



## RESOLUTION 2024-07

### A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF GRANITE QUARRY, NORTH CAROLINA, TO ADOPT AN ANNEXATION, UTILITY ALLOCATION AND EXTENSION POLICY

**WHEREAS**, the Town of Granite Quarry is authorized by law to ensure the provision of essential municipal services for both current and future residents; and

**WHEREAS**, the Town of Granite Quarry Town Council declares the extension of potable water and sewer collection services into areas of need and areas of future growth to be a major priority; and

**WHEREAS**, the Town has established certain growth areas wherein it is in the Town's interest to promote high-quality development which will be beneficial to the Town and its residents; and

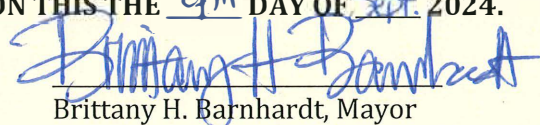
**WHEREAS**, the Town entered into an agreement with the City of Salisbury in 1997 to manage potable water and sewer collection services for the Town of Granite Quarry and its respective growth areas, followed by an agreement in 2023 specifying important growth areas in accordance with the 1997 agreement which might in the future be annexed into the corporate limits of the Town; and

**WHEREAS**, the Granite Quarry Town Council desires to establish a sound policy for the management of both water and sewer capacity and extensions and to promote orderly growth in accordance with the Granite Quarry Town Plan 2040 – Comprehensive Land Use & Master Plan (the "Master Plan"); and

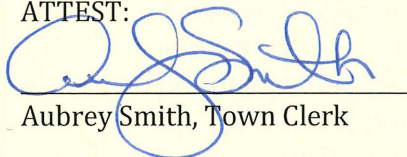
**WHEREAS**, the Town Council of the Town of Granite Quarry recognizes that adopting comprehensive policies on annexation, utility allocation, and utility extensions will enhance the Town's ability to manage growth and infrastructure efficiently.

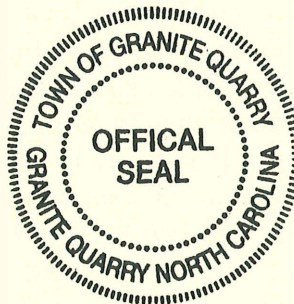
**NOW, THEREFORE, BE IT RESOLVED** by the Town Council of the Town of Granite Quarry that the attached Annexation, Utility Allocation and Extension Policy is hereby adopted:

**RESOLVED, APPROVED, AND EFFECTIVE UPON ADOPTION BY THE TOWN COUNCIL OF THE TOWN OF GRANITE QUARRY, NORTH CAROLINA, ON THIS THE 9th DAY OF Sept. 2024.**

  
Brittany H. Barnhardt, Mayor

ATTEST:

  
Aubrey Smith, Town Clerk



[SEAL]

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**WHEREAS**, the Town of Granite Quarry is authorized by law to ensure the provision of essential municipal services for both current and future citizens; and

**WHEREAS**, the Town of Granite Quarry Town Council declares the extension of potable water and sewer collection services into areas of need and areas of future growth to be a major priority; and

**WHEREAS**, the Town has established certain growth areas wherein it is in the Town's interest to promote high-quality development which will be beneficial to the Town and its citizens; and

**WHEREAS**, the Town entered into an agreement with the City of Salisbury in 1997 (the "SRU Agreement") to manage potable water and sewer collection services for the Town of Granite Quarry and its respective growth areas followed by an agreement in 2023 (the "Annexation Agreement") specifying important growth areas in accordance with the 1997 agreement which might in the future be annexed into the corporate limits of the Town; and

**WHEREAS**, the Town of Granite Quarry Town Council desires to establish a sound policy for the management of both water and sewer capacity and extensions and to promote orderly growth in accordance with the Granite Quarry Town Plan 2040 – Comprehensive Land Use & Master Plan (the "Master Plan").

