



City Council
Fall Planning Session

Statesville Regional Airport

October 22, 2026



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AGENDA

- 8:30-9:00 Breakfast and Welcome
- 9:00-10:30 Strategic Plan (Memo #1)
1. Do you want a public engagement opportunity?
2. Approve updated Strategic Plan and measurables.
- 10:30-11:00 FY27 Current View (Memo #2)
No Action Required
- 11:00-12:00 Property Tax Limit Legislation (Memo #3)
No official action required, item does require discussion and guidance
- 12:00-12:45 Lunch / Offsite Retreat Discussion
Does the Council want to have an offsite Winter Retreat and where?
- 1:00-2:00 CVB/TDA Discussion (Memo #4)
Does Council wish to pursue legislation authorizing an increase in the occupancy tax rate from 5% to 6% and move to "standard" enabling legislation?
- 2:00-3:00 Countywide Fire Discussion (Memo #5)
Does the Council want to move forward with this discussion with the Iredell County?
- 3:00-3:45 BUILD and Brownfields Grants (Memo #6)
Does the Council want to pursue either of these two grants?
- 3:45- 4:15 Legislative Agenda (Memo #7)
Discuss this list and prioritize issues of importance
- 4:15-4:30 Observations from the day, takeaways

Conclusion and Adjourn

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TO: Ron Smith, City Manager
FROM: Sherisha Hills, Assistant City Manager
DATE: October 12, 2026
SUBJECT: ***Memo # 1– Strategic Plan***

This updated Strategic Plan incorporates the City’s strategic priorities into proposed measurable indicators and targets. The information below summarizes the development of the updated plan and outlines the future work needed to ensure the measurables are consistent, achievable, and ready for implementation.

In September, a staff retreat was held to create the proposed measurables and targets. The plan is organized into four strategic areas: Developing Our Team, Connecting our City, Connecting our Community, and Statesville Thrives. Within each area, strategies are followed by tables identifying the measurables, how it will be measured, and the proposed target.

During the retreat, staff divided into four groups that will each “champion” one of the strategic goals. Each group ensured that measurables were aligned with the overall goal, defined how measurable will be tracked, and proposed targets and timeframe.

Examples of measures:

- Developing Our Team: voluntary turnover below 13% and employee engagement of 80%.
- Connecting our City: 90% of water and sewer main breaks repaired within five hours.
- Connecting our Community: connect 0.5 miles of sidewalks annually and achieve 87% satisfaction with parks and recreation programs.
- Statesville Thrives: 100% annual staff review of strategic, operational, and departmental plans for relevance and progress.

Next Steps:

The updated plan calls for an annual Council and staff review before adoption of the next fiscal-year budget. Using that review to assess results, explain delays, and recommend target adjustments will connect the Strategic Plan to departmental work plans, capital planning, and budget decisions.

Request (Decision needed) –

1. Do you want a public engagement opportunity:

- prior to adopting the updated plan?
 - prior to incorporating the recommendations of the plan into the budget?
2. Approve updated Strategic Plan and measurables.

Attachments

1. Strategies and Measurables



Council Planning Session

October 22, 2026

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Developing Our Team

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City of Statesville recognizes its employees are its most valuable asset and resource for realizing the city's vision. Capable and professional employees are essential for delivering high quality customer service and managing the long-term needs of the community.

Priority Areas

Organizational Excellence: Efficient and high-quality service delivery while being a city organization that is exemplified as an employer of choice with policies and programs to support employee inclusion and well-being.

Responsible Governance: A local government that provides excellent customer experience, responsibly manages the city's assets, and makes data-driven decisions informed by community engagement inclusive of those who have been historically excluded from government programs and services.

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Strategy #1

Measurable	How to Measure	Target
Citywide Voluntary Turnover Rate – Regular Full-Time Employees	Number of regular full-time employees who voluntarily resign during the fiscal year, excluding retirements ÷ average number of regular full-time employees during the fiscal year × 100	<13%
Employee Engagement Score	Percentage of employees responding favorably to engagement questions such as “I am proud to work for the City,” “I understand how my work contributes to City goals,” and “I would recommend the City as a place to work.”	80%
Average Time to Fill Positions	Average number of calendar days from approved vacancy/requisition date to accepted offer for filled positions. Track overall and by department/job classification. (excluding Police and Fire)	60 days

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Developing Our Team Strategy 2

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Improve retention by investing in employee development, strengthening leadership, and empowering staff

1. Retention rate of high-performing employees
2. Reduction in Turnover among first 3 years of employment
3. Leadership training completion rate
4. Internal advancement rate
5. Percentage of supervisors completing management training



Segment Color	Value
Light Blue	6
Dark Blue	8
Orange	8
Grey	8
Yellow	7

5

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Strategy #2

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Measurable	How to Measure	Target
Internal Promotional Rate	$(\text{Total number of full-time promotions} / \text{Total number of full-time employees}) \times 100$	12% of eligible positions

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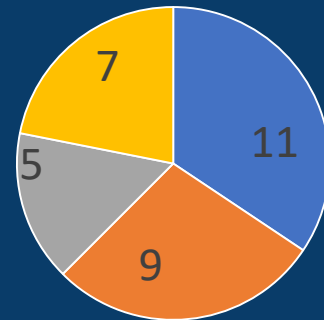


Developing Our Team Strategy 3



Enhance employee performance and morale through the implementation of a merit-based raise system.

1. Percentage of employees meeting or exceeding performance expectations
2. Percentage of Employees attending at least one professional development activity annually
3. Resident/customer satisfaction related to service delivery
4. Training satisfaction score



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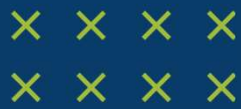


Strategy #3



Measurable	How to measure	Target
Percentage of employees meeting or exceeding performance expectations	Employees receiving a rating of Fully Achieved Expectations or higher ÷ employees who received a completed annual performance evaluation × 100.	90%

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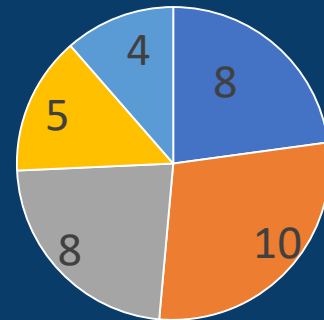


Developing Our Team Strategy 4



Keep turnover rates low by continuing competitive compensation, leadership training, and updated HR policies

1. **Percentage of positions adjusted to market rate**
2. **Completion of compensation/market studies on schedule**
3. **Annual COLA implementation rate**
4. **Annual HR policy review completion rate**
5. **Time required to update policies after legal/regulatory changes**



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Strategy #4



Measurable	How to Measure	Target
Average Compa-Ratio for Employees	Average of each full-Time employee's base salary ÷ applicable salary-range midpoint × 100 (Current 88%)	90%
Midpoint Attainment Rate – Employees with 7+ Years in Position	Number of employees with 7+ years in their current position whose base salary is at or above midpoint ÷ total employees with 7+ years in their current position × 100 (Current is 21.3%)	28%

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Developing Our Team Strategy 5

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Establish Council committees/boards to address existing and emerging issues and gain community input.

- 1. Number of Policy Recommendations adopted.**
- 2. Number of community members participating**
- 3. Committee/board meeting attendance rates**
- 4. Number of public input sessions conducted**
- 5. Diversity of committee/board representation**



Segment Color	Value
Light Blue	8
Dark Blue	6
Orange	8
Grey	4
Yellow	6

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Strategy #5		
Measurable	How to Measure	Target
Number of Policy Recommendations Adopted	Count formal recommendations that advance to and are adopted by City Council, with a record of the committee that developed each recommendation.	Four (4) recommendations adopted annually from Council committees
Number of Community Members Participating	Track unique residents participating through committee meetings, surveys, listening sessions, workshops, or other official public-input opportunities.	50+ unique community members annually, with participation across multiple committees and engagement opportunities
Committee Meeting Attendance Rates	Calculate attendance as: meetings attended ÷ meetings scheduled × 100. Track attendance by committee and member.	75% average attendance
Diversity of Committee Representation	Number of applicable committee recruitment/appointment cycles meeting the outreach and representation-review requirements ÷ total applicable committee recruitment/appointment cycles × 100.	100%

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Connecting our City



The City of Statesville strives to provide high-quality services and utilities for today's needs while also planning for the future needs of residents, businesses, and industry.

Priority Areas

Infrastructure and Mobility (Street Infrastructure): We will take the lead on transportation solutions for the future, developing a first-class transportation system that is affordable, accessible, and innovative.

Proactive Prevention (Maintenance): Statesville embraces the dual responsibility of being responsive to emerging challenges while also dialing up efforts to prevent problems on the front end. This means investing in preventative maintenance of public assets like bridges, service vehicles, utilities and community facilities. An intentional focus on prevention today leads to a brighter future.

Strategic Growth and Infrastructure Planning: The 2045 Land Development Plan will guide Statesville's City Council, Planning Board, and City staff in making decisions related to land development, location-related capital investments, and community programs. The Unified Development Code will guide the city to promote orderly and quality growth that ensures the public health, safety and general welfare of its citizens, and establish standards for land development that are up to date and consistent with the City's vision and plans, and professional best practices.

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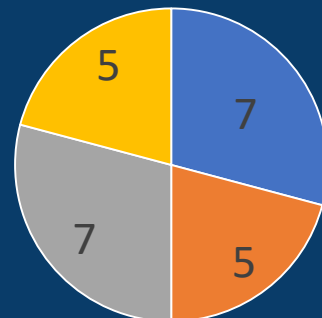


Connecting our City Strategy 1



Tenets of smart growth and prioritizing infill development

1. Percentage of new development occurring within existing service areas
2. Reduction in vacant or underutilized parcels
3. Ratio of infill development vs. greenfield development
4. Walkability/connectivity index improvement



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Connecting our City

Strategy 2

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Strategy #2		
Measurable	How to Measure	Target
Infrastructure Condition Index	Annually score streets (including sidewalks), water/sewer, stormwater using inspections, age, failures and maintenance history (1–10 condition scale)	Determine with new Public Works Director
Pavement Condition Index (PCI)	Conduct pavement-condition assessments and track the percentage rated Good/Fair/Poor.	60% citywide average after 10 years
Utility Interruption Frequency (Electric)	Track electric outages and other infrastructure-related interruptions plus average restoration time.	Public Power to be at or below NC Public Power Average: SAIDI (55), SAIFI (0.06), and CAIDI (102)
Utility Repair Response (Water/Sewer)	Water/sewer main breaks repaired	90% within 5 hours; 90% of emergency call responses within 1 hour.
Vehicle/Equipment Uptime	Track available operating hours ÷ scheduled operating hours.	90% uptime for critical vehicle/equip. and preventive maintenance completed on time

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Connecting our City

Strategy 3

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Invest in critical public infrastructure to align with land use plan goals and accommodate future growth citywide

- Capital Improvement Plan (CIP) completion rate**
- Percentage of capital projects aligned with land use plan**
- Growth areas served by adequate utilities/infrastructure (%)**
- Grant funding secured for infrastructure projects**

Segment Color	Value
Yellow	5
Blue	7
Orange	6
Grey	8

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Strategy #3		
Measurable	How to Measure	Target
CIP completion rate	% of programmed capital infrastructure projects completed on schedule and within approved budget	75% at 10 years (compare 5 year history)
Capital projects aligned with land use plan	% of new transportation, utility, stormwater and facility investments that directly implement a 2045 Land Development Plan goal or identified growth area	95%
Priority growth areas with adequate infrastructure	% of designated growth areas with sufficient water, sewer, electric, and stormwater capacity to accommodate planned development	80%
External infrastructure funding secured #OPM	State/federal grants and other outside funding awarded annually for infrastructure projects and coordinated with applicable departments and grants manager	\$1,000,000 annually and 60% of eligible project pursue outside funding (with 10% of new projects including grant funds)

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Connecting our City Strategy 4		
Keep all plans updated to ensure the strategic plan remains relevant, responsive to change, and aligned with organizational goals 1. Reduction in outdated policies/plans 2. Annual strategic plan review completion 3. Number of strategic goals achieved annually 4. Percentage of plans updated within required cycle		
		 A pie chart divided into four segments. The top-left segment is yellow and labeled '5'. The top-right segment is blue and labeled '7'. The bottom-right segment is orange and labeled '6'. The bottom-left segment is grey and labeled '6'.

