



River Arts District  
Municipal Service District Report

September 15, 2014

## INTRODUCTION

In June 2013, Asheville City Council developed an economic and community development strategy that would allow for significant infrastructure improvements in the city. The **River Arts District** is an area of the city that has been identified as having significant redevelopment opportunities. In order to make sure those opportunities are realized, the City would like to invest in urban area revitalization projects, street and sidewalk improvements, drainage projects, and off-street parking facilities within this boundary.

The best and most cost effective way to fund these projects is to establish districts referred to as Municipal Service Districts, pursuant to Article 23 of Chapter 160A of the North Carolina General Statutes. By establishing these districts, the City is able to utilize Special Obligation Bonds to fund the improvements. Projects that are financed through Special Obligation Bonds must be located in a Municipal Service District, which is defined by boundaries that City Council adopts in urbanized business areas that contribute to the viability of the City. The collateral for this type of bond comes from revenue or taxes that are not levied by the City, such as sales taxes. The annual payment (much like a mortgage payment) is currently forecasted in the City's five-year Capital Improvement Program.

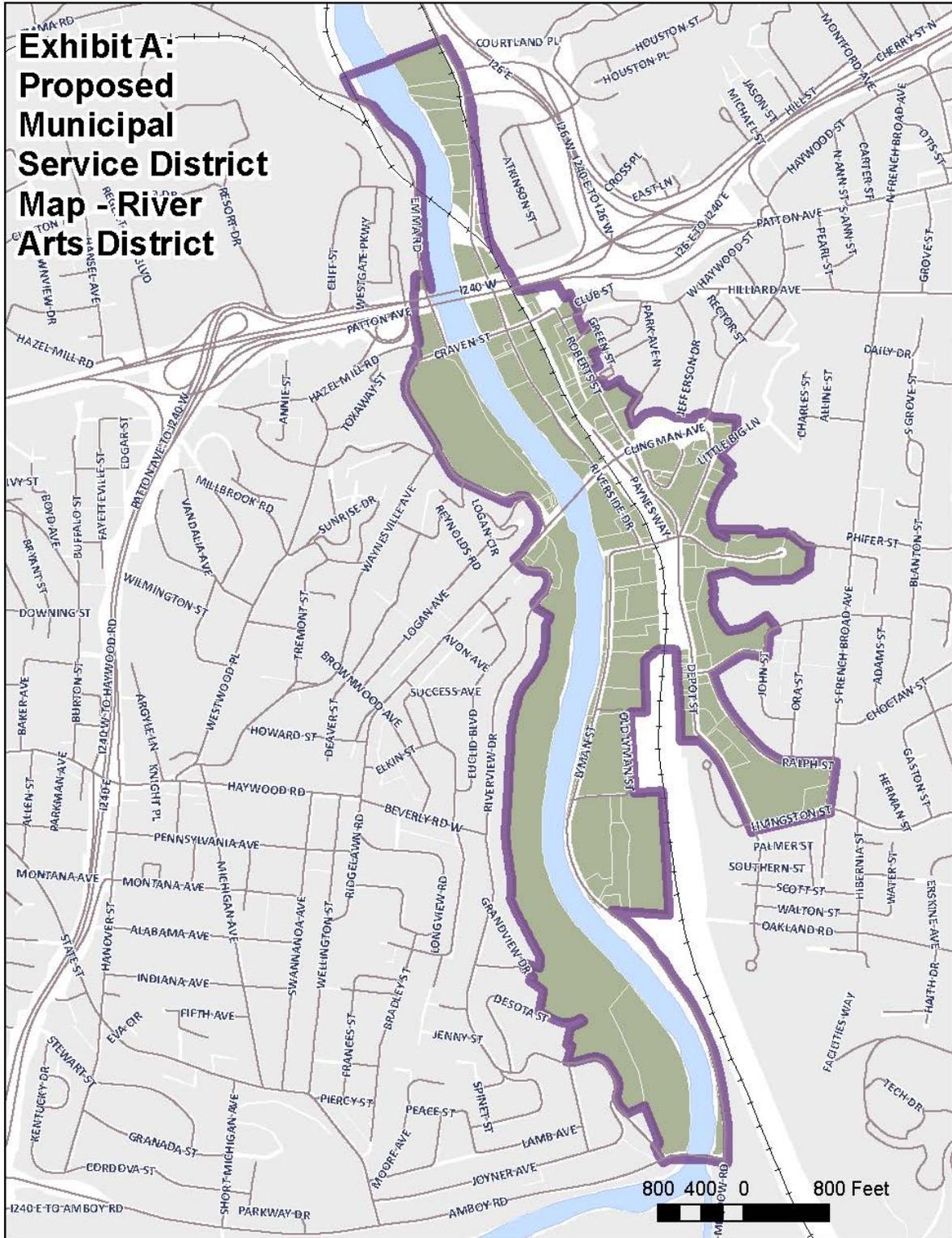
A municipal service district is a special taxing district in which a city may levy property taxes in addition to those levied throughout the city in order to finance, provide, or maintain services, facilities, or functions specifically authorized in N.C. Gen. Stat. sec. 160A-536 for that district. Allowed projects include urban area revitalization projects, street and sidewalk improvements, drainage projects, and off-street parking facilities. There is no intent of the current City Council to increase the tax rate in these proposed districts; as noted above, the intent is to use special obligation bonds to fund any improvements.