**PURPOSE:** These policies are to establish policies regarding annexation of future land areas into the Town's corporate limits, the provision and extension of water distribution and sewer collection services to serve the Town, and the extension of the same to additional areas outside the corporate limits which may be advantageous for annexation into the Town where eligible. In addition to guiding the Town in its future decision-making, the purpose of these policies is to put the public, real estate developers, surrounding municipalities, and others on notice of the Town's intentions and policies in these matters.

**SECTION 1: ANNEXATION POLICY.**

As set forth in the Master Plan, the Town of Granite Quarry has allocated substantial planning, public works, legal and other resources toward planning its future growth, including working with the City of Salisbury to establish certain areas allocated, as between Granite Quarry and Salisbury, certain areas designated for Granite Quarry's growth and for Salisbury's growth, as set forth in the Annexation Agreement. It is in the Town's and its citizens' best interests that the Town grow manageably and in an orderly manner, and in a manner that takes into account the costs to the Town in serving new areas versus the tax and employment benefits which may flow to the Town and its citizens. The Town's growth must also be consistent with the Town's history and personality and the desires of its citizens to maintain the Town's character. Taking into account the growth and proximity of the City of Salisbury and of the surrounding towns, as well as the presence of Interstate 85 and the types of development which it encourages, the Town's future history, personality and character cannot be left to chance.

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In addition, since the extension of utilities generally brings growth, in 1997 when the Town transferred all of its water and sewer infrastructure to Salisbury pursuant to the SRU Agreement, and as reinforced in the Annexation Agreement, the Town in exchange received the right to decide whether and where water and/or sewer services would be extended by Salisbury into the Town's corporate limits, into the Town's areas of extraterritorial jurisdiction, and into the Town's designated growth areas. The Town Council believes that this is a tool which may be used to responsibly manage the Town's growth.

Finally, the Town is charged by law with providing substantially all of the full range of municipal services to all areas which are within, or which come within in the future, the Town's corporate limits, including but not limited to potable water service, sewage collection, police and fire protection, and the maintenance of Town roads, streets and sidewalks. State law also limits how far away from the main corporate limits certain satellite annexations may be. The Town Council is charged with the fiduciary duty of keeping the Town affordable for all residents by keeping its tax rates as low as possible commensurate with the level of services it provides.

Expanding the Town's corporate limits in a thoughtful and strategic way is an important part of working toward the above goals and responsibilities. As a part of this policy the Town Council therefore adopts the following guidelines to guide the consideration of future annexations of property into the Town's corporate limits:

1. Annexation will be done in a deliberate and thoughtful manner and generally in accordance with the Master Plan.
2. Annexation will be pursued primarily, but not exclusively, in those areas allocated to the Town in the Annexation Agreement.
3. In areas covered by the Annexation Agreement, annexation will be occur generally in accordance with the Annexation Agreement.
4. Annexation will be used as a tool to help the Town achieve a more fiscally-healthy balance of well-paying sources of employment for the Town's citizens and of higher-value industrial and commercial development for property tax purposes versus residential and retail growth.
5. Careful attention will be given to the costs to the Town in providing services for a given type or area of development versus the tax and employment value to the Town and its citizens of annexing such area into the Town.
6. Industrial or office growth providing well-paying jobs will currently be generally favored over retail, restaurant or service growth, which will be generally favored over residential growth.
7. The Town generally will not permit the extension of water and/or sewer services into currently-unserved areas of the Town's extraterritorial jurisdiction, nor into the Town's designated growth areas, without requiring that the properties proposed to

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be served be voluntarily annexed into the corporate limits of the Town, and a determination that annexing the same would be in the Town's best interests.

