

ORANGE COUNTY BOARD OF COMMISSIONERS

AGENDA

Public Hearing Regarding the Establishment of Three (3) New Fire Service Districts

April 17, 2013

Meeting – 7:00 p.m.

Carrboro High School Auditorium

201 Rock Haven Road

Carrboro, NC

(7:00) Call to Order (Board Chair Barry Jacobs)

(7:05) Public Hearing Regarding the Establishment of Three (3) New Fire Service Districts

- Presentation by County Staff
- Board Member Comments/Questions
- Public Comments

Closing Comments/Questions by Board Members (Board Chair Barry Jacobs)

Adjournment

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: April 17, 2013

SUBJECT: Public Hearing Regarding the Establishment of Three (3) New Fire Service Districts

DEPARTMENT: Emergency Services

PUBLIC HEARING: (Y/N)

YES

ATTACHMENT(S):

- 1) Chapel Hill/Southern Triangle District Map
- 2) New South Orange Fire Insurance District Map
- 3) New Greater Chapel Hill Fire Insurance District Map
- 4) New North Chatham Fire Insurance District Map
- 5) New Southern Triangle Fire Service District Map

INFORMATION CONTACT:

Annette Moore, 245-2317
Michael Talbert, 245-2308

PURPOSE: To hold a public hearing to consider the establishment of the three (3) new Fire Service Districts – the South Orange Fire Service District, the Southern Triangle Fire Service District and the Greater Chapel Hill Fire Service District.

BACKGROUND: On September 13, 2011 the Board was presented options for changing fire districts to improve insurance ratings for the 1,156 properties located outside of six (6) road miles from the closest fire station located in their fire insurance district. A County Attorney's memorandum dated September 1, 2011 provided a legal opinion for fire protection tax districts, with the available options listed below:

1. Realign Fire Insurance District boundaries without changing Fire Tax Districts.
2. Change existing Fire Protection Districts, which would also change the Fire Tax District.
3. Establish one or more Fire Service Districts to replace or overlay existing Fire Protection Districts which could also change Fire Tax Districts.

On March 13, 2012 the Board approved the request from the Orange Grove Fire Department to construct a new fire station #2 that is strategically located in the southeastern part of the Cane Creek Fire District. This newly constructed fire station is providing insurance district coverage for an estimated 400 property owners that were more than six (6) road miles from the Orange Grove Station. The Orange Grove Fire Department is in the planning stages for a new fire station #3 to be strategically located in the western part of the Cane Creek Fire District. That new fire station #3 will provide insurance district coverage for an estimated 250 property owners currently more than six (6) road miles from the Orange Grove Station.

The Emergency Services Workgroup discussed all available options for the 1,156 properties located outside of six (6) road miles from the closest fire station located in their fire insurance district. With the new fire stations in the Cane Creek Fire District, over 600 property owners will be provided insurance district coverage and will be located less than six (6) road miles from the nearest Orange Grove Station.

The Emergency Services Workgroup recommended the creation of three (3) New Fire Service Districts to overlay and replace three (3) existing Fire Protection Districts. With input from the State Fire Marshal's office, the proposal is to modify existing fire insurance districts and create new Fire Service Districts that are exactly the same as the revised fire insurance districts. The three (3) Fire Services Districts are proposed to be the South Orange Fire Service District, the Southern Triangle Fire Service District and the Greater Chapel Hill Fire Service District.

South Orange Fire Service District

Attachment 1 shows a detail map of the area and Chapel Hill Fire Station #5 that is less than one (1) mile from the area outlined in gray. Due to the Town of Chapel Hill annexations, the South Orange Fire Insurance District has been split. The Town of Carrboro provides fire protection for the South Orange Fire Insurance District and now has to travel through the Town of Chapel Hill to respond to a fire call off Mt. Carmel Church Road. The Town of Chapel Hill is better positioned and may be willing to provide fire protection for this area in gray. Attachment 2 is a map of the proposed new South Orange Fire Insurance District.