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Strategy #4		
Measurable	How to Measure	Target
Reduction in outdated policies/plans	Create and maintain a list of all adopted citywide, departmental and small-area plans; identify those past their established review/update date	Reduce overdue plans/policies by 20% annually. Adopt a management control policy with 5 year reviews.
Annual strategic plan review completion	Annual City Council/staff review of every strategic goal, measure, and target in an efficient manner and parsed out responsibility	100% annual review completed before the next fiscal-year budget is adopted
Strategic goals achieved annually	Number and percentage of annual strategic-plan targets completed or substantially completed	75% of goals achieved
Plans updated within required cycle	Percentage of plans reviewed or updated within their review cycle	75% completed on schedule

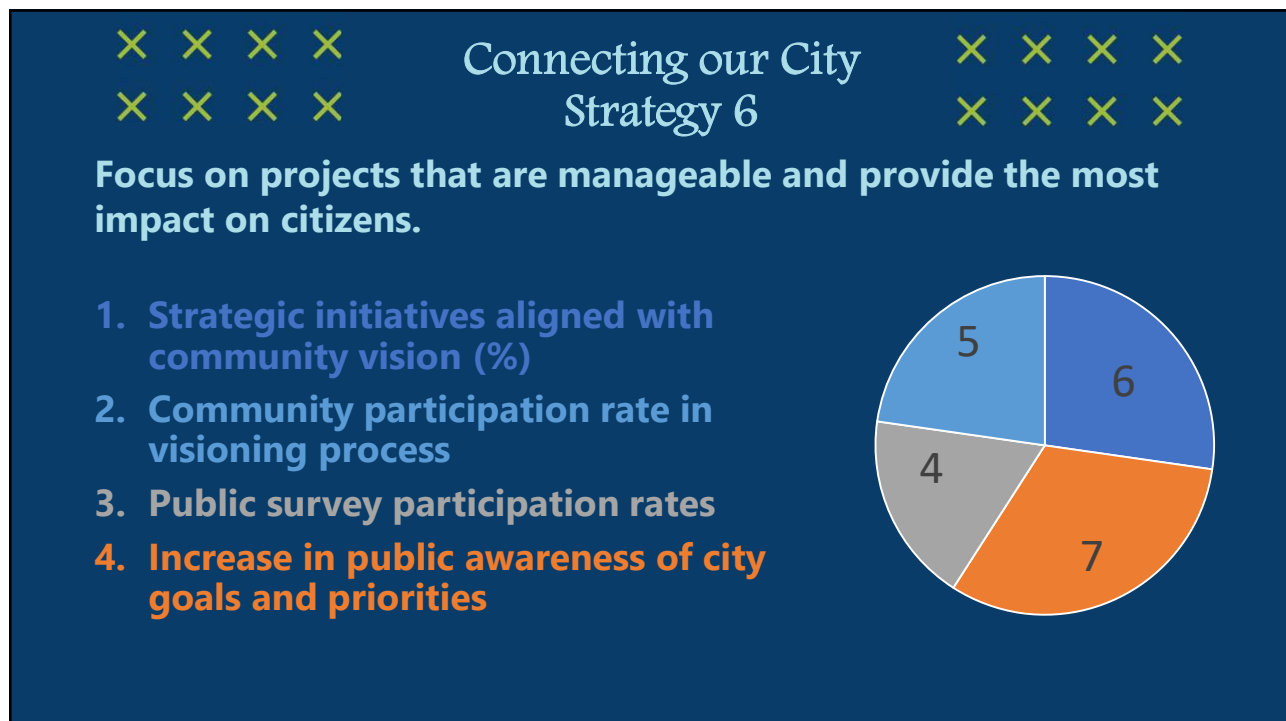
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Connecting our City Strategy 5		
Create premium transit corridors along major transportation spines in our city 1. Percentage of population within access distance of transit corridors 2. Number of transit amenities added (shelters, signals, sidewalks, bike lanes) 3. Public engagement participation for corridor planning 4. Economic development investment along transit corridors		
		 A pie chart divided into four segments. The top-left segment is light blue and labeled '5'. The top-right segment is dark blue and labeled '8'. The bottom-right segment is orange and labeled '5'. The bottom-left segment is grey and labeled '7'.

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Strategy #5		
Measurable	How to Measure	Target
Population with convenient transit access	Measure residents living within 1/4 mile of a bus route, microtransit, or designated transit corridor	50% of residents have access within 5 years
Transit-supportive amenities	Inventory new accessible stops, sidewalks, crossings, bike connections, lighting along priority corridors	15% improvements annually
Public engagement in corridor planning	Track residents participating in surveys, public meetings, workshops and online engagement for transit/mobility projects	10% participation of residents per major corridor, including residents from the affected neighborhood
Economic development along transit corridors	Track private investment, new businesses, housing units and redevelopment value within ½ mile of designated corridors	15% increase in private investment within priority corridors in the next 5 years

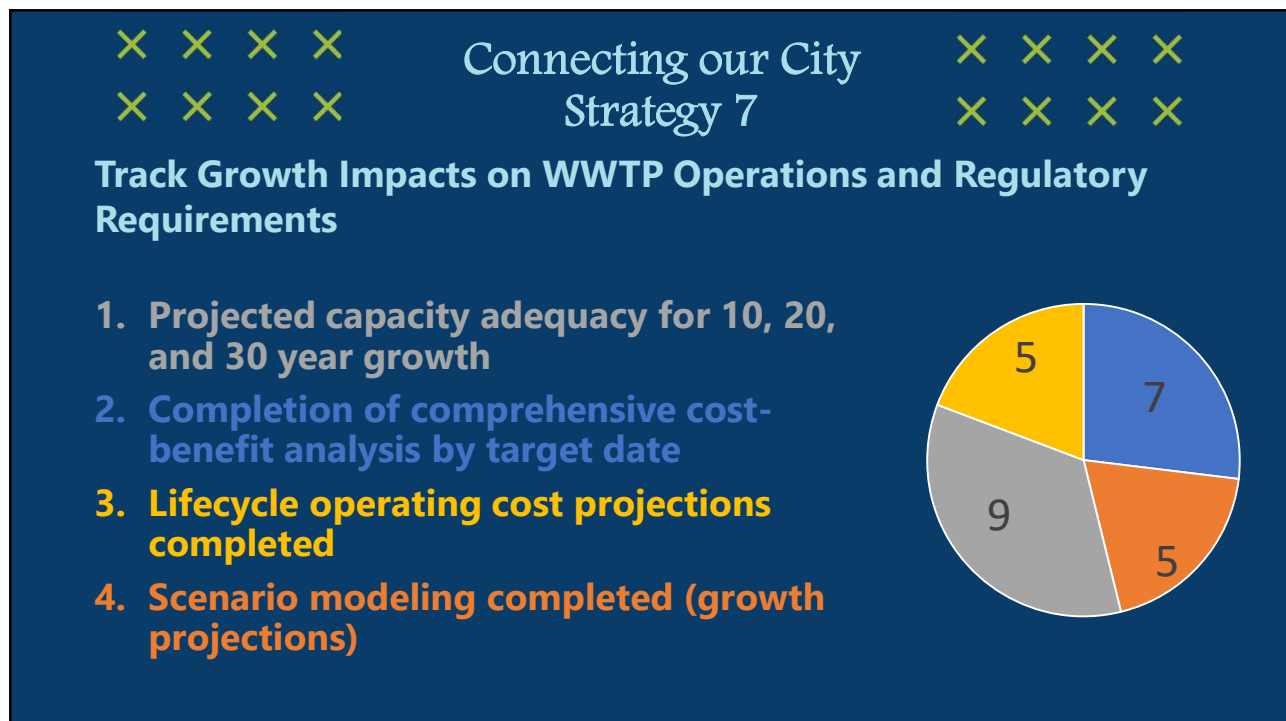
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Strategy #6		
Measurable	How to Measure	Target
Strategic initiatives aligned with community priorities and per ward	% of funded strategic initiatives that can be directly linked to an adopted plan, Council priority, documented survey result, or public-engagement finding	80% annually
Community participation in visioning	Number of residents/businesses participating in workshops, meetings, and focus groups	Increase participation by 15%
Public survey participation	Completed responses to citywide surveys	5% responses citywide (track responses by ward/demographic/geographic area) Use geofencing and ensure surveys are easy and user-friendly
Public awareness of City goals/priorities	Resident survey asking whether they are aware of the City's major goals, projects and priorities	Establish and kickoff priority during FY27

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Measurable	How to Measure	Target
Capacity adequacy	Track the available treatment capacity against committed development and projected population growth at 10, 20, and 30-year forecast	Annual review
Comprehensive cost-benefit analysis	Compare Fourth Creek expansion, Third Creek utilization/expansion	FY 2027
Long-term operating cost impact	Use development tracker	Annual management control
Growth scenario modeling	Forecast low, moderate and high residential/commercial growth scenarios, including major development corridors	Complete with GIS

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Connecting our Community

The City of Statesville supports vibrant communities and safe neighborhoods with opportunities for employment, recreation, engagement, and housing.

Priority Areas

Protect & Enrich Every Neighborhood (Public Safety/REV): Statesville is an extraordinary place to live, and every resident and visitor should have access to a safe and secure environment, along with a variety of core amenities that improve quality of life. Serving every neighborhood means we are prioritizing investment in communities with the greatest need and ensuring amenities are geographically distributed throughout the city so everyone can access them easily. We are strategically placing artwork, digital resources, and recreational amenities in locations that have historically been underserved.

Living Community (Quality Housing): We know that a sense of safety and excellent quality of life is foundational to our community's success. Statesville will focus on enhancing a sense of civic pride in order to strengthen safety and be a community of choice.

Recreation and Cultural Vibrancy: Advance culture and the arts, develop parks and public space while building upon our strength as a destination for culture, arts, conventions and recreation.

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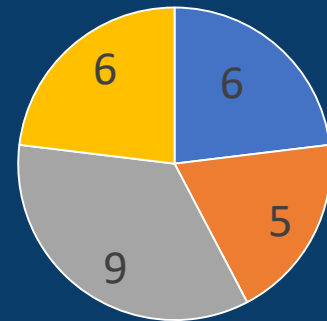


Connecting our Community Strategy 1



Improve the city's sidewalk network to connect areas that rely on pedestrian access to recreation facilities, shopping opportunities, and other amenities

- 1. Reduction in pedestrian-related accidents/incidents**
- 2. Completion of comprehensive cost-benefit analysis by target date**
- 3. Miles of new sidewalks that are constructed annually**
- 4. Connectivity score between neighborhoods and key destinations**



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Strategy #1



Measurable	How to Measure	Target
Pedestrian and cyclist safety improvement	Annual pedestrian crashes/injuries on City streets, with special attention to priority corridors and intersections	Sidewalk complaints reduced by 10%
New/connected sidewalks constructed	Linear miles of new sidewalks and missing-connections completed each year	Connect 0.5 miles annually

30



Connecting our Community Strategy 2



Provide reliable, high-quality public safety to ensure the wellbeing of residents, businesses, and visitors

1. Overall crime rate per 1,000 residents
2. Fire response time
3. Violent crime rate
4. Officer/firefighter retention rate
5. Property crime rate



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Strategy #2



Measurable	How to Measure	Target
Emergency response times	Track Police high priority call and Fire emergency response times	Fire- 4 minute response time by 90% PD- Priority in Progress by ??
Violent crime rate	Record violent crimes	Reduce by 5%
Police/Fire and dispatch workforce retention rate	Track annual turnover, vacancies, time-to-fill positions and retention separately for Police and Fire	Retention – 75% officers and communications Fire- 90%
Property crime rate	Record property crimes	5% (PD Said we would probably never reach this due to increase people)

32

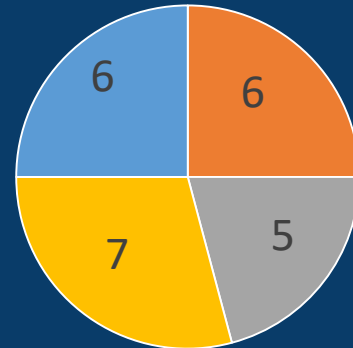


Connecting our Community Strategy 3



Expand access to enriching cultural, recreational, and open space amenities

1. Resident satisfaction with parks and recreation services
2. Percentage of residents within access distance of parks/open space
3. Parks and Recreation capital projects completed annually
4. Participation rates in recreational and cultural programs