8. The Town will be wary with regard to proposed new retail, restaurant or service development given the potential costs involved in providing police and fire protection services to retail and restaurant uses, including the impact on response times to other areas of the Town, versus the benefits to the Town with regard to the jobs involved for its citizens and the tax revenues to the Town from the proposed new development.
9. Due to the practical and logistical difficulties in providing police and fire protection to isolated properties, in general with regard to proposed new retail, restaurant, service or residential development, the Town will favor the annexation of larger tracts and entire subdivisions rather than isolated or piecemeal properties. This is typically less of a concern for industrial development which usually involves larger land areas and better value to the Town based on the value of the jobs and tax revenues they provide compared to a typically lower demand for Town services than retail, restaurant, service or residential uses.
10. Annexation is a purely legislative decision which is made by the Town Council taking into account all facts and circumstances then known to the Council. The Council may in its discretion determine not to annex particular areas or projects even if consistent with this policy, may deviate from this policy in its discretion, and/or may decline to annex particular areas or projects while still approving water and/or sewer extensions for the same.

**SECTION 2: UTILITY ALLOCATION POLICY.**

**I. General Principles**

- A. The Town of Granite Quarry and the City of Salisbury have allocated substantial capital for investment in the infrastructure necessary to support a growing, prosperous, and healthy community. Water supply and wastewater treatment capacity are among the most important elements of this infrastructure.
- B. Increasing the Town's tax base by the expansion and improvement of higher valued land uses and fostering a higher quality of life for its residents are the paramount factors upon which utility allocation decisions are based.
- C. Consistent with the intent of this policy and other public statements and policies made by the Town Council, the following hierarchy of priorities shall guide the evaluation of utility allocation requests, it being understood that utility extension decisions are made in the sound discretion of the Town Council, that these factors and the hierarchy below are not dispositive, and that other factors may also be considered:

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1. As a threshold matter and consistent with its agreements with the City of Salisbury and the policies of the Town, the Town will generally only allow the extension of utilities to property that is within the corporate limits or is proposed to be incorporated into the corporate limits of the Town. Priority of projects within the Town limits or proposed to be incorporated into the Town limits is generally as follows:
2. Industrial projects and other major employers.
3. Commercial development projects with a mixed-use element.
4. Commercial development projects without a mixed-use element.
5. Additional phases attached to existing residential projects with a proven record of quality product and economic success.
6. New residential projects that include tangible, high quality community amenities.
7. Residential projects that include diverse products and opportunities.
8. Residential projects not otherwise described above.

## **II. Reservation Process**

- A. The developer, as well as the land owner, if different from the developer, of any project requiring utility service within the Town of Granite Quarry or its identified growth areas shall submit a written application to the City of Salisbury and the Town for an allocation. All applicants for property not already within the Town's corporate limits shall file a petition for voluntary annexation into the Town. Failure to file a petition for voluntary annexation may result in immediate termination of utility service.
- B. The application shall be in letter form, addressed to both the City of Salisbury Utilities Department and the Town of Granite Quarry Planning Department, and shall include detailed information on the amount of capacity necessary to serve the project, the nature of the project, project schedule in relation to consumption of utility capacity, and other supporting information demonstrating how the project serves the needs and interest of the Town of Granite Quarry.
- C. The Planning Department shall review and make recommendation to the Town Council for consideration and approval all allocations, which require or may require a daily flow allocation of four hundred gallons per day (400 gpd) or more; any application that requests allocation for any project outside the corporate limits of the Town; and, any allocation made for a land use category from capacity otherwise set aside for a different land use type; and of any other application with is not specifically delegated to the Planning Director for decision herein.
  1. The Planning Department shall consider the goals articulated by this and related Town policies when evaluating utility allocation requests related to the review and decision-making process associated with Residential Subdivision Development, Mixed-use Developments, Commercial and/or Industrial Developments, and Special Use Permits. The criteria contained herein for evaluation of utility allocation requests shall be included as elements within the review process for the accompanying land use application with regard to conformity with Town of Granite Quarry's policies and ordinances, planning practices,

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and consistency with the adopted Town Plan 2040 – Comprehensive Land Use & Master Plan or later version.