The area in gray on Attachment 1 represents 100 parcels and \$36,003,769 of real property value. When vehicles and personal property values are added to the real property total, an estimated \$37,673,414 of taxable value would be removed from the existing South Orange Fire Insurance District. The existing property valuation for the South Orange Fire Insurance District is \$556,977,528, and a reduction of \$37,673,414 of taxable value is proposed with a remaining property valuation of \$519,304,114. The estimated tax valuation reduction from the existing South Orange Fire Insurance District equals 6.8% of the total. On December 4, 2012 the Carrboro Board of Aldermen voted to approve a resolution to modify the existing South Orange Fire Insurance District. The revised South Orange Insurance District will not include the donut hole in gray on Attachment 1 and the Town will continue to contract to provide fire protection to the proposed new South Orange Fire Insurance District (see Attachment 2), with a new fire tax rate of 10 cents per \$100 of real and personal property value.

Southern Triangle Fire Service District

Orange County has received a letter from North Chatham Volunteer Fire Department indicating that the Department will charge a tax rate of 8.8 cents beginning July 1, 2013. This is the same rate currently charged in Chatham County and a 76% increase over the existing five (5) cents. Included on Attachment 1, in yellow, are 112 homeowners located more than six (6) road miles from the nearest North Chatham Station, but less than three (3) road miles from Chapel Hill Fire Station #5. These homeowners have an insurance rating of 10. Several homeowners in this area have indicated that they cannot get fire insurance or that the rate has more than doubled.

The Town of Chapel Hill is better positioned and may be willing to provide fire protection for this area in yellow. The Town of Chapel Hill is a municipal fire department which relies on hydrants as its water source to fight fires. Attachment 3 is a map of the proposed new Greater Chapel Hill Fire Insurance District that includes not only the area proposed to be deleted from South Orange, but also 112 homeowners from Attachment 1 and additional property included in the Southern Triangle Fire District that are served by hydrants. On February 27, 2013 the Chapel Hill Town Council voted unanimously to enter into a service agreement to extend the Town's

current fire district into the affected neighborhoods for a period of five (5) years with a 15-cent tax levy per one-hundred dollar valuation of real and personal property.

The North Chatham Fire Chief has indicated that he is willing to recommend to the North Chatham Board of Directors that the 112 homeowners from Attachment 1 would be better served by the Town of Chapel Hill. With a property tax increase from 5 cents to 8.8 cents and a reduction of property covered by the district, the net impact for the new North Chatham Fire Insurance District is a revenue increase of \$31,441 from \$213,325 to \$244,766.

The North Chatham Fire Department provides fire service for both the Damascus and Southern Triangle Fire Districts. Attachment 5 is the proposed New Southern Triangle Fire District. Both the Damascus and New Southern Triangle Fire District make up the New North Chatham Fire Insurance District (Attachment 4).

Greater Chapel Hill Fire Service District

Attachment 3 is a map of the proposed new Greater Chapel Hill Fire Insurance District that includes not only the area proposed to be deleted from South Orange, but also 112 homeowners from Attachment 1 and additional properties included in the Southern Triangle Fire District that are served by hydrants. With a proposed property tax increase from 7.5 cents to 15 cents and additional property covered by the district, the net impact for the new North Chatham Fire Insurance District is a revenue increase of \$276,025 from \$1,706 to \$277,731.

At its November 13, 2012 work session, the Board reviewed information regarding the possibility of establishing three (3) new Fire Service Districts and instructed staff to proceed with the steps necessary to establish the new Fire Service Districts. Listed below are actions taken to date concerning the possible creation of three (3) new Fire Service Districts:

- On December 3, 2012, Orange County petitioned the Town of Chapel Hill to consider modifications to the existing Greater Chapel Hill Fire Insurance District as discussed in the background.
- On December 4, 2012 the Carrboro Board of Alderman Town voted to approve a resolution to modify the existing South Orange Fire Insurance District. The revised South Orange Insurance District will not include the donut hole in gray on Attachment 2 and the Town will continue to contract to provide fire protection to the proposed new Fire Insurance District (see Attachment 3), with a new fire tax rate of 10 cents per \$100 of real and person property value.
- On January 14, 2013 the Chapel Hill Town Council voted unanimously not to provide Fire Protection for a proposed Greater Chapel Hill Fire Service and requested Orange County Government's assistance in encouraging the residents of the proposed Chapel Hill Fire Service District to seek annexation into the Town of Chapel Hill.
- On February 11, 2013 the Chapel Hill Town Council again considered the County petition to the Town to consider modifications to the existing Greater Chapel Hill Fire Insurance District as discussed above. Several members of the Town Council still considered annexation as the preferred method of providing fire protection and all other Town services to these residents. There was discussion about the 15-cent rate being the maximum rate allowed and the Town Council discussed how the tax rate could be increased. The Chapel Hill Town Council voted unanimously to enter into a service agreement to extend the Town's current fire district into the affected