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Strategy #3



Measurable	How to Measure	Target
Resident satisfaction with parks & recreation programs	Annual participant survey	87% satisfaction rate
Residents with convenient park access	GIS map of residents within a 10-minute walk (approximately ½ mile) of a park, greenway, recreation facility or accessible	60% of residents by year 2035
Parks & recreation capital projects completed	Percentage of programmed recreation/park capital projects completed on schedule and within approved budget	80% annually
Recreation & cultural participation	Annual registrations/attendance across athletics, fitness, aquatics, camps, adaptive recreation, cultural programs and community events	Increase participation by 7%

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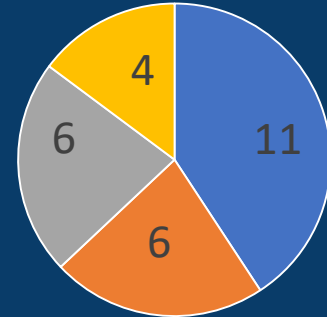


Connecting our Community Strategy 4



Promote the development of a range of housing types throughout our community and housing stability for residents

1. Number of new housing units by type (single-family, multifamily, workforce, senior, mixed-use)
2. Housing affordability index
3. Increase in mixed-income housing developments
4. Zoning or ordinance updates supporting housing diversity



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Strategy #4



EC1

Measurable	How to Measure	Target
New housing units by type	Track permits annually for single-family, townhomes/duplexes, multifamily, senior, affordable/workforce and mixed-use housing	15% of new units annually that are housing different than detached single family
Affordable/workforce housing development	Count new or preserved income-restricted and attainable units supported through HOME, City funds, partnerships and incentives	Create or preserve 50 affordable units annually
Housing-supportive zoning & policy	Track implementation of UDC/zoning changes allowing diverse housing types, infill, adaptive reuse and mixed-use housing	Complete this priority by year 5

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Connecting our Community
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Strategy 5
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Engage residents, business, and neighborhoods across the city

1. Resident engagement participation rate
2. Resident satisfaction with communication and transparency
3. Public trust/confidence in city government
4. Percentage of residents who feel heard in decision-making
5. Stakeholder engagement participation by district/area



A pie chart with five segments. Starting from the top and moving clockwise, the segments are: a blue segment with the number 7, an orange segment with the number 5, a grey segment with the number 5, a yellow segment with the number 4, and a light blue segment with the number 4.

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× × × × Strategy #5 × × × ×			EC1
Measurable	How to Measure	Target	
Resident engagement participation and opportunities	Count residents/businesses surveys, meetings, workshops, and other organized engagement events	Maintain or increase level of events by 5% Participation rates maintain or increase each year by 5%	
Resident satisfaction with communication & transparency	Annual community survey asking whether information is timely, understandable, accessible and transparent	60% are satisfied	
Public trust/confidence with city government	Annual statistically valid resident survey asking residents to rate confidence in City leadership, transparency, responsiveness, fiscal stewardship, fairness, and decision-making	70%	
Residents feel heard	Survey residents on whether they believe they have meaningful opportunities to provide input and influence City decisions	75% agree	
Board and Commission participation	New members on boards	??	
Stakeholder engagement/participation geographic areas	Track participation geographically by ward/neighborhood while protecting individual privacy	Participation from all Wards	

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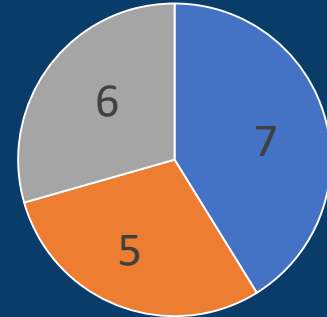


Connecting our Community Strategy 6



Create a shared community vision that guides the future of Statesville and allows residents the opportunity to provide input

1. Strategic initiative aligned with community vision
2. Community participation rate in visioning process
3. Public survey participation rate



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Strategy #6



Measurable	How to Measure	Target
Strategic initiatives aligned with community vision	Review major strategic initiatives, CIP projects, policies and budget priorities against the community vision	75% of initiatives are in alignment
Community participation in visioning	Track participants in visioning workshops, forums, neighborhood meetings, focus groups and major planning processes	5% of residents participate in visioning process
Public survey participation	Track completed responses to City strategic plan and community vision surveys	500 completed responses per survey

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Statesville Thrives

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The City of Statesville understands that a growing community is a healthy community, but it must be done the right way. The city supports future growth in a controlled, balanced, and purposeful way, which will not overextend our resources or infrastructure, and keep the characteristics that make our city a great place to live.

Priority Areas

Build Community Through Connections: bringing residents and neighborhoods together.

Diverse Economy: A city well positioned to compete regionally and nationally to create jobs and business opportunities.

Strong Partnerships: Statesville foster strong, inclusive partnerships with residents, government agencies, non-profits, and visitors to enhance communication, build trust, leverage shared resources, and advance the long-term success of the community.

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Statesville Thrives

Strategy 1

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Support county and city economic development efforts to increase the tax base and expand job opportunities

1. Net new jobs created annually
2. Increase in taxable property value (%)
3. Growth in sales tax revenue
4. Median household income growth



Goal	Value
1. Net new jobs created annually	7
2. Increase in taxable property value (%)	7
3. Growth in sales tax revenue	7
4. Median household income growth	10

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Strategy #2			
Measurable	How to Measure	Target	
Strategic goals on track or completed	Annual review of every strategic initiative using completed, on track, not on track, and delayed status	75% of strategic goals are either complete or on track annually	
Reduction in outdated plans and policies	Maintain an inventory showing adoption date, last review and required update date for major plans and policies	75% of outdated policies and plans are removed or updated annually	
Public engagement in major plan reviews	Track residents and businesses participating in surveys, workshops, and community meetings	500 residents or businesses participate in surveys, workshops, or community meetings regarding a review of major plans before council action on the plan amendment	
Percentage of plans reviewed annually	Departments certify that their strategic, operational or departmental plans are reviewed for relevance and progress	100% annual review by staff of strategic, operational, or departmental plans for relevance and progress	

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Statesville Thrives

Strategy 3

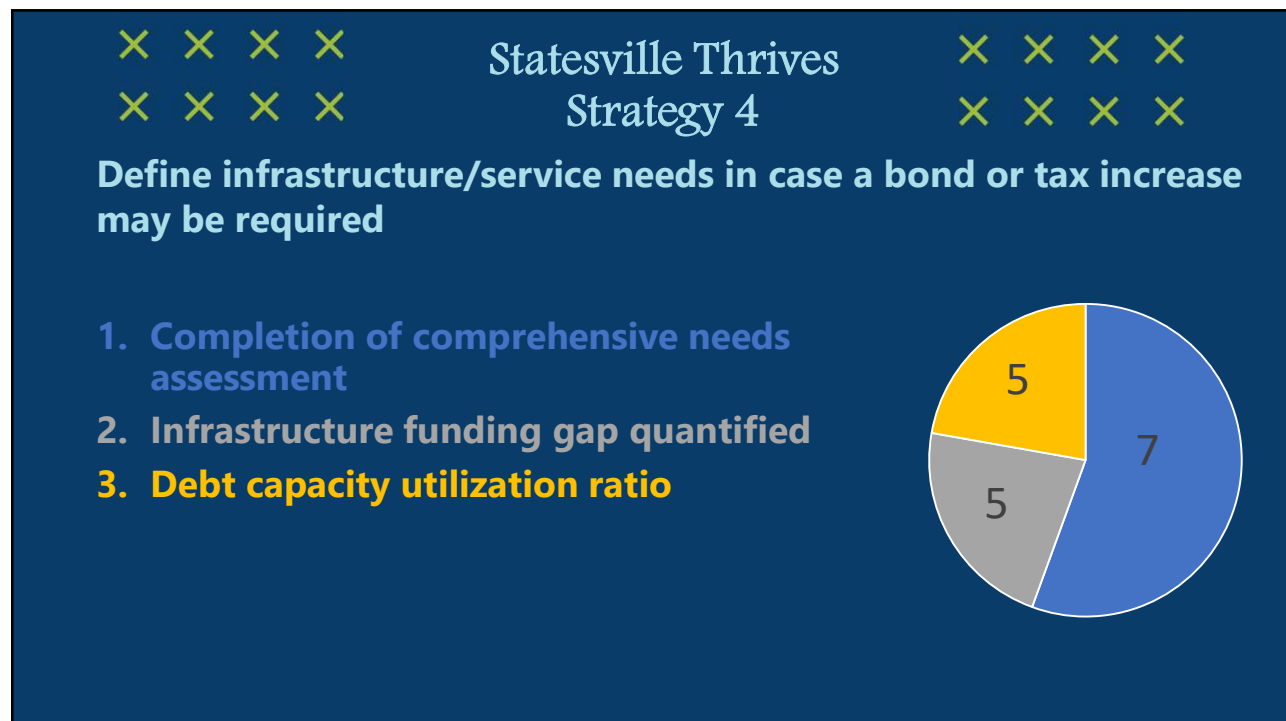
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Strategy #3		
Measurable	How to Measure	Target
Percentage of funded requests aligned with Strategic Plan goals	Direct special appropriations funding toward projects that clearly support at least one adopted Statesville Strategic Plan goal.	80% of special appropriations shall be dedicated to projects that clearly support at least one adopted goal of the Statesville Strategic Plans.
Percentage of funded projects achieving stated outcomes	Ensure funded organizations deliver the specific outputs and community benefits approved in their applications.	100% of funded third-party organization projects shall have clear deliverables and/or measurables, and 70% of the funded projects shall meet the deliverables and measurables.
Percentage of applications including Strategic Plan alignment narrative	Require every applicant to explain how the proposed use of funds advances a specific Strategic Plan goal.	90% of funding applications shall state the relation back to the Strategic Plan
Increase in transparency/accountability	Strengthen oversight through published guidelines/policies/rules, document decisions and financial reporting.	75% of practices shall be published as formal policies, rules, or documented decisions. 50% of financial reporting shall be published.

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Statesville Thrives

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Strategy #5

Measurable	How to Measure	Target
Adoption of updated growth tier framework	Develop and formally adopt a growth-tier system based on infrastructure capacity, utility availability, transportation access, environmental constraints, and projected demand.	For all infrastructure needs identified each fiscal year, staff shall develop and the council shall adopt a growth-tier system that sets forth at least 90% of all identified infrastructure needs.
GIS/data updates completed on schedule	Maintain accurate growth-tier maps and supporting information for parcels, utilities, transportation, and development activity	GIS shall complete growth-tier maps and supporting documentation for at least 90% of identified infrastructure needs.
Percentage of new development occurring in targeted growth areas	Direct development toward areas where we can efficiently provide infrastructure and municipal services.	Staff shall work with private developers to ensure that at least 50% of growth is occurring in targeted growth areas.
Land use consistency with growth tiers	Ensure rezonings, annexations, infrastructure extensions, and major development approvals support the adopted growth-tier framework.	90% of rezonings, annexations, infrastructure extensions and major development approvals shall contain an analysis of how the request correlates with the growth tiers.

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TO: Ron Smith, City Manager
FROM: Gina Lawrence, CFO
DATE: October 12, 2026
SUBJECT: ***Memo #2 – Financial Snapshot***

Overview

The City of Statesville concluded the first quarter of FY2027 with generally stable expenditure performance and encouraging revenue activity across several enterprise funds. While the overall financial outlook remains cautiously positive, certain revenue variances and expenditure commitments warrant continued monitoring.

First Quarter Revenue Performance and Outlook

General Fund

General Fund revenue performance reflects significant timing differences associated with property tax and sales tax collections, intergovernmental distributions, and interfund reimbursements and transfers.

Property taxes, one of the City's largest General Fund revenue sources, are not collected evenly throughout the fiscal year. Similarly, sales tax distributions generally lag the period in which taxable sales occur. Consequently, first-quarter collections are not necessarily representative of the City's anticipated full-year performance.

Finance will continue reviewing these transactions, reconciling unusual entries, and evaluating collection trends before determining whether any adjustments to year-end revenue projections are warranted.

Enterprise Funds

Revenue performance across several enterprise funds is encouraging. The Electric Fund continues to demonstrate positive revenue activity, while the Airport Fund is benefiting from stronger-than-budgeted aviation fuel sales. Stormwater revenues also reflect favorable first-quarter collections.

The Water and Sewer Fund will continue to be evaluated for revenue performance relative to budgeted assumptions, operating costs, and planned capital investments. Although several enterprise funds are reporting favorable collections, continued monitoring is necessary to

determine whether these results reflect sustainable operating trends, seasonal demand, or timing differences.

