



FY 2014 BUDGET ADOPTION:

Update on Recommended Budget

→ Operating & Capital Budgets

Asheville City Council Formal Meeting
Tuesday, June 25, 2013

Presentation Outline

1¢	Revenue Neutral (Revaluation)
0	Operating Budget
1¢	Capital Improvement Program— Maintenance
2¢	Economic Development Capital Improvement Program

Strategic Planning:

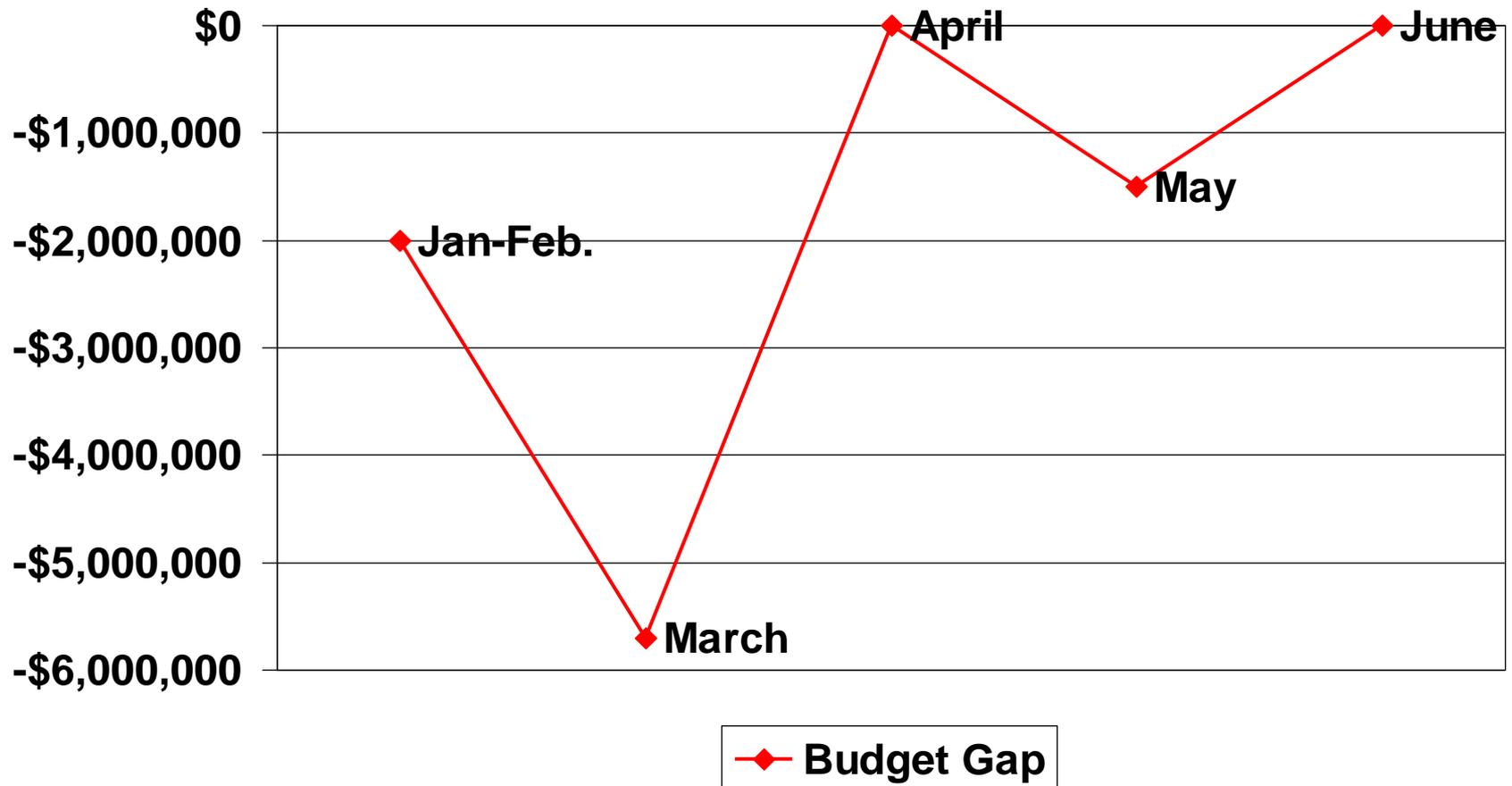
With continuing emphasis on principles of Sustainability, City Council prioritized the following goals at the March 2013 Annual Retreat.