The purpose of this report is to comply with North Carolina Gen. Stat. sec. 160A-537 (b) which states that prior to the public hearing, "the city council shall cause to be prepared a report containing:

- (1) A map of the proposed district, showing its proposed boundaries;
- (2) A statement showing that the proposed district meets the standards set out in subsection (a); and
- (3) A plan for providing in the district one or more of the services listed in G.S. 160A-536."

This report and the public hearing being held on October 14, 2014 constitute compliance with statutory requirements and allow City Council to consider adoption of the River Arts District Municipal Service District.

MAP



This map shows the proposed boundaries.

## STATEMENT

G.S. 160A-537 (a) states the following:

Standards. - The city council of any city may by resolution define a service district upon finding that a proposed district is in need of one or more of the services, facilities, or functions listed in G.S. 160A-536 to a demonstrably greater extent than the remainder of the city.

The River Arts District is recognized as an economic engine for the City of Asheville, Buncombe County, and Western North Carolina. The area's urban vitality is critical to all of the citizens. Revitalization of the area would create opportunity for job creation and mixed use developments would add to the economic vibrancy of the City. A large number of buildings in the area are dilapidated and in need of significant repair or demolition. This area contains the largest number of underutilized properties in the City. While it has physically limited boundaries and older infrastructure, this area is rapidly growing in both residential and commercial development. The expected growth of and investments being made into this area make the River Arts District's need for funding for infrastructure demonstrably greater than the remainder of the city.

The purpose of the River Arts District Municipal Service District is to finance urban area revitalization projects and infrastructure improvements such as sidewalks, bike facilities, greenways and improved road access.

### § 160A-536 (c)

#### **Urban Area Revitalization Defined. –**

As used in this section, the term "urban area revitalization projects" includes the provision within an urban area of any service or facility that may be provided in a downtown area as a downtown revitalization project under subdivision (a)(2) and subsection (b) of this section. As used in this section, the term "urban area" means an area that (i) is located within a city and (ii) meets one or more of the following conditions:

- (1) It is the central business district of the city.
- (2) It consists primarily of existing or redeveloping concentrations of industrial, retail, wholesale, office, or significant employment-generating uses, or any combination of these uses.
- (3) It is located in or along a major transportation corridor and does not include any residential parcel that are not, at their closest point, within 150 feet of the major transportation corridor right-of-way or any nonresidentially zoned parcels that are not, at their closest point, within 1,500 feet of the major transportation corridor right-of-way.
- (4) It has as its center and focus a major concentration of public or institutional uses, such as airports, seaports, colleges or universities, hospitals and health care facilities, or governmental facilities.