Other Operating Funds

The Risk Management Fund has demonstrated favorable revenue collections relative to its first-quarter budget. However, expenditure activity, including insurance-related obligations and outstanding commitments, will require close monitoring.

The Civic Center Fund will also be monitored for facility-generated revenues, operating performance, and the timing of occupancy tax-related transfers.

Expenditure Performance and Budget Management

Overall expenditures remain below 25% of annual appropriations at the conclusion of the first quarter, with approximately 17.2% of the City's annual expenditure budget expended.

However, expenditure performance should be considered alongside outstanding purchase-order encumbrances. The City's current expenditure budgets include applicable prior-year purchase-order commitments carried forward from FY2026, as well as approved budget adjustments.

The purchase-order roll-forward process is an important component of year-end financial closeout and annual audit preparation. Finance is reviewing outstanding commitments, reconciling encumbrances, and working with departments to confirm that purchase orders remain valid and appropriately funded.

These efforts ensure that Council and management can distinguish between actual expenditures, committed funds, and remaining available appropriations.

Key Areas to Monitor

1. General Fund Revenue Collections: Monitor property tax receipts, sales tax distributions, and intergovernmental revenues as additional collections are recorded. Reconcile unusual postings and assess whether any variances represent timing differences or emerging revenue concerns.
2. Enterprise Fund Performance: Evaluate utility sales, customer demand, aviation fuel revenues, and operating costs to determine whether favorable first-quarter results are sustainable.
3. Risk Management Expenditures: Review insurance-related expenses and outstanding commitments, particularly within property insurance, to ensure sufficient appropriations remain available for the balance of the fiscal year.
4. Purchase-Order Encumbrances and Audit Preparation: Continue reviewing FY2026 purchase orders carried forward into FY2027, verifying outstanding obligations, and reconciling financial activity in preparation for the annual audit.
5. Capital Project Execution: Monitor capital project expenditures, procurement schedules, and outstanding commitments to assess the timing of planned investments and potential impacts on future funding requirements.

6. Inflationary and Operating Cost Pressures: Continue monitoring personnel costs, employee benefits, utilities, fuel, materials, and contractual services for potential budget pressures.

Second Quarter Priorities

During the second quarter, Finance will continue departmental budget reviews, monitor significant revenue and expenditure variances, reconcile outstanding accounting entries, and evaluate trends against adopted budget assumptions.

Emphasis will be placed on distinguishing recurring revenue performance from seasonal collections and one-time adjustments. Finance will also continue coordinating with departments and external auditors to complete the annual audit and ensure that outstanding prior-year commitments are properly reflected in current-year financial reporting.

Overall Financial Assessment

Based on the first-quarter results, the City's overall financial position appears stable, with favorable revenue trends across several enterprise funds and expenditures generally remaining within budgeted parameters.

While General Fund revenues currently reflect significant variances, the timing of major revenue collections and outstanding reconciliation items limits the usefulness of drawing conclusions from the first quarter alone.

At this time, Finance is not recommending any broad budgetary adjustments based solely on first-quarter performance. Staff will continue monitoring revenue collections, expenditure trends, and outstanding commitments throughout the second quarter and will bring forward any necessary budget amendments or corrective actions for Council consideration.

Attachments

1. FY27 Q1 Dashboard

STATESVILLE | FY27 FIRST QUARTER FINANCIAL DASHBOARD

Completed quarter: July 1–September 30, 2026 | Expenditure reports generated October 12, 2026

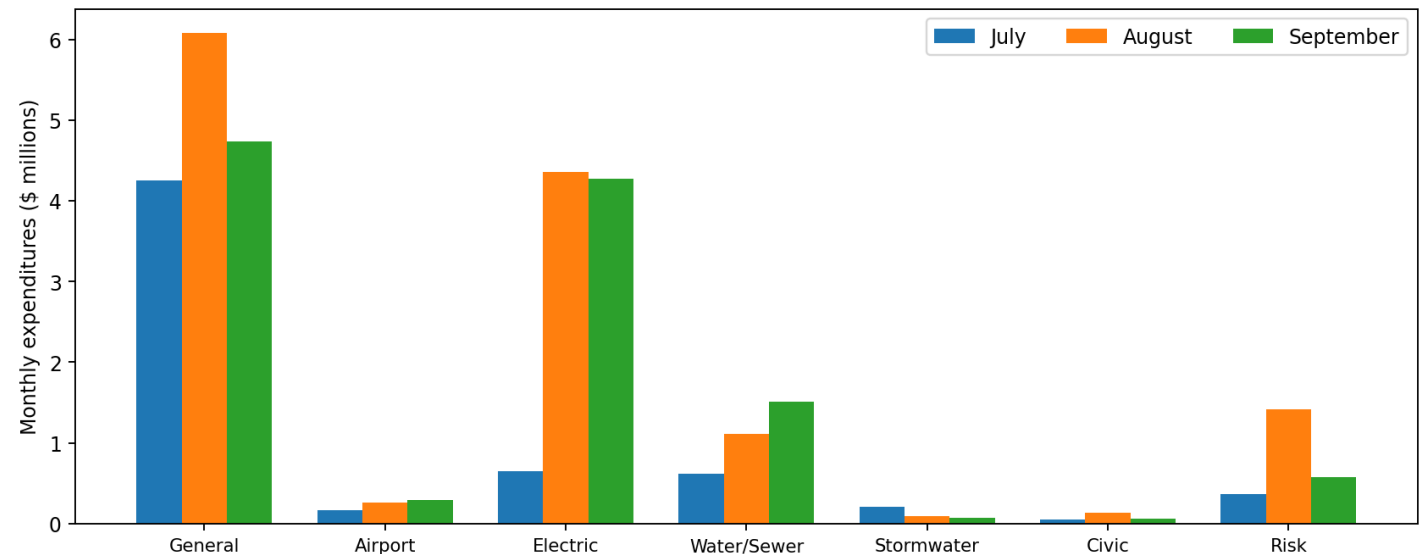
Current budget	YTD expenditures	Actual budget used	Actual + encumbered
\$181.85M	\$31.29M	17.2%	31.0%

Overall assessment: STABLE / TARGETED MONITORING. Actual expenditures are below 25% of the annual budget in all funds except Risk Management. Commitments include outstanding purchase orders and should not be interpreted as expenditures already incurred. Risk Management, General Fund and Civic Center warrant closer review of spending timing, contractual commitments and available appropriations.

Fund-level expenditure dashboard

Fund	Annual budget	Actual YTD	Encumbrances	Actual %	Committed %	Indicator
General Fund	\$66.03M	\$15.06M	\$9.33M	22.8%	36.9%	MONITOR
Airport	\$3.07M	\$0.71M	\$0.16M	23.3%	28.4%	ON TRACK
Electric	\$56.78M	\$9.28M	\$6.16M	16.3%	27.2%	ON TRACK
Water & Sewer	\$42.78M	\$3.24M	\$7.80M	7.6%	25.8%	ON TRACK
Stormwater	\$3.28M	\$0.38M	\$0.30M	11.5%	20.8%	ON TRACK
Civic Center	\$1.91M	\$0.25M	\$0.36M	13.1%	31.6%	MONITOR
Risk Management	\$8.00M	\$2.37M	\$0.98M	29.6%	41.8%	MONITOR

Indicators are management screening flags based on actual expenditure above 25% or total commitments above 30%; they are not findings of overspending.



Monthly figures are drawn from the reports' current-month actual columns; September YTD balances reconcile to July–September activity.

STATESVILLE | Q1 TRENDS & MANAGEMENT OUTLOOK

General Fund — July \$4.25M | August \$6.07M | September \$4.74M. YTD \$15.06M; 36.9% committed. Review personnel, operating expenses and commitments associated with rolled-forward POs.

Airport — July \$0.16M | August \$0.26M | September \$0.29M. YTD \$0.71M; 28.4% committed. Review fuel purchases and operating-cost exposure; compare with fuel-sales receipts when revenue data are available.

Electric — July \$0.64M | August \$4.36M | September \$4.28M. YTD \$9.28M; 27.2% committed. September spending increased sharply; review purchased-power timing and supplier invoices.

Water & Sewer — July \$0.62M | August \$1.11M | September \$1.51M. YTD \$3.24M; 25.8% committed. Large encumbrances indicate significant outstanding commitments; review capital project timing.

Stormwater — July \$0.21M | August \$0.10M | September \$0.07M. YTD \$0.38M; 20.8% committed. Actual spending remains low; assess outstanding drainage and capital project schedules.

Civic Center — July \$0.05M | August \$0.14M | September \$0.06M. YTD \$0.25M; 31.6% committed. Monitor contract commitments and event-related cost timing.

Risk Management — July \$0.37M | August \$1.42M | September \$0.58M. YTD \$2.37M; 41.8% committed. Actual utilization and commitments exceed simple Q1 benchmarks; review insurance, claims and contribution timing.

External cost pressures to watch

Inflation, gasoline and diesel prices, vehicle repairs, utility inputs, construction materials and contracted services can affect remaining FY27 spending. These are exposure categories, not quantified cost variances in the submitted reports. Compare actual unit costs and consumption with FY26 and adopted assumptions before projecting a budget impact.

Source: City of Statesville revenue and expenditure summary reports, July-September 2026; generated October 12, 2026.

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TO: Mayor and City Council
FROM: Ron Smith, City Manager
DATE: October 9, 2026
SUBJECT: **Memo # 3– Property Tax Levy Limits**

Back in May of this year, the NC General Assembly passed HB 1089, now SL 2026-5, which will place a constitutional change on the November ballot. The specific question to be placed on the ballot is as follows:

"[] FOR [] AGAINST

Constitutional amendment requiring limits on property tax increases by local governments."

It is almost universally assumed that this question will pass, and the Legislature will begin drafting the specific language they will use to impose the "limits on property tax increases by local governments". I have attached information that will help you to understand some of the potential impacts we could experience from this change, but at this point it is almost impossible to know what will happen. Last month, Coates' Canons, a NC local government blog provided a review (which is attached) of this new legislation, and I have inserted what I consider the most important language below:

"The proposed amendment grants the General Assembly discretion to decide what type of limit on property tax increases it wishes to adopt. Presumably, the General Assembly could satisfy the proposed amendment by adopting a limit on annual increases in appraisal values (for example, Florida limits the increase in tax appraisals for primary residences to 3%) or tax rates (for example, South Carolina limits the increase in local tax rates to the percentage increase in population plus inflation) or total tax levies (for example, New York limits the increase in local property tax levies to 2%).

The General Assembly would also retain discretion as to the timing of any property tax limitations under the proposed amendment. If the amendment is approved, the General Assembly might act in response immediately. Or not. It is entirely up to the legislature."

Countywide Reappraisal

This coming year, we will see the county go through its reappraisal (revaluation) process. This process takes place every four years. In the last reappraisal Statesville saw a significant increase in property valuations (roughly \$1.2B or 37.5%). I expect that this year, the increase will be less than the previous one, but an increase all the same. Under the worst-case scenario approach, we

may be limited to a 3% increase in the revenue impact. If we had only seen that amount of an increase back in 2023 during the last reappraisal, we would have seen a \$98.7M increase. This is not apples-to-apples but meant to show the long-term impacts.

Reappraisal years are generally considered as a catch-up year. Although we are generally able to keep up with inflation and cost escalations during each fiscal year, it is difficult to do so while trying to grow the city. A more significant revenue jump every four years is an opportunity to reset AND capture the fair market value of the properties within the jurisdiction. Without the ability to increase revenues I see us potentially falling behind on things such as capital expenditures, emergency situations, and potentially employee retention.

It is possible that, depending upon the method the Legislature chooses, that the financial impact of the Compass Data Center and other significant industrial developments will be muted, at best. Under the example of a tax LEVY limit (which limits the overall property tax revenue, not just the tax rate), the financial impacts of Compass would be vastly decreased. We expect that upon full buildout, with an estimated conservative valuation of \$1B, the increased tax revenue will be over \$5M/year to the general fund, just from that facility. If levy limits are imposed at 3% (example), the total yearly revenue increase from property taxes (including Compass) would be around \$870,000 for the entire city.

If the Legislature uses a tax rate limit, i.e. a 3% increase limit on the overall rate, there are ramifications, but nothing like the levy limit, as it allows for the tax base to grow and pay dividends.