	Core Focus Area	Long Term Goal
	Affordable Housing	Sustained funding until the housing crisis is resolved
	Fiscal Responsibility	Evaluation of ways to expand the property tax base through in-fill development
	Job Growth/ Community Development	Support business expansion locally through effective business retention Identify underperforming zones and focus redevelopment efforts to include job growth, housing, recreation, and multimodal transportation.
	Multi-modal Transportation	Connect multi modal transportation network in an effective way to increase affordability, and tie back to the green and sustainability goals. Emphasis on expansion of strategic partnerships that comprehensively address multi modal transportation plans.



Asheville . NC 2013
A COMMUNITY CROSSROADS

Budget Gap Projections



Where We Are Today

□ Budget includes:

- No Tax Rate Increase for Operations
- Fund Balance of \$13.6 million, 16.2% - no appropriation
- 3% COLA and no increase in health care cost for employees
- No CRA, park partnership increase
- Restructure Special Events/End Bele Chere
- Water Plan, cost savings and deferred capital
- Assumes current House tax reform bill passes

The Fiscal Impact of Ratified Legislation on Asheville Revenue

- In the last several months and weeks, State legislation has been passed that will have an impact on Asheville’s financial forecast. The chart below summarizes the estimated cumulative financial impact of recently ratified legislation.

State Action	Funding Type	FY 2014	FY 2015
H224	ETJ Elimination	\$.22 M	\$.22 M
H252	Water Contribution to Capital	\$1.65 M	\$1.7 M
Total		\$1.87 M	\$1.92 M
Pending	Water System Transfer	\$1.9 M	\$1.9 M

The Fiscal Impact of Pending Tax Reform (HB 998)

- Tax reform has passed through several iterations in the legislature. Provisions from previous bills have been combined into House Bill 998, Tax Simplification and Reduction Act. Asheville can expect to see the following fiscal impact if the bill becomes law.

Provision	FY 14	FY 15	FY 16
Eliminate Food Tax		(1,266,393)	(2,110,665)
Eliminate City Sales Tax Refunds		(511,770)	(1,063,545)
Cap Non-Profit Refunds		116,844	246,095
Impose Sales Tax on Entertainment	12,628	22,666	23,313
Eliminate Sales Tax Exemptions	40,041	300,311	574,233
Eliminate Municipal Privilege License			
Total	52,670	(1,288,341)	(2,357,557)



5-YEAR CAPITAL IMPROVEMENT PLAN

Asheville City Council Formal Meeting
June 25, 2013

5-Year Capital Improvement Program (CIP)

- **65 Year** Replacement Cycle for Road Resurfacing
- **HB 418** – No Cultural Recreation Authority
- **HB 252** – Limited funding for transformational regional projects

River Arts District Transportation Improvement Plan



CIP – MAINTENANCE – 1¢





West Avon Parkway at Merrimon



Vermont Avenue to Haywood



Broad Street to Merrimon





Shiloh Road to Center



STREET MAINTENANCE

Year	Amount	Replacement Cycle (Ideal 20 years)
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FY 2013	\$1,000.000*	65 year
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Proposed FY 2014	\$1,600.000	35 year
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* Budget was 800k
Additional funds from re-engineering service delivery