neighborhoods for a period of two (2) years and initiate conversations with the County about how the changes in annexation laws affect the rational planning model established within Orange County.

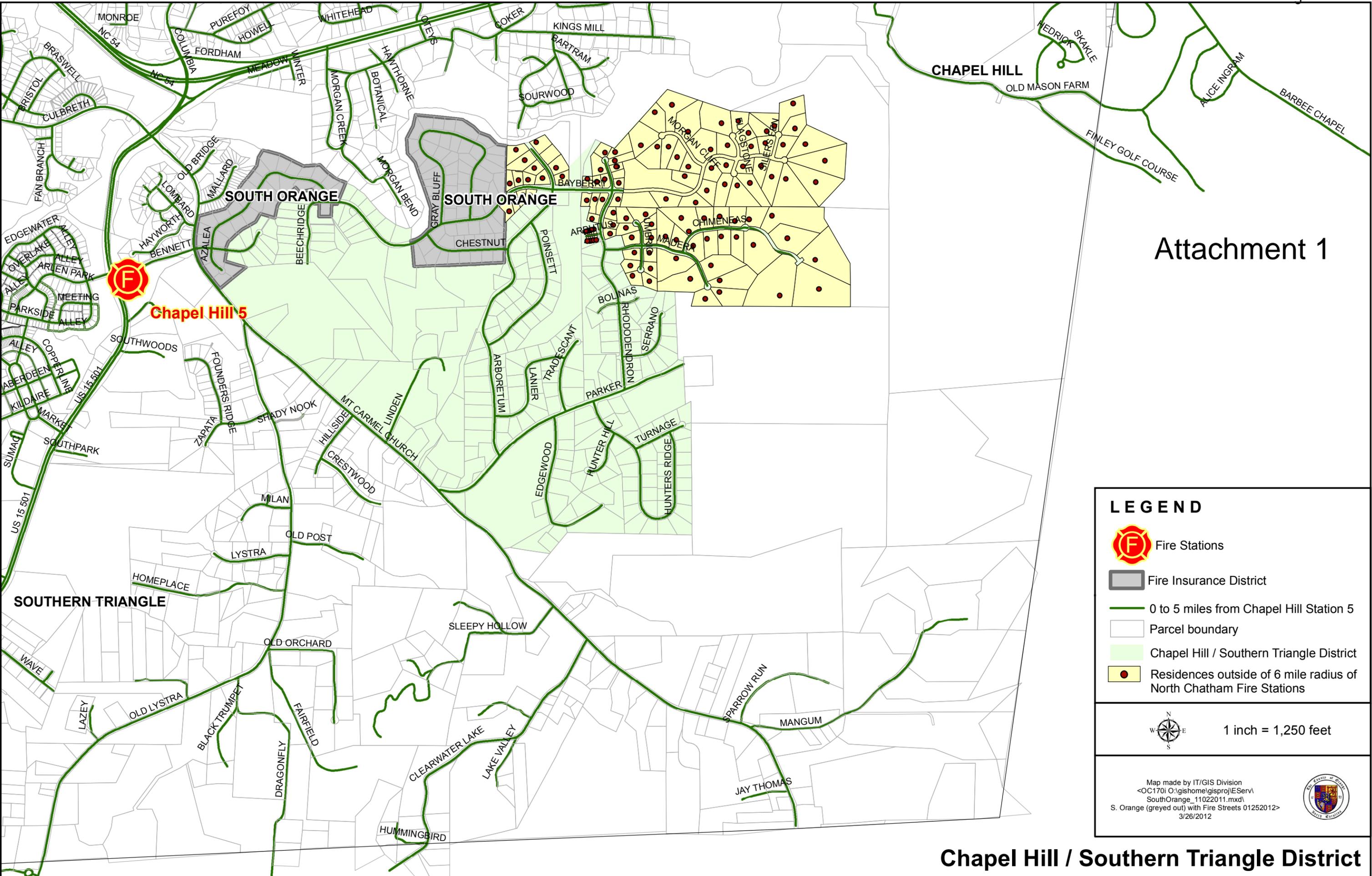
- On February 19, 2013 the Board of Commissioners voted to approve a recommendation for a five-year contract with the Town of Chapel Hill, with a 15 cent tax levy per one-hundred dollar valuation of real and personal property rate, and for this recommendation to go back to the Chapel Hill Town Council for discussion; ask staff to clearly lay out the “opt out” provisions in the contract; for the County to agree to work collaboratively with the Town to explore ways to equitably provide and fund services to residents in and around extra-territorial jurisdiction (ETJ) areas over the next two years, and to ask staff to come back with suggestions to how to effectively implement this; to establish a public hearing, after the Town of Chapel Hill has discussed this recommendation, and to consider the establishment of the three new Fire Service Districts - the South Orange Fire Service District, the Southern Triangle Fire Service District and the Greater Chapel Hill Fire Service District.
- On February 27, 2013 the Chapel Hill Town Council voted unanimously to enter into a service agreement to extend the Town’s current fire district into the affected neighborhoods for a period of five (5) years with a 15-cent tax levy per one-hundred dollar valuation of real and personal property.
- On March 7, 2013 the Board of Commissioners scheduled a public hearing for April 17, 2013 to consider the establishment of the three new Fire Service Districts – the South Orange Fire Service District, the Southern Triangle Fire Service District and the Greater Chapel Hill Fire Service District.