	Tax Base	Current Tax Levy @ \$0.5176	Revenue Increases			
			Levy Limit @3%	Difference	Tax Rate Limit @ 3%	Difference
Current	\$ 5,600,000,000	\$ 28,985,600				
w/Compass	\$ 6,600,000,000	\$ 34,161,600	\$ 29,855,168	\$ 869,568	\$ 34,848,000	\$ 5,862,400
Yearly Impact						
1			\$ 30,750,823		\$ 34,848,000	
2			\$ 31,673,348		\$ 34,848,000	
3			\$ 32,623,548		\$ 34,848,000	
4			\$ 33,602,255		\$ 34,848,000	
5			\$ 34,610,322		\$ 34,848,000	
			\$ 163,260,296		\$ 174,240,000	

That said, we need to begin the conversation about what to do if we truly see significant impacts from this change.

Definitions:

- Tax levy – The total dollar amount of property taxes imposed by applying the rate to the taxable tax base.
- Tax rate – The amount charged per \$100 of taxable property value. In Statesville that is \$0.5176.

Some thoughts that have been discussed should be considered as we move forward with this discussion:

1. Expand the enterprise funds. Yes, this is the equivalent of a tax under another guise, but the intent of linking eligible services to a user fee will limit the impact on the General Fund and allow for more flexibility moving forward. Examples of possible enterprise funds include Sanitation, the Downtown Statesville Development Corporation (DSDC), and merging greenway maintenance and development with Stormwater. The discussion about the SCVB/TDA may complicate this topic, but that is another decision that must be made.
2. Increase fees where possible. The Planning Department has discussed amending the fee schedule to make their fees more accurately cover the cost of the service. Some communities around us have already made this move.
3. Review service provision overall. Are there services the city provides that are not necessary, can be merged with another organization, or are too expensive? Depending upon the route taken by the Legislature, this could be needed.
4. Street paving is an ongoing expense, and you have heard previously that it will take years, and significant money, to get our streets up to a more acceptable level. General obligation bonds have been discussed in the past and could be a good way to make major improvements with the approval of the residents. Voter approval is a possible exemption that I could see as part of the final version of this law.

Summary and Takeaways

- SL 2026-5 is enacted and will be on the ballot this November
- There is a high likelihood this will ballot measure will pass
- Statesville will be impacted, but it is not certain what route the Legislature will take, so that impact is not known at this time
- The options we have are limited, but doing nothing may cause long-term financial impacts

Request

There is no decision necessary at this time, however, the discussion must be had and your thoughts and opinions on the examples above will help us to craft the upcoming budget proposal.

Attachments

1. **HB 1089/SL 2026-5**
2. **Coates' Canon**
3. **Levy Limit Information**

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025**

**SESSION LAW 2026-5
HOUSE BILL 1089**

AN ACT TO AMEND THE CONSTITUTION OF THE STATE TO REQUIRE THE
LEGISLATURE TO ENACT A PROPERTY TAX LEVY LIMIT.

The General Assembly of North Carolina enacts:

SECTION 1. Subsection (5) of Section 2 of Article V of the North Carolina Constitution reads as rewritten:

"(5) ~~Purposes of property tax.~~ Property tax purposes, limitation. The General Assembly shall not authorize any county, city or town, special district, or other unit of local government to levy taxes on property, except for purposes authorized by general law uniformly applicable throughout the State, unless the tax is approved by a majority of the qualified voters of the unit who vote thereon. The General Assembly shall enact general laws limiting the amount by which the levy of taxes on property may increase, which may include exceptions."

SECTION 2. The amendment set out in Section 1 of this act shall be submitted to the qualified voters of the State at the statewide general election to be held on November 3, 2026, which election shall be conducted in accordance with the laws governing elections at that time. The question to be used in the voting systems and ballots shall be:

"[] FOR [] AGAINST

Constitutional amendment requiring limits on property tax increases by local governments."

SECTION 3. The State Board of Elections shall certify the results of the referendum conducted under Section 2 of this act. If a majority of votes cast on the question are in favor of the amendment set out in Section 1 of this act, the Secretary of State shall enroll the amendment among the permanent records of that office. If a majority of votes cast on the question are against the amendment set out in Section 1 of this act, the amendment shall have no effect.

SECTION 4. If the certification from the State Board of Elections under Section 3 of this act reflects that a majority of votes cast on the question are in favor of the amendment set out in Section 1 of this act, the amendment set out in Section 1 of this act is effective upon certification.

SECTION 5. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 21st day of May, 2026.

s/ Phil Berger
President Pro Tempore of the Senate

s/ Donna McDowell White
Presiding Officer of the House of

Representatives

Overview of HB1089

Implementation Plans

- **May 2026:** The [North Carolina General Assembly](#) passed House Bill 1089 along party lines to place the constitutional change on the ballot.
- **November 3, 2026:** Voters across the state will decide whether to approve or reject the constitutional amendment.
- **Post-Approval Phase (2027+):** If voters approve the amendment, the state legislature will reconvene to debate and enact the actual implementation statutes, defining the exact mathematical caps (such as formulas tied to inflation plus population growth), exceptions, and effective dates.

Plan Options

1. The Inflation Plus Population Growth Model (The Primary Model)

This option is the framework most actively discussed by state leadership and modeled in fiscal impacts.

- **How it works:** Local government property tax revenues are capped at a growth rate matching the local rate of consumer inflation plus the county's percentage of population growth.

2. Fixed Flat Percentage Cap

A rigid model similar to frameworks used in states like Texas (3.5% revenue cap) or Massachusetts

- **How it works:** Regardless of economic changes or growth, total local tax revenues collected are legally barred from increasing by more than a fixed rate (e.g., **2% to 3.5%**) year-over-year.
- **Massachusetts, Florida**

3. Exemption-Heavy Statutory Model

The text of the amendment explicitly allows the General Assembly to formulate **exceptions**.

- **How it works:** Lawmakers impose a general levy limit but explicitly exempt revenue designated for critical local needs.

4. Acquisition-Value property tax assessment model

- **How it works:** controls property taxes by **locking in a property's assessed value at the time of purchase** and capping both the tax rate and annual valuation increases.

🏛️ Structural Comparison: Scaling the Four State Frameworks

Feature	Massachusetts (Prop 2½)	California (Prop 13)	North Carolina (Proposed)	Florida (Proposed)
Primary Method	Total community levy cap of 2.5% annual growth.	Acquisition-value lock at purchase + 1% rate cap.	Total revenue growth limit on local governments.	Massive homestead exemption expansion (\$250k).
Individual Reassessment	Assessed annually at full market value.	Frozen at purchase price; reassessed <i>only</i> upon sale.	Determined by county schedules (4 to 8 years).	Market value tracking minus large exemption shields.
Annual Growth Cap	2.5% maximum on global municipal revenue.	2.5% maximum on individual property baseline.	Tied to localized inflation + population growth formulas.	5% maximum on non-homestead properties.
Override Mechanism	Local city-wide or town-wide ballot vote.	No simple individual exception; requires selling property.	State legislature establishes exceptions in 2027.	State trust funds backfill local core safety budgets.

Coates' Canons

NORTH CAROLINA LOCAL GOVERNMENT LAW BLOG

September 8, 2026

Property Tax Legislation Round Up

Chris McLaughlin

The General Assembly has focused much attention on property taxes this year. I've already blogged about **one big bill that became law** and **two other big bills** that might pass later this year. Today I summarize a collection of laws that made relatively minor changes to our property tax system as well as a proposed constitutional amendment that could be momentous. I'll lead with that ...

I. **Proposed Constitutional Amendment: Are Property Tax Levy Limits Headed Our Way?**

Come November, all North Carolina voters will be presented with this question: should **Article V, Section 2, of the state constitution** be amended to state: *The General Assembly shall enact general laws limiting the amount by which the levy of taxes on property may increase, which may include exceptions.*

See **S.L. 2026-5** for details of the required referendum.

Right now, the only existing fiscal limitation on local property taxes in our General Statutes is a rate cap of \$1.50. (**G.S. 153A-149(c)** for counties and **G.S. 160A-209(d)** for cities). No local government is currently close to that cap. The **highest county tax rate this year** is \$.93 in Bertie County. That happens also be the **highest municipal tax rate** that I could find, which was last year in Enfield.

Note that this cap applies per jurisdiction. If you live in a city, you very likely pay a combined city/county property tax rate of over \$1.50. That's okay so long as the city and the county rates are each under \$1.50.

Beyond the \$1.50 tax rate cap, currently there is no limitation in our statutes on how much a local government may increase its property tax levy from year to year. But if the proposed amendment passes, that may change.

The proposed amendment grants the General Assembly discretion to decide what type of limit on property tax increases it wishes to adopt. Presumably, the General Assembly could satisfy the proposed amendment by adopting a limit on annual increases in appraisal values (for example, Florida limits the increase in tax appraisals for primary residences to 3%) or tax rates (for example, South Carolina limits the increase in local tax rates to the percentage increase in population plus inflation) or total tax levies (for example, New York limits the increase in local property tax levies to 2%).

The General Assembly would also retain discretion as to the timing of any property tax limitations under the proposed amendment. If the amendment is approved, the General Assembly might act in response immediately. Or not. It is entirely up to the legislature.

Finally, remember that the General Assembly already has the authority to enact limits on local property taxes given that our state constitution does not prohibit such legislation. Even if this amendment were to fail at the polls, the General Assembly could move forward with property tax limitations if it so desired.

II. The Penny Panic Solved

The last United States penny was minted in November 2025, leading tax offices to wonder what they should do about making correct change once their stash of Abe Lincolns ran dry. The General Assembly solved that problem over the summer by amending GS 105-357 to allow tax offices to round bills down to the nearest nickel when taxpayers pay in person in cash. **S.L. 2026-31, §14(j).**

Previously, tax offices were allowed to forgive small underpayments of less than a dollar **only for payments made other than in person.**

Here's how the new rule should work. If Tina Tarheel appears at the tax office to pay her tax bill of \$99.97 and hands the tax office a \$100 bill, the tax office may round that bill down to \$99.95, give Tina a nickel in change, and treat the bill as paid in full. As is true for "traditional" small underpayments, the tax collector must keep records of all penny underpayments and report the total in the annual settlement.

For more details on the penny bill, including how it might affect other local government offices, see **Kara Millonzi's blog here.**

III. Exemptions for Pet Semataries? No Longer

Yes, I misspelled cemeteries, intentionally as an homage to **one of Stephen King's scariest books**. Over the years I have received a few questions about whether the exclusion for burial grounds in GS 105-278.2 could apply to land used to bury deceased pets. As crazy as that question sounds, it was reasonable under the prior statutory language. But no more. **S.L. 2026-31, §6.1** changed that statute so that it now applies only to “human” burial grounds. Sorry, Snoopy.

IV. Two Small Machinery Act Changes

Section 6.2 of S.L. 2026-31 allows refunds of fire district taxes to extend back 10 years instead of the 5-year period that applies to “regular” refunds in **G.S. 105-381**. But only for a year; this provision expires July 1, 2027.

Section 6.3 of that same bill creates an explicit prohibition against double taxation. It's unclear what practical impact this change will have, given that under current law double taxation was assumed to be an illegal tax and therefore justification for a refund under G.S. 105-381.

V. “Incentive Districts” for New Development

A local government may now create an “incentive district” for new development eligible for project development financing debt instruments under Article 6 of Chapter 159. **S.L. 2026-12**. All property within that district would receive a 90% exclusion for 10 years or until the property is sold. If the district is proposed by a municipality, then the county must receive notice and the opportunity to reject the proposal. Property receiving the incentive may not also benefit from the builders’ inventory exclusion in **GS 105-277.02**.

This new provision is one of the very few exclusions over which local governments have control; if they don’t want to offer this exclusion to new development, they are not required to do so. It raises interesting questions as to whether the General Assembly could create other “optional” exclusions (perhaps **a more expansive circuit breaker**?) without violating the N.C. Constitution’s **uniformity provision**.

Analysis of North Carolina's Proposed “Property Tax Cap”

Understanding the potential impact of a levy limit
on North Carolina

NC Housing Coalition

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Introduction

In November, North Carolina voters will choose whether to amend the North Carolina Constitution “to require the state legislature to pass laws limiting the amount that property taxes may increase.” If adopted, this amendment would require the state legislature to pass a levy limit, which caps increases in overall property tax revenue for local governments. The constitutional amendment that voters will see on their ballots is vague, making it difficult to understand how it will affect their households and communities. **This report is intended to help voters understand the potential impact of a levy limit on homeowners and local governments across North Carolina.**

The constitutional amendment to require a property tax levy limit was developed by the House Select Committee on Property Tax Relief & Reform. The Tax Foundation presented a hypothetical NC levy limit to lawmakers that would include annual adjustments based on growth and a place-holder of 2% for inflation.