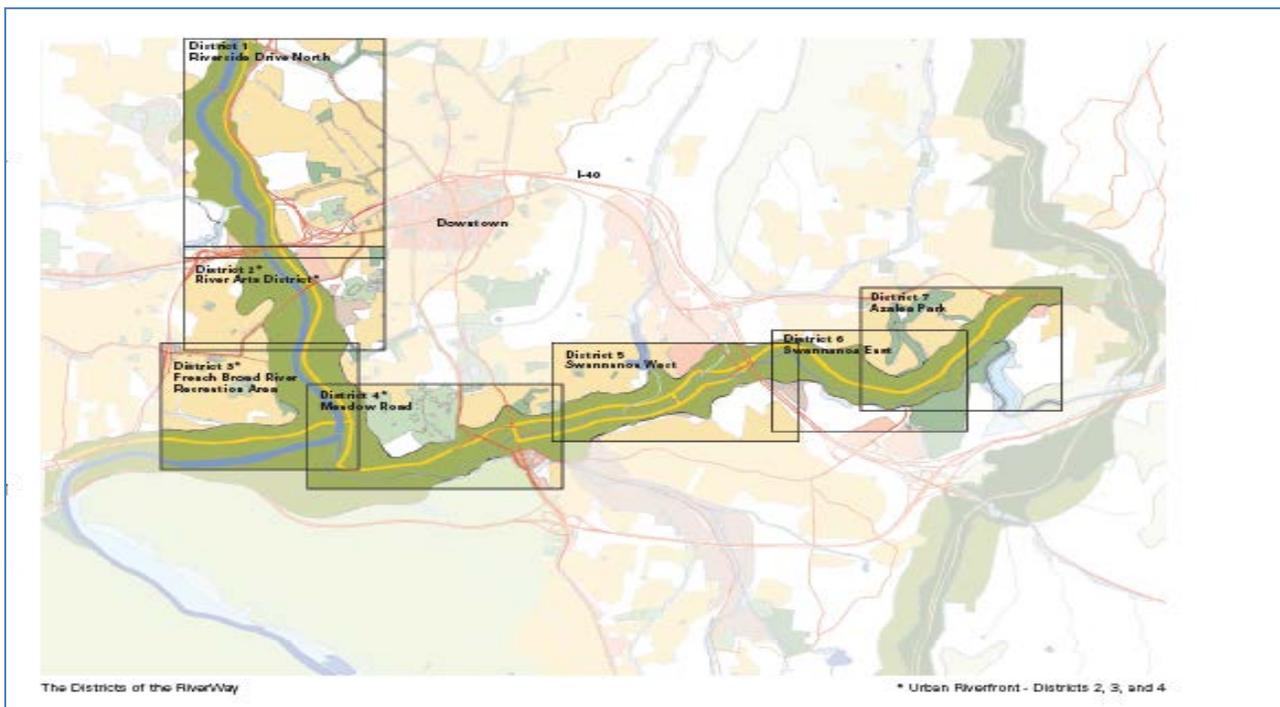
The River Arts Districts meets the definition of an "Urban Area" in that it consists primarily of existing or redeveloping concentrations of industrial, retail, wholesale, office, or significant employment-generating uses, or any combination of these uses.

## SERVICE PLAN

The plan for providing needed services through a Municipal Service District is to utilize Special Obligation Bonds to finance necessary improvements.

City Council adopted the Wilma Dykeman RiverWay Master Plan in June 2004 which recommends significant infrastructure improvements be made to support urban revitalization. Additionally, the River Redevelopment Master Plan adopted in September 2014 will be implemented in this area. The goal of the plan is to provide infrastructure to support density and growth of the area. Revitalization of a significantly blighted area would be achieved through the implementation of the plan.

The Wilma Dykeman Plan consists of an area much larger than just the River Arts District and is shown below.



City Council desires to revitalize the River Arts District by improving the infrastructure to include sidewalks, bike facilities, greenways and improved roadway access. The revitalization will include partnering in mixed use redevelopment to deduce slums and blight. Improvements will include parking to encourage revitalization of the area. Improvements in domestic and stormwater lines will be made to replace or install old or nonexistent services. Undergrounding utility lines will be completed to improve pedestrian access in the area. Other improvements such as trash cans, streetscape, way-finding and place-making will be included in the improvements.

A proposed realignment of Riverside Drive and Amboy Road is included in the service plan for this area. A cross-section of that improvement is included below.