Listed below are actions need to be taken before three (3) new Fire Service Districts can be created and included in the County’s Fiscal 2013/2014 annual budget.

- Approval by the Orange County Board of Commissioners on April 23, 2013
- Approval by the North Chatham Fire Department Board of Directors
- Approval by the State Fire Marshal’s Office
- Approval by the Orange County Board of Commissioners of new Fire Protection and Emergency Services Agreements before July 1, 2013 for the three (3) new Fire Service Districts

FINANCIAL IMPACT: There is no financial impact to the County, but there is a financial impact on all property owners in the three (3) proposed new Fire Service Districts with higher Fire District Tax rates for the property owners.

RECOMMENDATION(S): The Manager recommends that the Board hold the public hearing to consider the establishment of the three new Fire Service Districts – the South Orange Fire Service District, the Southern Triangle Fire Service District and the Greater Chapel Hill Fire Service District; and direct staff to proceed with the steps required to establish three new Fire Service Districts.



Attachment 1

LEGEND

-  Fire Stations
-  Fire Insurance District
-  0 to 5 miles from Chapel Hill Station 5
-  Parcel boundary
-  Chapel Hill / Southern Triangle District
-  Residences outside of 6 mile radius of North Chatham Fire Stations



1 inch = 1,250 feet

Map made by IT/GIS Division
 <OC170i O:\gishome\gisproj\EServ\ SouthOrange_11022011.mxd
 S. Orange (greyed out) with Fire Streets 01252012>
 3/26/2012