This analysis explores the question: **What would have been the impact if such a levy limit had been in place during the last property tax revaluations across NC? How much local funding would have been lost? How much would an average homeowner have saved?**

This analysis provides evidence that:

1. The average North Carolina homeowner stands to gain very little under a levy limit.
2. Larger corporate landowners, on the other hand, would save millions – local revenue that could otherwise fund schools, public safety, and other local services.
3. A levy limit could negatively impact communities across North Carolina, including those with small tax bases, in disaster-impacted areas, and with already-low property tax burdens.

Lawmakers should focus property tax relief efforts on taxpayers most burdened by unaffordable housing costs, rather than a one-size-fits-all approach that disproportionately harms seniors and people with fixed incomes.

Summary Analysis: Impact of a Levy Limit

Key Takeaways

A Levy Limit Could Result in Significant Loss of Funding for Critical Services

Our analysis shows **~\$1 Billion** in revenue loss to local governments for education, public safety, infrastructure, and other critical services.

Revenue Losses are Spread Across the State

73% of Counties and 90% of Municipalities would lose property tax revenue had a levy limit been in place. For dozens of local governments, this loss represents **more than 10%** of their overall property tax revenue.

The Most Severe Revenue Losses Would Fall on Tier-1 and Disaster-Impacted Counties

Tier-1 Distressed counties would experience the largest reductions in property tax revenue, on average. Eight out of ten counties with the highest revenue losses would be in Helene-impacted Western NC. Counties with a lower-than-average property tax burden would also see large reductions.

Municipalities Would Lose a Higher Percent of Property Tax Revenue Over Counties

On average, municipalities that we analyzed would see **nearly double** revenue lost compared to counties.

Large Corporations Receive Far More Benefit Than Average Homeowner

The average homeowner would save \$84 per year – or just \$7 per month – while NC's largest corporate landowners and data center owners will save millions each year.

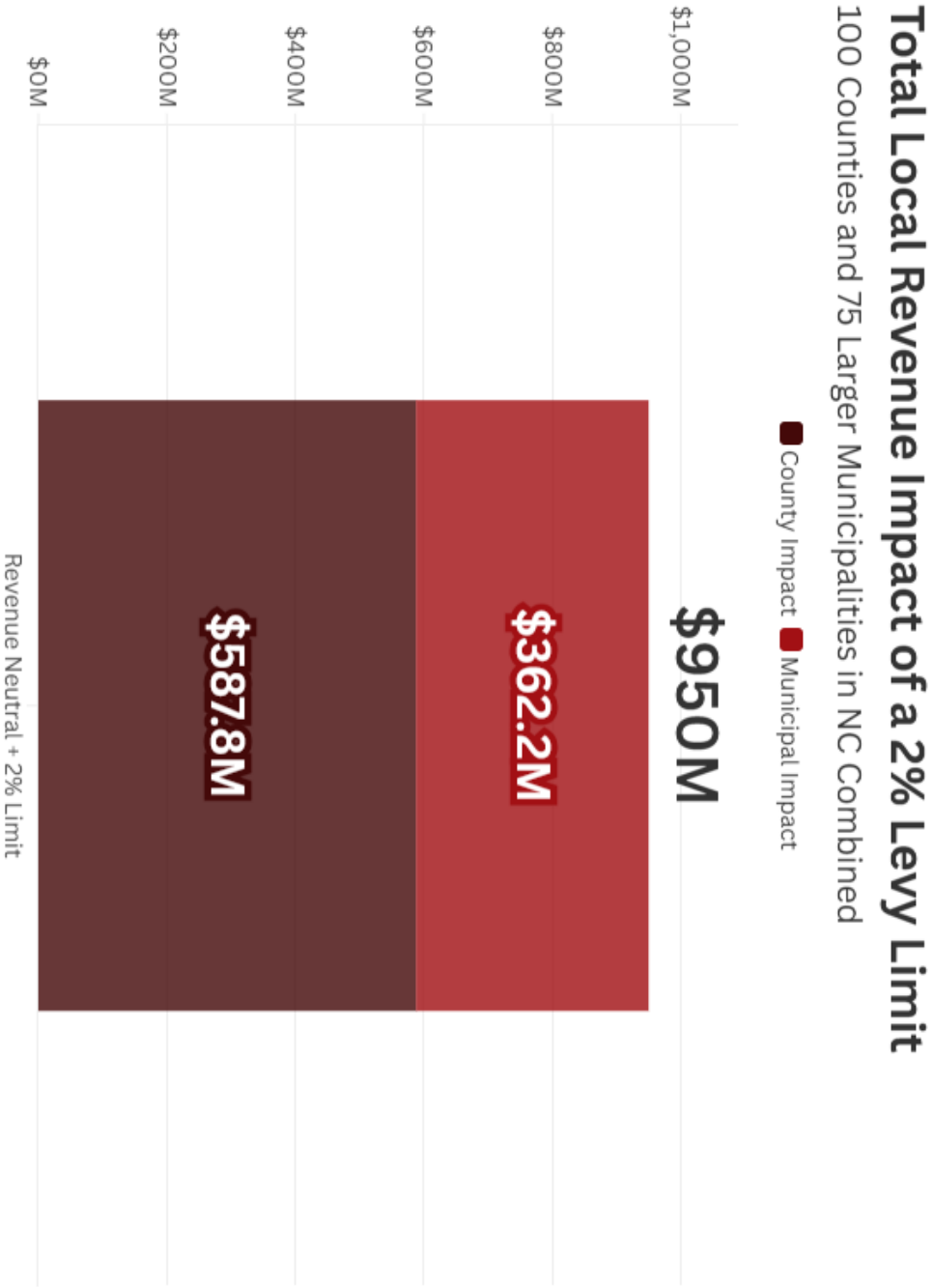
A Levy Limit Could Result in Significant Loss of Funding for Critical Services

TOTAL IMPACT



~\$1 BILLION

For North Carolina's 100 counties and 75 larger municipalities, a levy limit would have reduced local revenues for critical services by \$950 million.

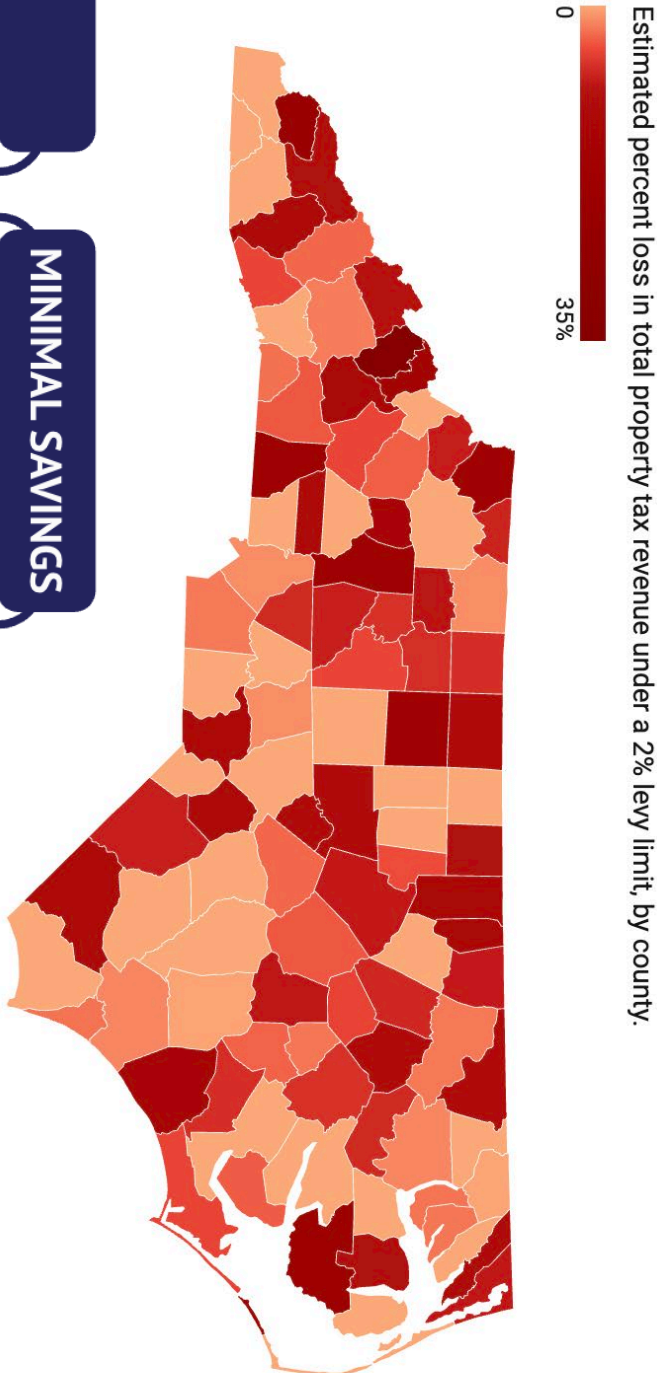


Note: Dollar amounts may not add exactly due to rounding. Figures represent estimated revenue impact. Analysis of impact had a 2% levy limit above growth been in place at each county's last revaluation.

Most NC Counties Stand to Lose Significant Funding Under a Levy Limit

Click the map to link to interactive statistics on all 100 counties.

If a 2% levy limit would have been in place during a county's last revaluation year, counties across the state would have experienced revenue losses.



SIGNIFICANT COUNTY LOSSES

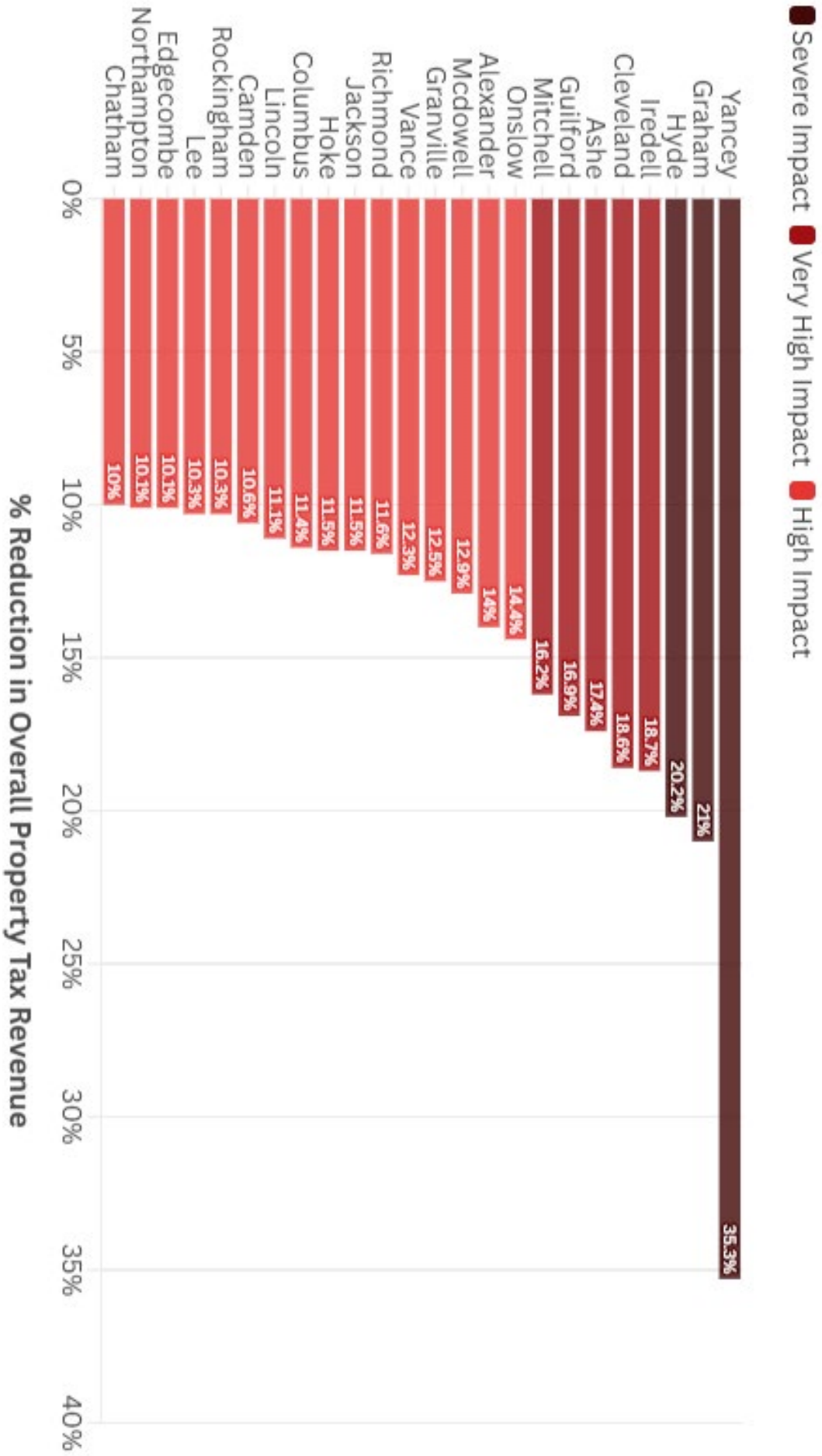


MINIMAL SAVINGS



Estimated revenue losses assume counties could only increase property tax revenue by up to 2% above revenue-neutral level and are based on each county's property tax revenue and rates from their latest revaluation year.

