THE CITY OF ASHEVILLE

Staff Report

Council Meeting Date: May 24, 2022

Subject: Water Resources Development Fee

Staff Resource(s): David Melton, Director of Water Resources

Action Requested: The consideration of an ordinance adopting the Water Resources Department updated Development fees analysis for the Fiscal Year (FY) 2022-23 fees and charges.

Background:

- System development fees are one-time charges imposed on new development to fund costs of capital improvements necessitated by and attributable to such new development or to recoup costs of existing facilities.
- North Carolina General Statute 162A Article 8 ("Article 8") provides for the uniform authority to implement system development fees for public water systems in North Carolina, and was enacted by the North Carolina General Assembly on July 20, 2017.
- System development fees must be adopted in accordance with the conditions and limitations of "Article 8."
- Raftelis Financial Consultants, Inc. (RFC) completed the required analysis, which conforms to the conditions set forth in "Article 8."
- To conform to N.C.G.S. 162A-209, the analysis must be posted on the City's website for not less than forty-five (45) days and furnish a means to submit written comments prior to considering adoption.
- The analysis was posted on March 29, 2022 and met the 45-day requirement on May 16, 2022.

Council Goal(s):

- A Financially Resilient City

Committee(s):

- Finance and HR Committee - March 22, 2022 - unanimously recommended to move to City Council.

Pro(s):

- Provides an opportunity to recover the cost of services from those that directly utilize the water system.
- Allows the Water Resources Department to remain current with appropriate fees

Con(s):

- None

Fiscal Impact:

- The updated fees will bring in an estimated $1.7M in additional revenue annually.
- Revenue from water system development fees is accounted for in a capital reserve fund and subject to the restricted uses approved in NC General Statutes - Chapter 162A Article 8.

Suggested Motion:

- Motion to adopt an ordinance adopting the Water Resources Department updated Development fees analysis for the Fiscal Year (FY) 2022-23 fees and charges.

Attachment(s):

- Ordinance
- Exhibit A - Raftelis Financial Consultants, Inc. Analysis

ORDINANCE NO. _____

ORDINANCE ADOPTING THE WATER RESOURCES DEPARTMENT SYSTEM MAINTENANCE AND CAPITAL FEES ANALYSIS FOR 2022-23 FISCAL YEAR_____

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

The Water Resources Department Development Fees analysis will be adopted.

The Water Resources Development Fee Analysis, attached to and made part of this ordinance, as Attachment A, be adopted.

That this ordinance shall be in full force and effective upon adoption.

Read, approved and adopted this 24nd day of May, 2022.

_____ _____

City Clerk Mayor

Approved as to form:

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City Attorney