CIP – Maintenance



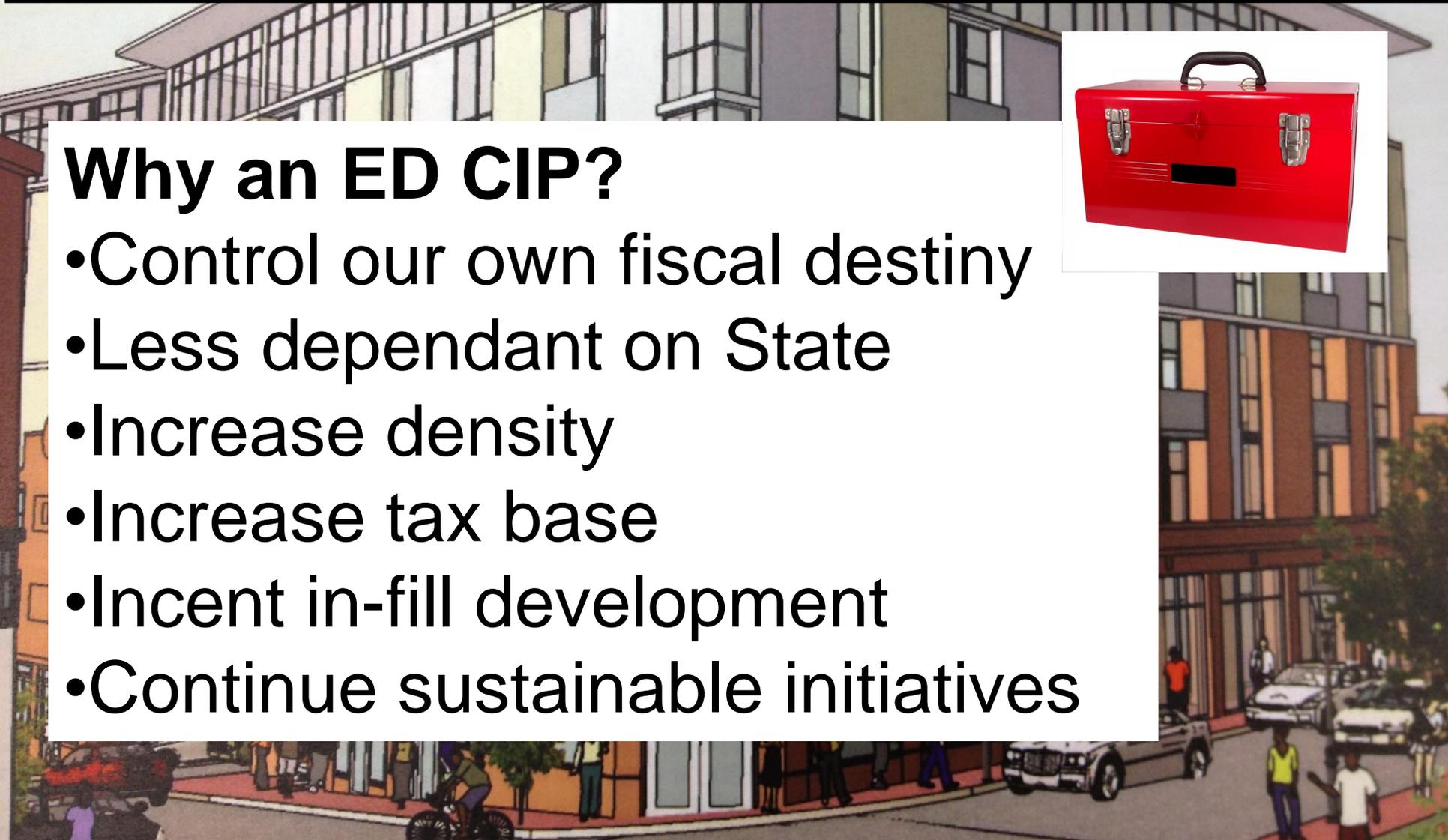
CIP – Maintenance

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Street Resurfacing and Maintenance	\$1.6 M	\$.97 M	\$.99 M	\$1.1 M	1.6 M
New Sidewalks	\$4.35 M	\$3.75 M	\$.37 M	\$.37 M	\$.37 M
Downtown Sidewalk Cleaning	\$.15 M	\$.3 M	\$.3 M	\$.3 M	\$.3 M
Bus Replacement	\$.4 M	\$0.05 M	\$0.05 M	\$0.05 M	\$0.05 M
Traffic Calming	\$.1 M				
Sidewalk Maintenance	\$.25 M				

CIP – Economic Development - 20

Why an ED CIP?