24 Counties Could See Double-Digit Property Tax Revenue Reductions

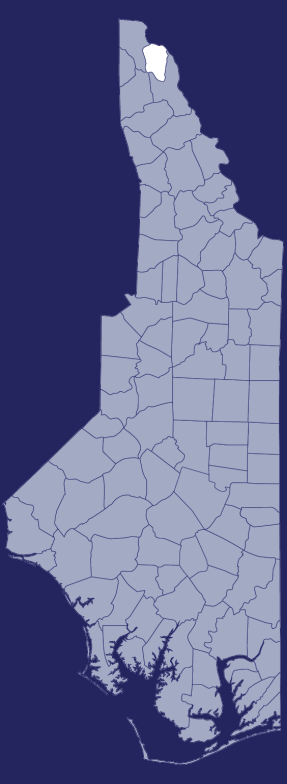


Trends among counties with the largest loss of local funding

- 24 NC Counties would have foregone more than 10% of their overall property tax revenue at the 2% levy limit.
- Notably, 14 of these 24 most impacted counties have lower than average property tax bills. Only five of these 24 counties are in the top 25% in NC for property tax bills.
- 8 of the 10 counties with the most significant reductions are Hurricane Helene-impacted counties.
- Several of the counties experiencing the most severe loss specifically mention raising funding for EMS services and equipment, increased costs of capital projects, health department costs, and school funding gaps.

TAKEAWAY

The counties that would see the biggest revenue reductions are not primarily the counties with the highest property tax bills.

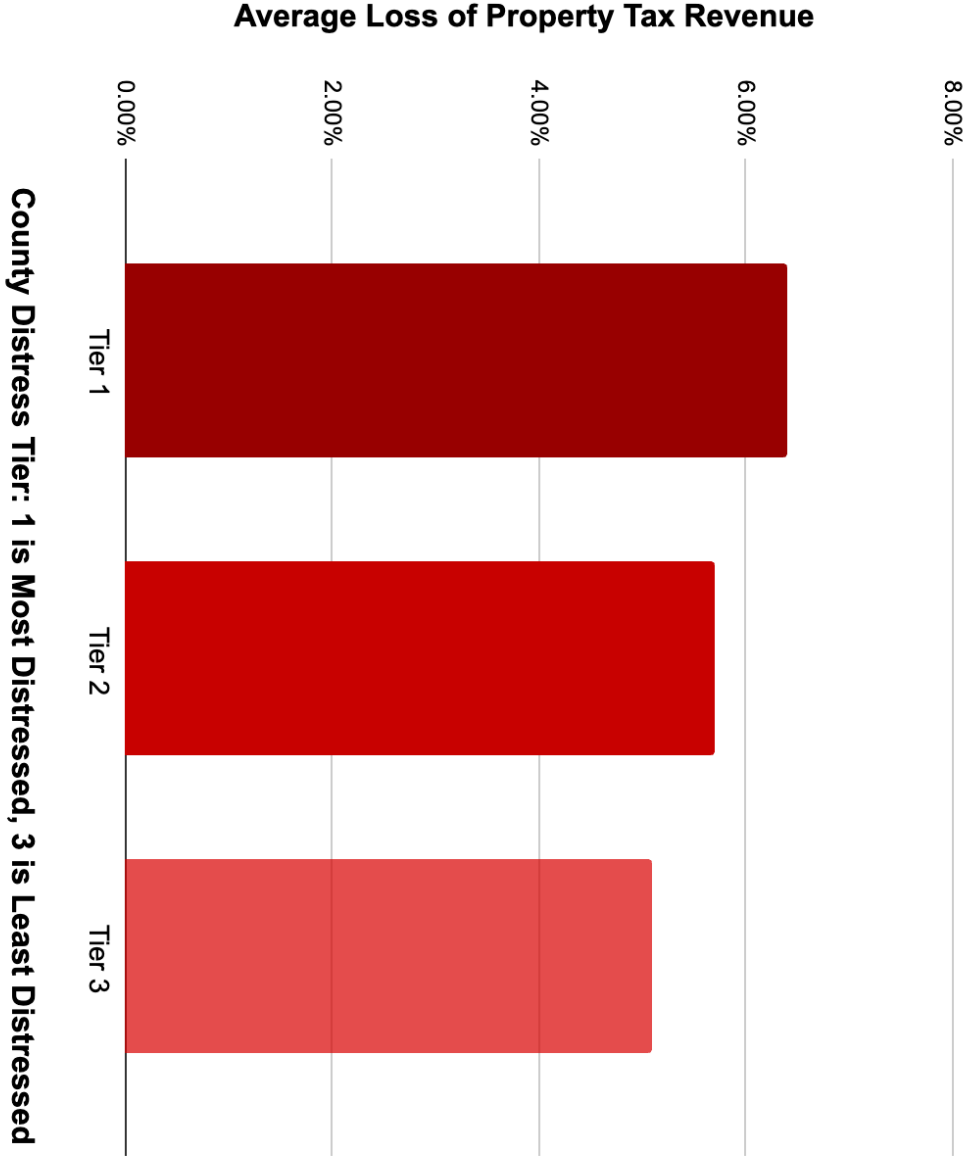


Spotlight: Graham County

Graham County would have **lost over 20% of its property tax revenue and nearly 10% of its overall budget** under the levy limit scenario presented to lawmakers by the Tax Foundation. But the median property tax bill in Graham County (with no levy limit) was less than \$1,000 a year, far less than the North Carolina average. In other words, counties with low property tax burdens could see the most significant losses for local funding.

The Most Economically Distressed Counties Stand to Lose the Most

Average Loss of Property Tax Revenue by County Distress Tier



Each year, NC Department of Commerce releases “County Distress Rankings” with a Tier designation for each of NC’s 100 counties based on “economic well-being.” Tier 1 Counties are the 40 counties considered “most distressed” and “least prosperous.”

Tier 1 Counties – those deemed most economically distressed by the state – **would have had their overall property tax revenue reduced the most**, followed by Tier 2 counties and finally, Tier 3.

TAKEAWAY

Takeaway: Counties that are already struggling economically would likely experience higher revenue losses from a levy limit than the higher-wealth counties, despite lower average property taxes.

Even Counties that Show No Loss Could be Negatively Impacted

If a levy limit had been in place during the last revaluation year, 27 counties would not experience revenue loss that budget year because they passed a revenue neutral tax rate or a rate slight above revenue neutral. Yet, many of these counties could still experience revenue loss:

- Several of these counties have raised their tax rates significantly since their last revaluation. If the county increased the tax rate in the years following the revaluation by a higher percentage than growth + 2%, these counties would have also lost revenue if a levy limit had been in place.
- Only 9 of these 27 counties have revalued in the last three years when federal and state cuts have risen, so this estimate is likely conservative.
- Municipalities *within* several of these counties raised their rates above revenue neutral and would experience revenue losses.

Examples

While Brunswick and Cumberland Counties show no revenue loss, Leland in Brunswick County would have lost more than 20% of its property tax revenue and Fayetteville in Cumberland County would have lost at least 12% of its property tax revenue, or over \$13 Million in local service funding.

Local governments are expected to fill federal and state funding gaps, resulting in higher taxes for residents

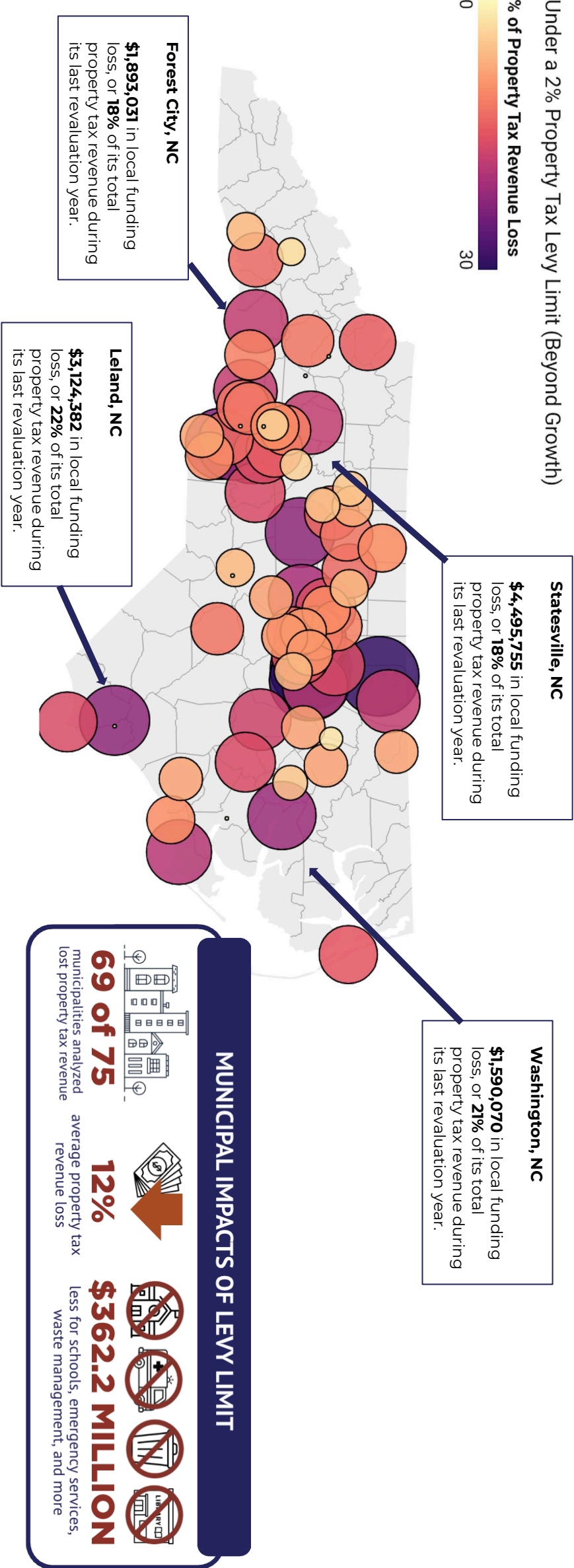
According to the Wake County Manager, \$600 million (35%) of Wake County's 2027 budget are costs that have shifted from the state to local government. If the state of North Carolina continued to provide previous funding levels to Wake County, the county could drop their property tax rate by 19 cents. Adequate state and Federal funding could lead to similar property tax decreases across the state. However, property taxes are currently one of the few tools that counties have to fill these funding shortfalls.

This reflects a growing trend across the state as counties struggle to fill funding gaps left by the elimination of state and federal funds. In fact, counties like Alamance, Caswell, and Sampson have had significant tax rate increases since their last revaluations due to these shifts in federal and state funding. If a levy limit had been in place, these counties may not have been able to cover the costs of federal and state funding gaps.