- D. The Town of Granite Quarry Planning Department shall review and determine all applications for utility capacity for property located inside the corporate limits of the Town and which require a daily flow allocation of less than four hundred gallons per day (400 gpd) for allocations.
1. The Town of Granite Quarry Planning Department shall consider the goals articulated by this and related Town policies when reviewing applications for utility allocations. If an application is denied, the Town of Granite Quarry Planning, Zoning & Subdivision Administrator shall state in writing the reasons for denial of the request.
  2. Any applicant whose application for utility service is denied by the Town of Granite Quarry Planning, Zoning & Subdivision Administrator and who believes that such denial is inconsistent with the goals and priorities stated by this and related Town policies may appeal the denial for review by the Town Council for final decision at the next regularly scheduled Town Council meeting.
- E. Utility allocations granted under this policy shall require the requestor to pay any and all applicable connection and/or tap fees within forty-five (45) days of the date the allocation is granted. Failure to pay the fees within this period may result in revocation of the allocation.
1. All utility allocations approved by the Town shall be effective for a period of twelve (12) months, unless a greater vesting period is established in accordance with Article 7 of the Granite Quarry Development Ordinance. Projects possessing an allocation must start construction within the time shown on the project schedule as set forth in the agreed Development Agreement, if any, or within twelve (12) months if not. “Starting construction” means either commencing substantial earthmoving or utility installation, or making such substantial expenditures on utility-related costs in reliance upon the allocation as would suffice to vest rights under a zoning decision under North Carolina law.
  2. Upon request by the applicant and at the discretion of the Town, and upon such additional terms and conditions as may be agreed between the Town and the applicant, an allocation may be extended for no more than twelve (12) months.
  3. At the final expiration date for an unused allocation the allocation shall be deemed terminated and rescinded. No refund of any fees paid shall be made in such case.
  4. All utility allocations are agreed to and accepted subject to all applicable provisions of the ordinances and policies of the Town as well as the applicable utility extension policies of the City of Salisbury not inconsistent therewith. Utility allocations shall not be redistributed to a third party.

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- F. Granting of a utility allocation does not imply or confer approval of any other applications or reviews as may be required by Town Ordinance or policy and does not imply or create any vested right.
- G. If the Town of Granite Quarry approves an allocation for utility capacity for a project and a permit for such project is ultimately denied by the North Carolina Department of Environmental Quality, its successors or other responsible regulatory agency, then the Town of Granite Quarry shall bear no liability for any costs incurred by the applicant, nor bear further responsibility in the matter. In such cases, 50% of applicable utility access fees, if previously collected, shall be returned.
- H. Allocations do not constitute a guarantee that capacity will in fact be available at the time that capacity is needed due to factors beyond the Town or the City of Salisbury's reasonable control and applicable to all utility users generally, such as but not limited to moratoria, droughts, excess rainfall, changes in state or federal law, infrastructure failures, pandemics, treatment plant disruptions, natural disasters, and the like.

**III. Capacity Accounting**

- A. Due to weather related factors, the regulatory environment, and the dynamic nature of both water resources and wastewater flow and treatment, accounting of available utility capacity is, by its very nature, inexact. The Town and the City of Salisbury seek to track the amount of capacity that may be available for allocation; however, such reports do not constitute a policy statement, commitment or guarantee on the amount of capacity available for allocation.
  - 1. The City of Salisbury Utilities Department prepares and incorporates as part of their operations program a schedule of utility capacity available and a list of allocations granted.
  - 2. The City of Salisbury Utilities Department may provide periodic reports to the Town of Granite Quarry regarding the status of utility capacities available and allocations granted.
  - 3. The Town is under no obligation to allocate or reserve capacity for any particular use or project.

**SECTION 3: UTILITY EXTENSION POLICY.**

- A. **General Principles.** The planning and extension of water and sewer systems shall be accomplished in accordance with the following general principles:
  - 1. Extensions shall be made to promote the orderly growth of the community. In general, the minimum distance for extensions shall be one platted block or, in the case of water mains, from main line valve to main line valve; and in the case of sanitary sewer extensions, from manhole to manhole.
  - 2. The size of water mains and sanitary sewer mains to be installed, and the other required system

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facilities shall be determined by the City of Salisbury Utilities Department in accordance with the recognized standards and accepted engineering practices and design, and in accordance with applicable adopted system plans.

