Tree Fee in Lieu Policy Development

June 25, 2026

Carly Gillingham

Assistant City Attorney, Project Lead

Task Assignment: Steph M Dahl,

Director of Planning and Urban Design, Project Sponsor

THE CITY OF ASHEVILLE



Task Assignment: Scope and Goals

Project Scope & Goals:

Project Scope:

The purpose of this project is to create an administrative policy that enables the budgeting and spending of the City's Tree Canopy Fee in Lieu (TCP-FIL) funds.

The project is guided by the City's Operating Procedure for Creating New Policies and the following Goals that were developed in collaboration with a subset of the Urban Forestry Commission in early spring of 2026:

Goals/Outcomes:

- Harnessing the expertise of the City's Urban Forestry Commission and other forestry and policy experts in the development of an Administrative Tree Fee-In-Lieu policy
- Utilizing the City's Recovery Board Structure (People and the Environment Recovery Board) to publicly process
- Start work in July and end before or at the same time as the consideration to adopt UFMP
- Clear understanding and agreement about how the City will use the budget process to recommend steady state spends through budget adoption

Upon completion of the project, the community will have a clear understanding of how the City's decisions for collecting and spending TCP-FIL funds are made, as well as a consistent access to the current funding amounts for each resource management district category (through the City's website). The policy is intended to be high-level - specific enough to facilitate the use of FIL funds, but allowing enough flexibility as goals change on an annual basis for uses to change.



Task Assignment: Staff Support/Council Alignment

General Information	
Project Title	Fee In Lieu Policy Development
Project Sponsor	Steph Dahl, P+UD Director
Project Lead	Carly Gillingham, Asst. City Attorney
Project SMEs	Keith Aitken- Urban Forester, Project Manager for Urban Forestry Master Plan Kiera Bulan- Int.Dir of Sustainability, Staff Liaison for People and the Environment Recovery Board
Primary City Council Strategic Priority Alignment	• Economy • Housing • Infrastructure & Environment • People
Supporting Projects (if applicable)	• Urban Forestry Master Plan
Recovery Project?	• Yes • ~~No~~



Task Assignment: Working Group Timeline

June 23, 2026

People and the Environment Recovery Board: Brief Update

June 25, 2026

Urban Forestry Commission Task Assignment: Special Meeting with Input Requested on Framework Pieces, Best Practices, and Example Cities

July 2026

FIL Working Group Membership Confirmed

Includes 4 UFC members, 2 PERB members, 2 development community members, plus 4 support staff.

Late Summer to Early Fall 2026

- Staff review and incorporation of UFC input into research tasks
- 2 Special meetings with FIL Working Group for Policy draft input

Early to Late Fall 2026

- Working group recommendation to PERB, then to City Council
- Council input to City Manager on Administrative Policy Adoption



Background - Tree Fee in Lieu

- Asheville Code of Ordinances Section **7-19-5** provides that, for development activities covered under the Tree Canopy Preservation Ordinance, developers may opt to pay a **fee** (calculated according to the current year fees and charges manual) **in lieu of compliance with the tree canopy requirements**, so long as the areas do not contain aquatic buffers and are not defined as steep slope zone A or B pursuant to Section 7-12-4 of the Code.
- Payments in lieu of compliance received in relation to properties within a given **Resource Management Overlay District** shall be used to **acquire land and plant or preserve trees within that same Resource Management Overlay District**. There are three Resource Management Overlay Districts: **Downtown**, **Urban**, and **Suburban**. They are established to regulate the planting and preservation of trees during development activities (Section 7-9-1 of the Code).
- Currently, the ordinance is the only guidance the City has for spending fees collected. There is not a policy in place for spending the funds.