- Control our own fiscal destiny
- Less dependant on State
- Increase density
- Increase tax base
- Incent in-fill development
- Continue sustainable initiatives



Downtown Vitality



Downtown Vitality



Downtown Vitality



Downtown Vitality



	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Underground Utilities	\$.3 M	\$.5 M	0	\$.5 M	0
Multimodal Improvements	\$2.55 M	\$2.9 M	\$2.5 M	\$3.1 M	\$2.65 M
U. S. Cellular Center – Thomas Wolfe	0	0	\$.5 M	0	\$1.5 M
Asheville Art Museum Renovations	\$2 M	0	0	0	0
Recycling and Trash Containers	0	\$0.3 M	\$.05 M	0	0

Mixed-use Neighborhoods



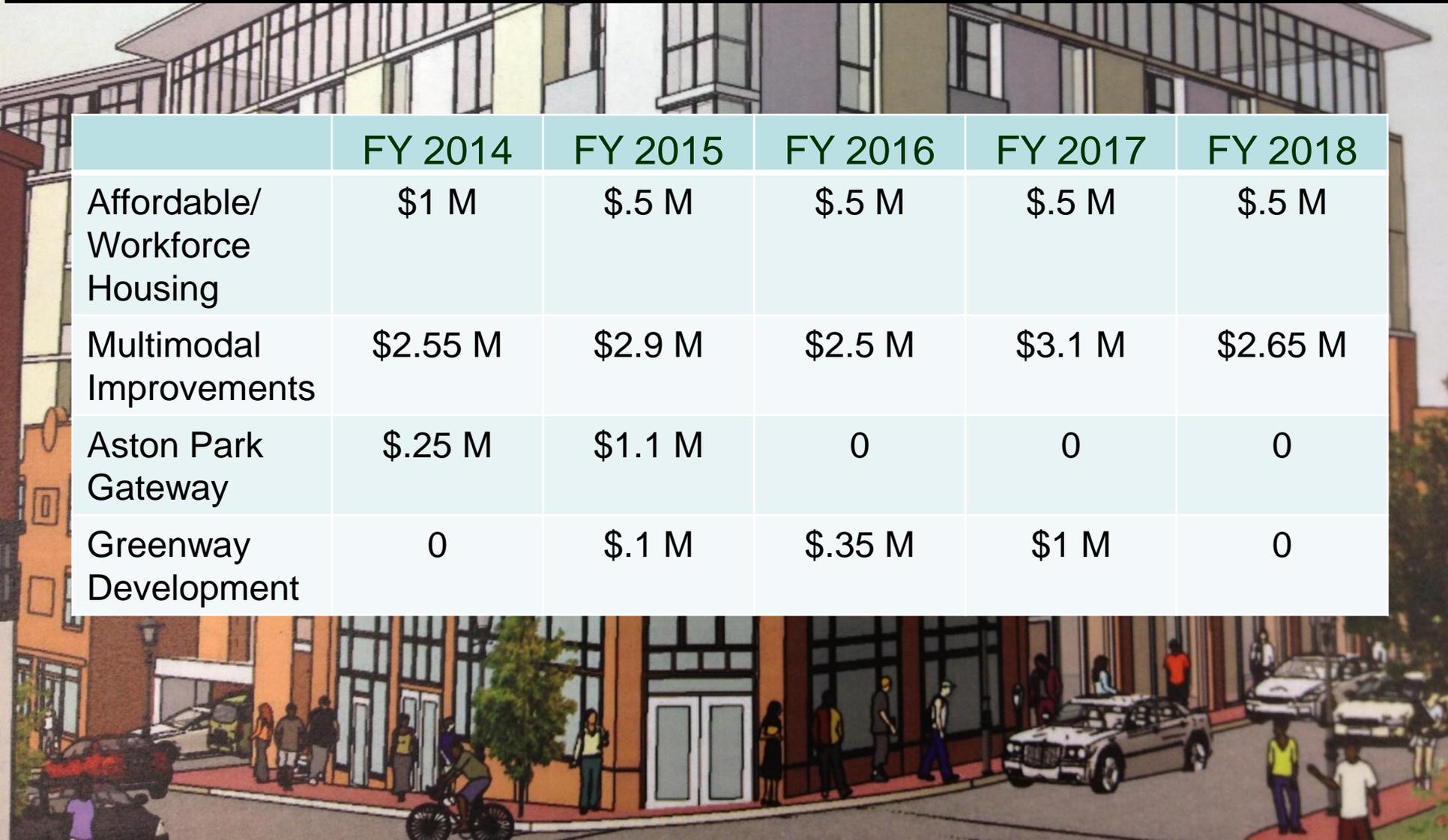
Mixed-use Neighborhoods



Mixed-use Neighborhoods



	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Affordable/ Workforce Housing	\$1 M	\$.5 M	\$.5 M	\$.5 M	\$.5 M
Multimodal Improvements	\$2.55 M	\$2.9 M	\$2.5 M	\$3.1 M	\$2.65 M
Aston Park Gateway	\$.25 M	\$1.1 M	0	0	0
Greenway Development	0	\$.1 M	\$.35 M	\$1 M	0



Job Growth



Job Growth



NEW BELGIUM second brewery location checklist:

- Integration of work and life
- Strong community
- Respect for the environment
- Full of culture
- A love of beer
- A love of hikes
- Asheville, NC

**Thanks for welcoming
us to your PERFECTLY
MATCHED CITY!**