Chapel Hill / Southern Triangle District

New South Orange Fire Insurance District

Attachment 2

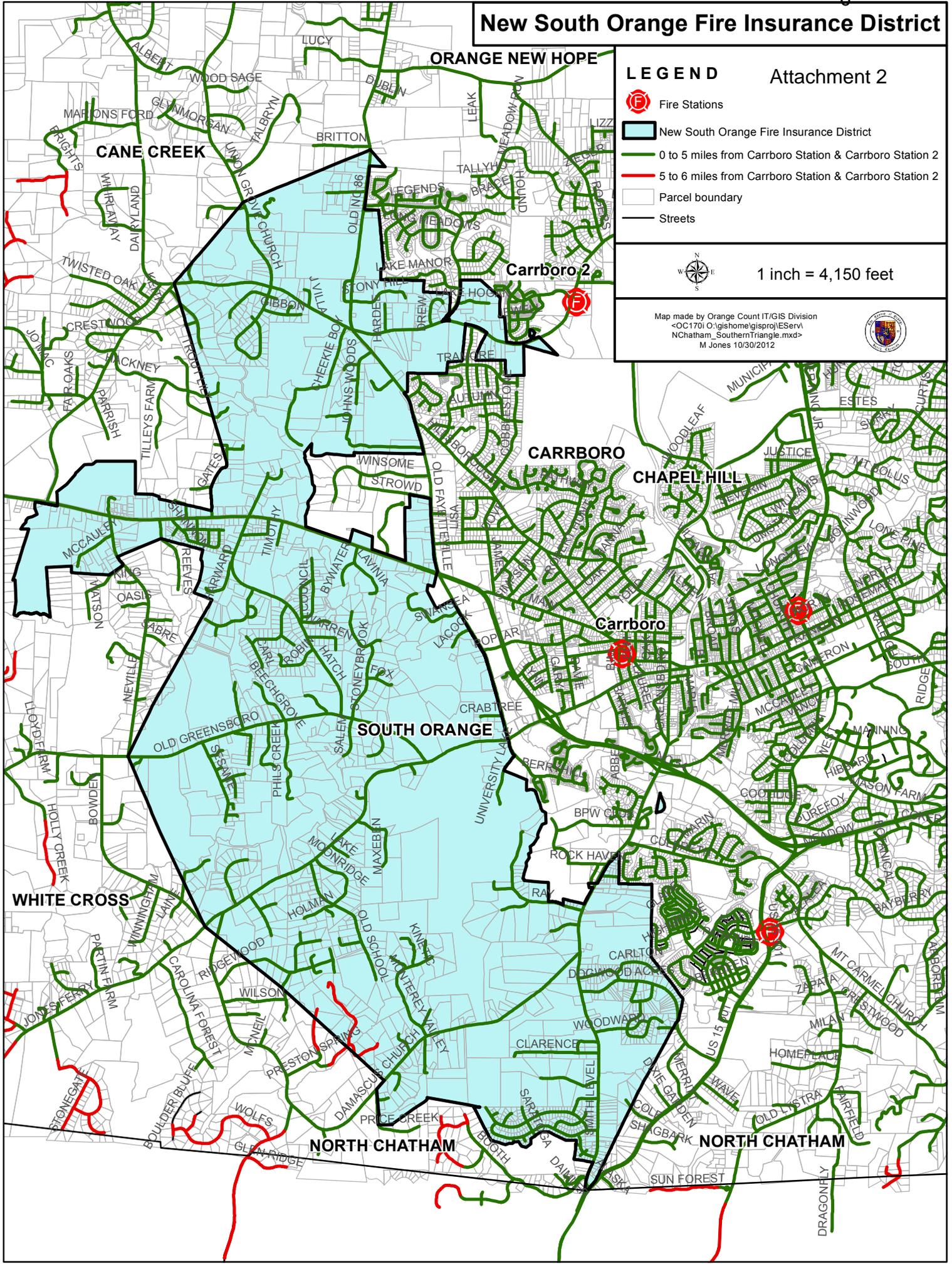
LEGEND

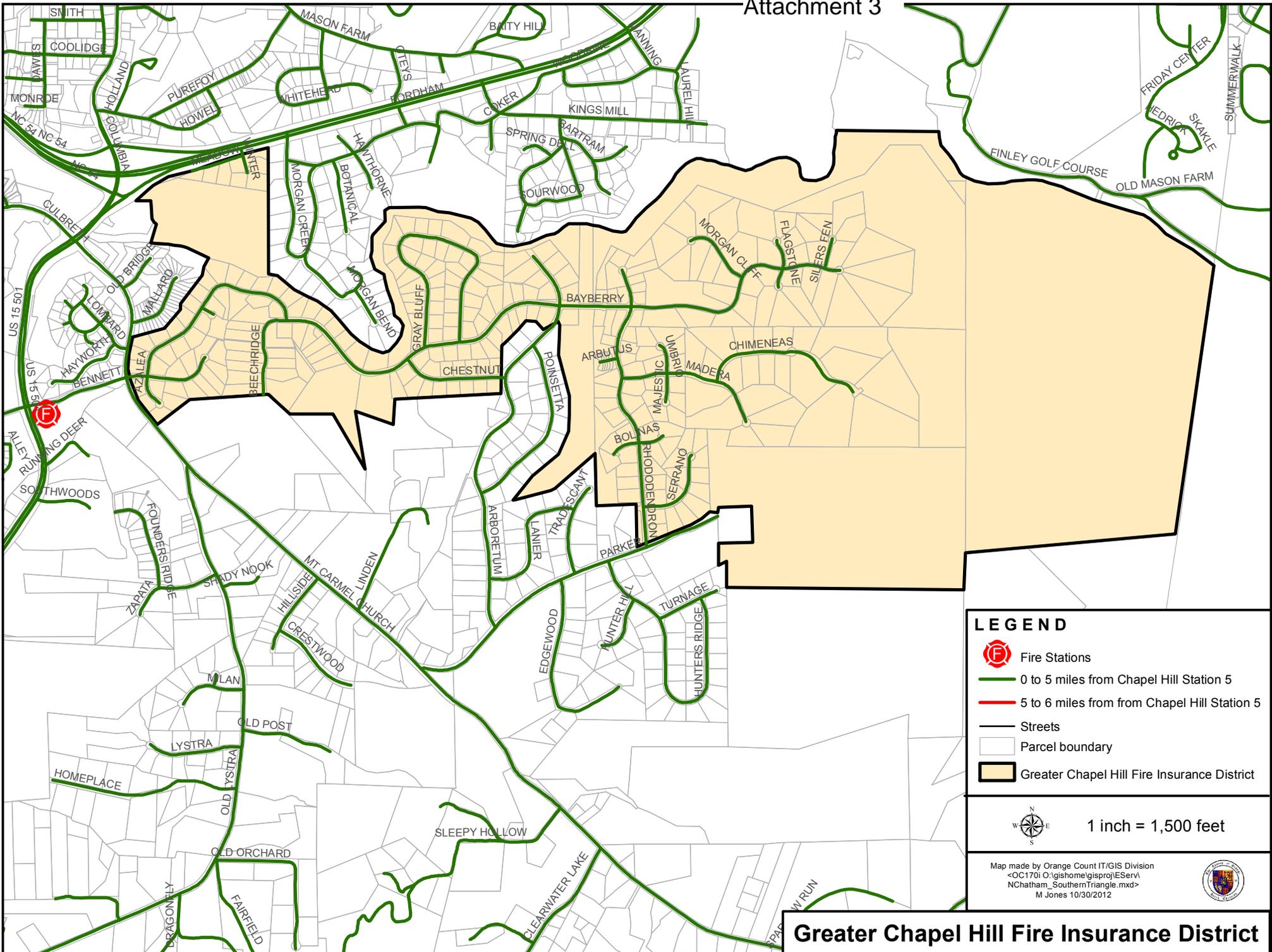
-  Fire Stations
-  New South Orange Fire Insurance District
-  0 to 5 miles from Carrboro Station & Carrboro Station 2
-  5 to 6 miles from Carrboro Station & Carrboro Station 2
-  Parcel boundary
-  Streets



1 inch = 4,150 feet

Map made by Orange Count IT/GIS Division
 <OC1701 O:\gis\home\gisproj\EServ\NChatham_SouthernTriangle.mxd>
 M Jones 10/30/2012