Tree Fee in Lieu Policy - Framework

- Overarching City tree preservation and planting goals
  - The City recognizes that not every tree can or should be retained. When planting and preservation at a site is not feasible or practicable, fee-in-lieu collection is intended to fund **mitigation efforts to replace the lost functions of removed trees.**
  - This policy is intended to be high-level, with individual annual work plans, Requests for Proposals, Standard Operating Procedures, agreements, and other City actions dictating spending at a more specific, priority-based level.
- **Collection and use of fees**
  - How fees are collected
  - Fees must be used to **acquire land** and to **plant or preserve trees**
  - The City may work with third parties to spend funds, provided the party agrees to use funds for a qualifying project under the ordinance
  - Transparency in collecting and managing funds

Tree Fee in Lieu Policy - Framework (cont.)

- **Land Acquisition**
  - Acquiring land for value (fair market value, less than fair market value when appropriate)
  - Handling land acquisitions “in-house” (closings, surveys, title work, recording fees, etc.) or by using contractors (environmental assessments, appraisals, etc.)
  - Assessing suitability of land for tree planting and preservation work
  - Making land publicly accessible when appropriate
  - Conservation easements and other restrictions
  - Helene-damaged land
- **Tree planting**
  - Selecting native species
  - Site-specific suitability
  - Interdepartmental coordination
  - Working with community groups

Tree Fee in Lieu Policy - Framework (cont.)

- **Preservation**
  - Preservation of forested land
  - Preservation of individual trees
  - What activities count toward preservation
  - Ensuring trees remain healthy and long-lasting
  - Protecting stem, Critical Root Zone, providing buffers without overhead or underground infrastructure
  - **Heritage trees:** tree that is listed in the North Carolina Big Trees List/American Forest Association's Champion Tree list or otherwise qualifying historic resource tree

Ideas - other local policies and practices

- Charlotte
  - City of Charlotte Tree Ordinance allows for payment-in-lieu for protecting trees in certain development situations. The money collected from the ordinance goes into a fund that is mandated for acquisition, protection, management, and long-term conservation of land
  - Highlights: conservation easements, community partnerships (land conservancies, County parks & rec.), acquiring property near public parks, public access to land
  - Charlotte has an Urban Arboretum Trail that connects City's greenways.
- Raleigh
  - Raleigh's Tree Conservation Ordinance allows payment in lieu on a case-by-case basis after exhaustion by a developer of alternative methods of compliance
  - Funds may be used for tree planting or for land acquisition to preserve trees, but City Council sets forth specific eligible activities.
  - Open space zones
  - Tree Manual

Ideas - other local policies/practices (cont.)

- Knoxville, TN
  - Sec. 14-38 of Knoxville Code: **Tree Mitigation Bank**
  - Urban forester to determine what trees to be planted on public grounds or rights-of-way would be comparable to the trees or landscaping otherwise required on-site; will maintain a list of appropriate trees with costs.
  - Funds paid into the tree mitigation bank will be used for the sole purpose of planting and maintaining trees on **public** grounds and rights-of-way at the direction of the urban forester.
- Pittsburgh, PA
  - Resiliency, climate-based approach: "Planting with Purpose"
  - Tree Impact Zone (TIZ) prioritization tool, designed to help identify where new tree planting would deliver the greatest climate resilience benefits.
  - "Tree potential" analysis, which estimates where additional trees could be planted based on available space on individual parcels.

Ideas - other local policies/practices (cont.)

- Louisville, KY
  - Louisville Metro Tree Ordinance: Tree maintenance of public trees shall be the responsibility of the abutting property owner. Property owners must obtain a permit to: Plant a tree within the Public ROW (per Planting Standards); Remove a tree within the Public ROW (must replace within one year); Perform significant structural maintenance
  - Louisville Equitable Forest Initiative (LEFI): multi-faceted approach to equitable urban canopy/encouraging holistic sustainability for underserved communities, including:
    - Planting and maintenance of 5,000 trees in underserved communities
    - Management of existing street trees in underserved neighborhoods
    - Community outreach initiatives
    - Workforce development program to train residents from underserved communities in in-demand green industry skills
    - Comprehensive inventory of Louisville's public trees to inform a tree management plan for the grant and beyond

More best practices from other areas?