



Legislation Text

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File #: 18-311, Version: 5

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**TO: Mayor and Members of City Council**

**THRU: Jay Reinstein, Assistant City Manager  
Gerald Newton, AICP, Director, Development Services Department  
Taurus Freeman, Planning and Zoning Division Manager**

**FROM: David Nash, AICP, Senior Planner, Development Services Dept.**

**DATE: June 25, 2018**

**RE: Continuance of the Downtown Municipal Service District**

**COUNCIL DISTRICT(S):**  
All

**Relationship To Strategic Plan:**

Vision: An attractive, culturally diverse city with a rich heritage that is peaceful, prosperous and connected.

Goal II: Diverse and Viable Economy. Objective D: To invest in community places, revitalizing downtown as a focal point and building opportunities to leverage the Cape Fear River.

**Executive Summary:**

On April 8, 2013, the City Council continued the Downtown Municipal Service District (MSD). This continuance was for a five-year period, through June 30, 2018. The Development Services staff recommends the City Council adopt the attached Resolution continuing the Downtown MSD. Nothing of the MSD is proposed to change by this action.

**Background:**

On June 26, 1978, the Fayetteville City Council created a Municipal Service District (MSD) for the downtown area pursuant to Article 23, chapter 160A-536 of the North Carolina General Statutes (attached). The purpose of the Downtown Municipal Service District is to finance and support downtown services and activities that are in addition to or to a greater extent those activities financed, provided, or maintained for the entire City.

Each year, the City establishes the tax rate for the district and identifies the proposed expenditures. For several years, the tax rate has remained 10 cents per \$100 value.

The current period of the District expires June 30, 2018. The current statute does not allow sunset provisions for these districts. The resolution continues the MSD until Council decides that the current provisions need to be changed or that the district needs to be dissolved.

**Issues/Analysis:**

Nothing of the MSD is proposed to change by this action. The current MSD boundaries are generally Cool Spring Street (western side), Bragg Boulevard (both sides), Russell Street (both sides) and Grove/Rowan Street (from the eastern end, both sides up to the bridge and ramps, then the southern side to Bragg Boulevard). With very minor changes, the boundaries have been the same since the initial creation of the District.

Staff is not proposing any change to the existing boundaries. If the boundaries are modified, recommendations from Downtown planning processes or significant new projects warrant adjustment to the boundaries, these changes will need to be made pursuant to state statute.

**Budget Impact:**

Should the Council determine not to continue with the Municipal Service District, separate action will be required in accordance with the state statute, after which the revenue would be impacted. Nothing of this resolution alters the existing special revenue stream of the MSD.

**Options:**

1. Approve the resolution continuing the district with its current boundaries.
2. Do not approve the continuance of the district and provide direction to staff.

**Recommended Action:**

Staff recommends that City Council move to APPROVE the resolution continuing the Downtown Municipal Service District with its current boundaries.

**Attachments:**

Resolution Continuing the Downtown Municipal Service District  
Map Showing Boundaries of the Downtown Municipal Service District