LEGEND

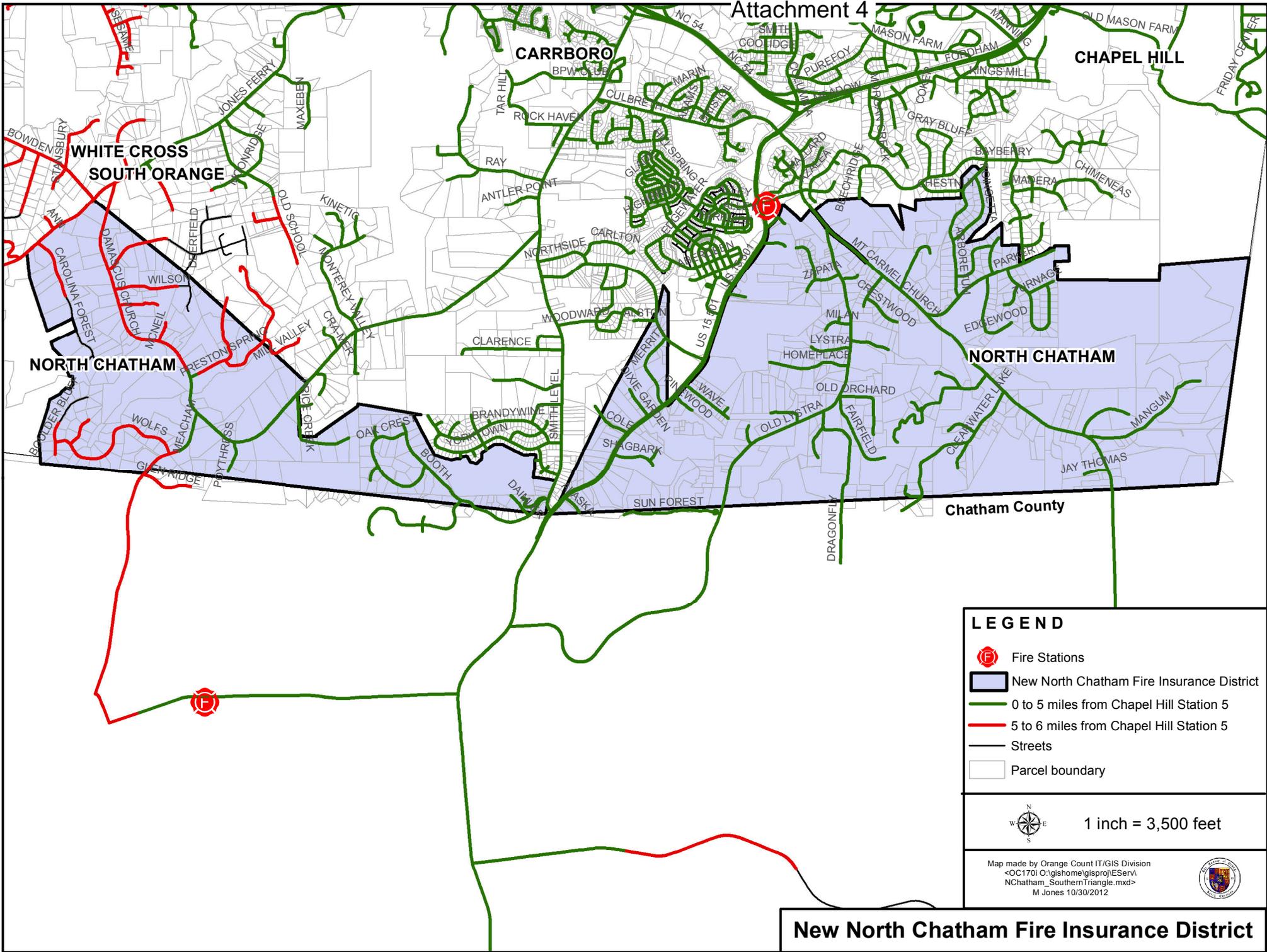
- Fire Stations
- 0 to 5 miles from Chapel Hill Station 5
- 5 to 6 miles from from Chapel Hill Station 5
- Streets
- Parcel boundary
- Greater Chapel Hill Fire Insurance District

1 inch = 1,500 feet

Map made by Orange Count IT/GIS Division
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 M Jones 10/30/2012



