section F shall be granted the following considerations:


1. Applicants will be eligible to sign a 10-year payment in lieu of annexation agreement; and shall remit an annual fee of 10 percent of current real and personal tax value to the City of Hendersonville. The applicant's property may not be annexed while the agreement is in effect. Renewals of the payment in lieu of annexation agreement shall be at the discretion of the then-current City Council.

Adopted by the City Council at a regular meeting held the fourth day of September, 2008; amended by action of the City Council at a regular meeting held the seventh day of January, 2010.



Barbara G. Volk, Mayor

Attest:



Tammie K. Drake, CMC, City Clerk