Plant this wildflower seed paper under a thin layer of soil in a sunny spot. Water thoroughly and soon your wildflower seedlings will begin to bloom.

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Job Growth



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Job Growth



	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
I-26 Partnership	0	0	0	\$.5 M	\$.5 M
RADTIP	\$1.5 M	\$3 M	\$9 M	\$8 M	\$8 M
Aston Park Gateway	\$.25 M	\$1.1 M	\$0 M	\$0M	\$0M
Asheville Art Museum Renovations	\$2 M	\$0	\$0	\$0	\$0
Multimodal Improvements	\$2.55 M	\$2.9 M	\$2.5 M	\$3.1 M	\$2.65 M

Vibrant Riverfront



Vibrant Riverfront



THE WILMA DYKEMAN RIVERWAY MASTER PLAN



Vibrant Riverfront – Examples of ROI



Property Redevelopment	Current Tax Revenue	Improved Porperty Tax Revenue
City owned property WDRW east (elevated, .75 acre from about 1 acre)	\$0	\$ 18,079
New commercial construction on Peterson property (elevated, .5 of 1.07 acre)	\$951	\$ 12,053
New mixed use construction on RiverLink property (elevated, .5 of 2.66 acres)	\$1,291	\$ 32,060
Residential infill on Queens Street - 1.5 of 1.94 acre	\$1,347	\$ 30,562
New construction on Ice Plant property east (elevated) .8 of 1.03 acres	\$1,109	\$ 19,863
221 Riverside Drive improvements		\$ 1,459
5 Riverside Drive improvements		\$ 413
Total	\$4,698	\$114,489
Percent increase		2337%