Greater Chapel Hill Fire Insurance District



LEGEND

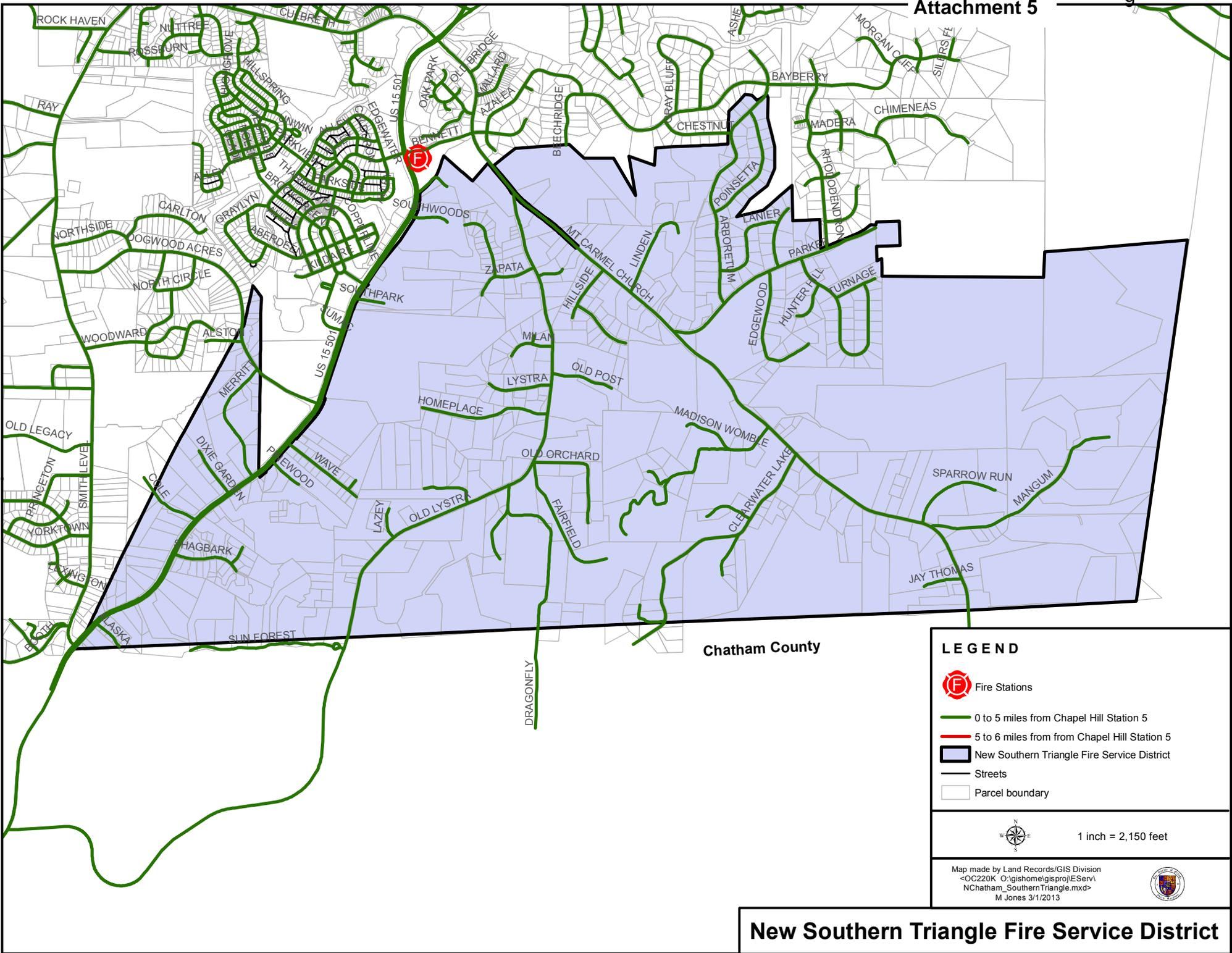
-  Fire Stations
-  New North Chatham Fire Insurance District
-  0 to 5 miles from Chapel Hill Station 5
-  5 to 6 miles from Chapel Hill Station 5
-  Streets
-  Parcel boundary

 1 inch = 3,500 feet

Map made by Orange Count IT/GIS Division
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 M Jones 10/30/2012



New North Chatham Fire Insurance District



Chatham County

LEGEND

-  Fire Stations
-  0 to 5 miles from Chapel Hill Station 5
-  5 to 6 miles from from Chapel Hill Station 5
-  New Southern Triangle Fire Service District
-  Streets
-  Parcel boundary

 1 inch = 2,150 feet

Map made by Land Records/GIS Division
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 M Jones 3/1/2013



New Southern Triangle Fire Service District