



South Slope
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 **South Slope** 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 South Slope Municipal Service District.

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 South Slope is recognized as an up-and-coming economic engine for the City of Asheville, Buncombe County, and Western North Carolina. The area's urban vitality is critical to all residents. This area is geographically connected to the Central Business District. Buildings in this area have deteriorated, causing crime and vagrancy issues. City Council adopted the Downtown Master Plan in May 2009 that recognized the South Slope as a distinct place, and recommended cultivating that distinct place as a major southern gateway to downtown. In the referenced study, the need for parking and mixed-use developments to revitalize the area was specifically identified as a goal.

The purpose of the South Slope Municipal Service District is to finance urban area revitalization projects and infrastructure improvements such as sidewalks, bike facilities, greenways and improved roadway 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 South Slope meets the definition of "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 desires to revitalize the South Slope by improving the infrastructure to include sidewalks, bike facilities, greenways and improved roadway access. The revitalization will include partnering in mixed-use redevelopment to reduce high crime areas, particularly on the southern most portion of the district. Improvements will include parking to encourage revitalization of the area. Improvements in domestic and storm water 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.

Some specific potential areas for improvement within this area include property currently owned by the City and serving as a maintenance facility. Plans to improve this area to provide mixed-use infill will improve the viability of the district.