3. The City of Salisbury Utilities Department shall be responsible for the maintenance, operation, control and ownership of all water and sewer facilities.
4. Developers shall be responsible for the full cost of installing utilities within their projects, and for the full cost of any mains, outfalls and/or other equipment required to connect the project to the water or sewer systems existing at the time.
5. All utility extensions are agreed to, installed and accepted subject to all applicable provisions of the ordinances and policies of the Town as well as the applicable utility extension policies of the City of Salisbury not inconsistent therewith.
6. Annexation into the Town limits may be required for projects requesting utility extensions not already within the corporate limits of the Town as further set forth in the Town's Annexation Policy.

**B. Application for Extension and Approval of Extension Application**

1. Any developer, as well as the land owner, if different from the developer, desiring water or sanitary sewer service shall apply in writing to the City of Salisbury Utilities Department and the Town of Granite Quarry Planning Department requesting the extension of water or sanitary sewer service or both. No request for the extension of services shall be considered unless submitted in writing in accordance with the applicable provisions of the Town of Granite Quarry Development Ordinance and the payment of all required fees in full.
2. All applicants for property not already within the Town's corporate limits shall file a petition for voluntary annexation into the Town. Failure to file a petition for voluntary annexation may result in immediate termination of any existing utility service.
3. The applicant shall be required to submit as part of the application, and prior to approval, such information, plans, specifications, or other data as may be required to adequately determine if the requirements of the applicable provisions of the Town of Granite Quarry Development Ordinance are to be met.
4. Prior to final approval by the City of Salisbury Utilities Department and the Town of Granite Quarry Planning Department, the applicant shall furnish all necessary information, reports, plans and specifications as well as appropriate fees and documentation of all required permits from other units of government and their agencies.
5. When application is made for a water or sewer extension or both to serve an area or development that is planned as part of a larger development project, all of which is not to be developed at the time application is made, the owner or owners shall submit plans in sufficient detail in order to determine the size and type facilities which will be necessary to serve the entire development when completed.



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6. No extension to the water or sanitary sewer system shall be made, and no application approved, except in accordance with the requirements of this policy, the Granite Quarry Development Ordinance and consistent with the adopted Town Plan 2040 – Land Use & Comprehensive Master Plan or later version.

### **III. Financing Extensions**

- A. If an application is approved by the Town Council, the owner or owners shall be required to pay 100% of the total cost of all extensions. However, the Town may participate to the extent agreed upon by the Town Council in the cost of larger size mains that are in excess of the size mains required to serve the project.
- B. Nothing herein shall prevent the Town from participating in the extension of water or sanitary sewer mains or both within the corporate limits on its own initiative without receipt of an application from property owners and to assess the cost of such extensions in accordance with law when, in the opinion of the Town Council, the general public interest requires such extensions of service.
- C. While lift stations, force mains, macerator systems, package plants, and similar systems are disfavored, to the extent that the same are approved, or private water or sewer lines are approved, the Town may require that funds be set aside or other arrangements in the Town's sole discretion be implemented to assure that the costs of future maintenance, repairs and upgrades of the same will be available and that a proper entity other than the Town will be responsible for the same.

### **IV. Specifications and Ownership of Utilities**

Any water mains or sanitary sewer mains, lift stations, pumping stations, tanks, controls, telemetry, easements and/or other appurtenances extended under the provisions of this policy shall be installed and constructed in accordance with the approved plans, specifications and other requirements of the Town of Granite Quarry and City of Salisbury. Unless otherwise agreed, all public facilities and equipment installed under the provisions of this policy shall become the property of the City of Salisbury and under its control for any and all purposes whatsoever at the time those facilities are connected to the system. The property owner or owners shall grant to Town and/or to the City of Salisbury such utility easements as the Town and/or City of Salisbury may require. In addition, a deed to the City of Salisbury for water or sewer facilities installed which are located outside the public right-of-way, the cost of which is borne by the applicant or property owners, may be required to be executed prior to the time any extensions are connected to the system.