Vibrant Riverfront

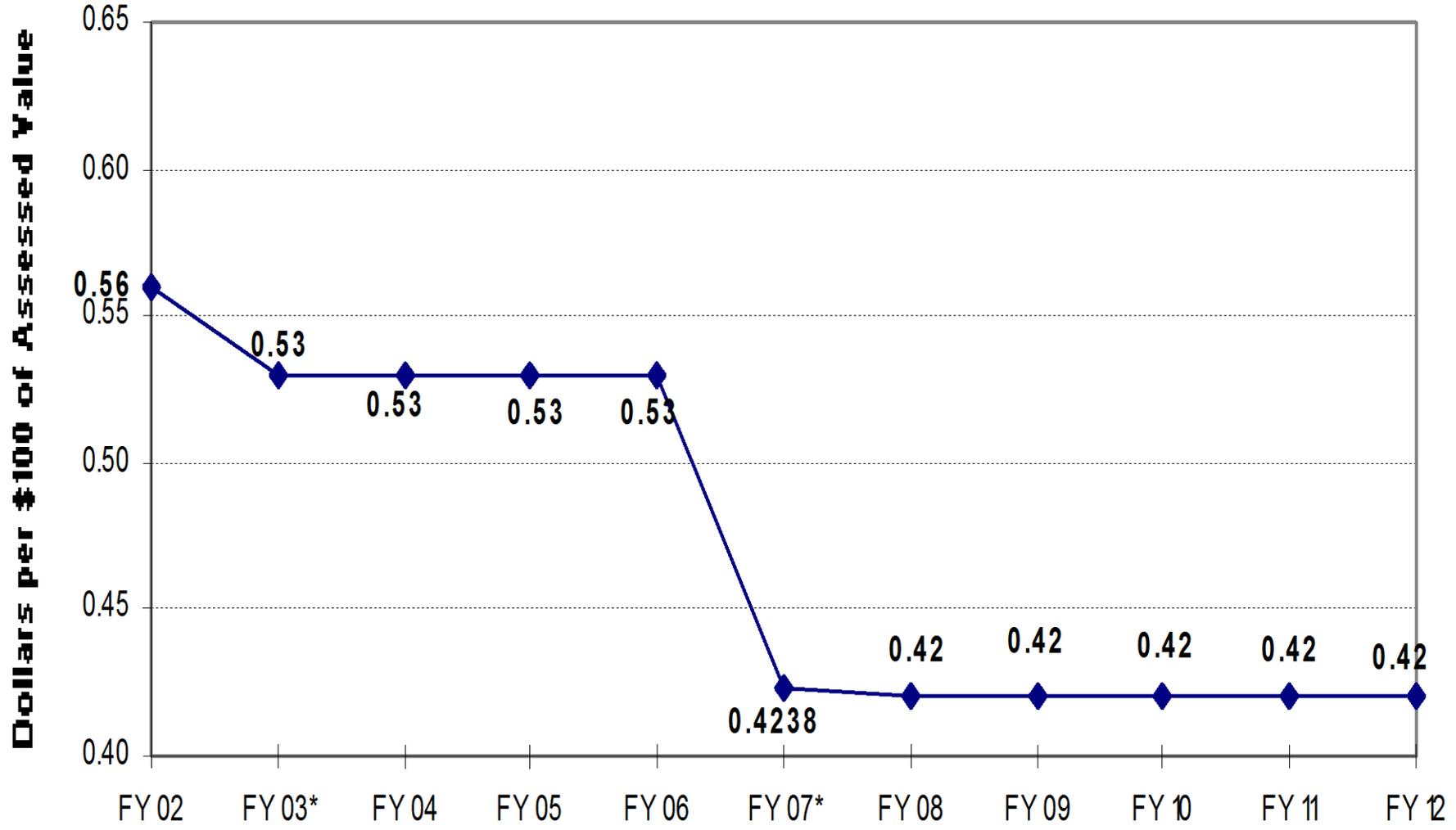


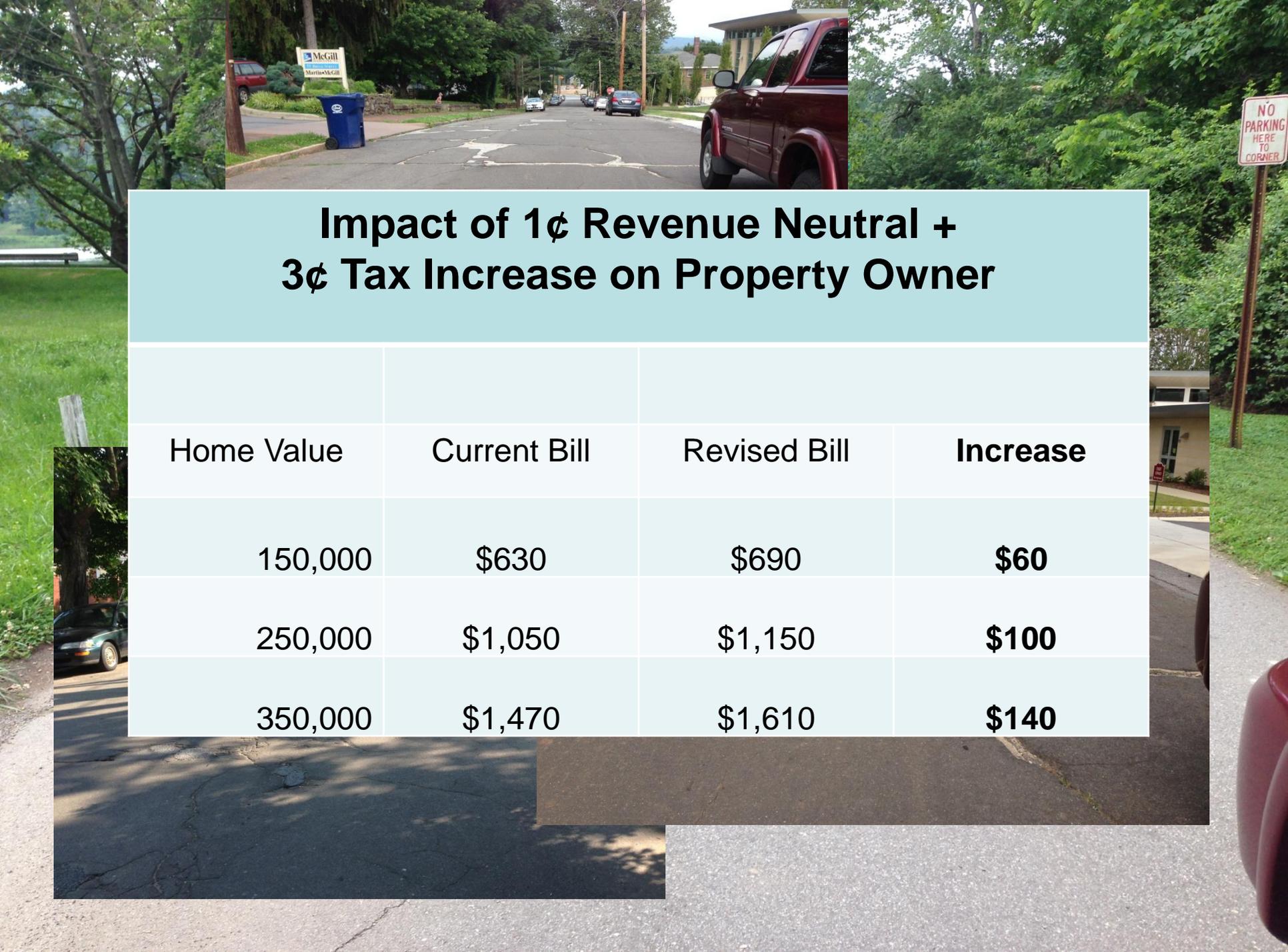
Vibrant Riverfront



	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Property Acquisition and Demolition	0	\$1 M	\$.5 M	\$.25 M	\$.25 M
Multimodal Improvements	\$2.55 M	\$2.9 M	\$2.5 M	\$3.1 M	\$2.65 M
Ice Plant Redevelopment	0	\$.28 M	\$.25 M	0	0
RADTIP	\$1.5 M	\$3 M	\$9 M	\$8 M	\$8 M
I-26 Partnerships	0	0	0	\$.5 M	\$.5 M
14 Riverside Drive Renovations	0	\$.03 M	\$.08 M	0	0
Street Infrastructure Development	0	\$.03 M	\$.3 M	0	0

10 Year Property Tax Rate Trend





Impact of 1¢ Revenue Neutral + 3¢ Tax Increase on Property Owner

Home Value	Current Bill	Revised Bill	Increase
150,000	\$630	\$690	\$60
250,000	\$1,050	\$1,150	\$100
350,000	\$1,470	\$1,610	\$140

Financial Trend Analysis

Inflation Adjusted General Fund Spending	
	GF Actuals
FY 2001-02	\$61,926,493
Population*	68,889
Per Capita	\$898.93
FY 2013-14	\$73,127,285
Population**	83,393
Per Capita	\$876.90
% Change	18.09%
% Change	21.05%
% Change	-2.45%

*2000 Census ; **2010 Census

Conclusion

Revenue Neutral	1¢	
Operating	0	
CIP Maintenance	1¢	 
ED CIP	2¢	   