NC Municipalities Stand to Lose Substantial Local Funding

Under a 2% Property Tax Levy Limit (Beyond Growth)

% of Property Tax Revenue Loss

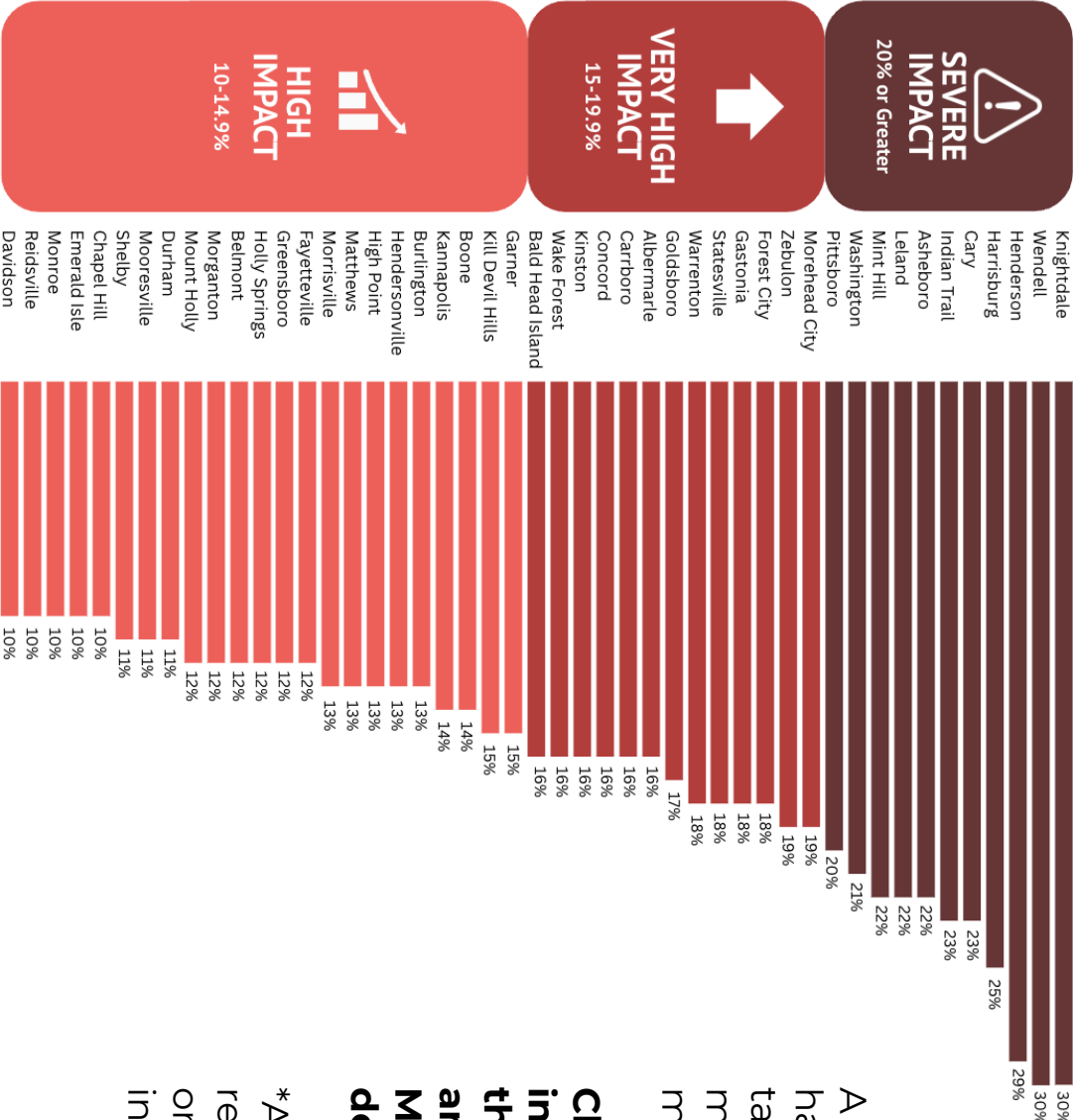


Click the map to link to interactive statistics (examples above) on the 75 municipalities analyzed.

This includes the 50 largest NC municipalities and municipalities that make up a significant portion of a county's assessed value. There are hundreds of additional smaller municipalities that would also be impacted.

Estimated revenue losses assume counties could only increase property tax revenue by up to 2% above the revenue-neutral level and are based on each county's property tax revenue from their latest revaluation.

Most Municipalities Would Face Double-Digit Property Tax Revenue Reductions with a Levy Limit



A 2% levy limit would have reduced property tax revenues by 10% or more in 47 of 75 municipalities analyzed.

Click the chart to link to interactive statistics on the the 75 Municipalities analyzed, including 47 Municipalities with double-digit loss.

*Any reduction in local revenue creates pressure on local services and infrastructure.

MUNICIPALITY IMPACTS

47

municipalities would experience a double-digit reduction in property tax revenue

26

municipalities would see reductions of 15% or greater

11

municipalities would see reductions of 15% or greater

Distribution of Tax Savings: Do Cost-Burdened Families Get Relief?

Homeowner Savings are Limited While Corporations Receive a Windfall

While Counties and Municipalities would have lost nearly \$1 Billion in support for local services, our analysis shows that the **average homeowner in North Carolina would have only saved \$84 per year**, or \$7 per month. In Tier 1 Counties, despite a higher degree of revenue loss, the average savings are even lower – just \$77 per year on average.

The real beneficiaries of a levy limit:

- The largest corporate owners in most NC Counties would save between \$50,000 and \$1.7 Million in property taxes.
- In specific counties analyzed, the largest corporate owners would save, on average, more than the combined savings of 3,500 households in their respective counties. The savings for the Apple Data Center in Maiden would have been more than for all homeowners in Maiden combined.
- Corporations with property spread across the state – like Duke Energy Progress – and out of state apartment owners – like Greystar and Bell Properties – stand to save millions each year in property taxes that would otherwise support local communities.

Examples

Lenoir County: The average homeowner save only \$34 (~\$3 per month) after last year's revaluation while the county would have lost over \$1.5 Million in funding.

Richmond County: The average homeowner would have saved slightly more - \$11 per month – but the County would have lost over \$4 million in local funding (12% of its total property tax revenue). Over \$630,000 of that loss of local funding would benefit just one owner: Duke Energy Progress.

WHO BENEFITS THE MOST?

CALDWELL COUNTY



\$42
in property
tax savings

VS.

Google
Data Center
\$146,000
in property
tax savings

JOHNSTON COUNTY



\$74
in property
tax savings

VS.

novorisk
Pharmaceuticals
\$368,000
in property
tax savings

RUTHERFORD COUNTY



\$54
in property
tax savings

VS.

Meta
Data Center
\$1,216,000
in property
tax savings



NORTH CAROLINA
HOMEOWNERS

SAVE

\$84

VS.

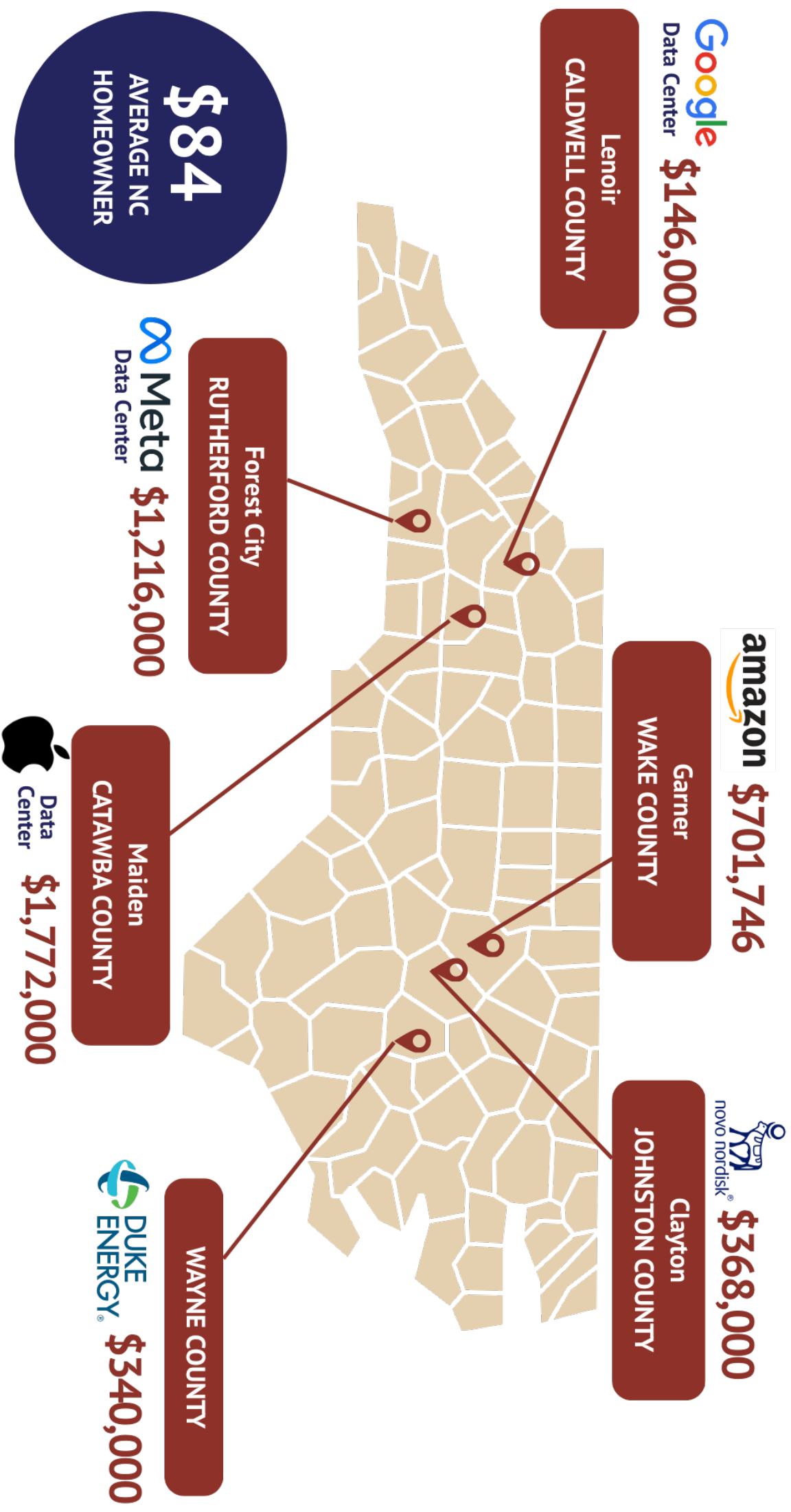
DUKE
ENERGY
Statewide

SAVES

\$10 MILLION

**Homeowner savings based on average residential property tax savings under a 2% levy limit.*

CORPORATIONS ARE THE PRIMARY BENEFECIARIES OF A LEVY LIMIT



Conclusions & Recommendations

The Levy Limit is a Bad Deal for North Carolinians

This retroactive analysis demonstrates that **a levy limit is unlikely to bring significant relief for individual homeowners**. Instead, a levy limit will provide millions in savings to NC's largest corporate property owners, while local governments could lose \$1 billion in critical funding. A levy limit would put at risk essential services like school, public safety, infrastructure, and health and human services that residents depend on.

There is a Better Solution

Rather than a levy limit, lawmakers should invest in real property tax relief for cost-burdened homeowners, especially those with low or fixed incomes.

The Homestead Exemption and NC Circuit Breaker already exist to **provide relief to homeowners most in need**, and simple eligibility updates and program improvements can expand these programs to reach tens of thousands of cost-burdened households without undermining local revenues. Lawmakers can also support tax assessors at the local level with state-funded technical assistance that would make property taxes more fair for everyone.

For more information, check out our guide to [Bringing Fair and Meaningful Property Tax Relief to North Carolinians](#).

PROFILE

For a grandmother on fixed income, a levy limit would not even provide enough savings for an extra meal each month. But it could reduce local funding enough to mean fewer teachers at her grandkids' schools, less programming at her local senior center, slower EMS response time, and fewer services at her local health department.

Methodology

Methodology

To estimate the impacts of a possible levy limit, we compared the property tax revenues of all 100 counties and 75 municipalities in their most recent revaluation years to their hypothetical property tax revenue if the levy limit example from the Tax Foundation had been in place: a levy limit that caps overall property tax levy increases to growth + 2%.

Utilization of Revenue Neutral Rates + 2% vs Adopted Rates

Counties and municipalities are required to publish the “revenue-neutral” tax rates in revaluation years. The revenue-neutral rates are based on projected property tax levies that include adjustments for growth. This analysis uses property tax revenues at a revenue neutral rate and adds 2% on top of that to establish the maximum property tax revenue that would have been allowed in revaluation years under a 2% levy limit. This analysis compares the revenues under this levy limit to the property tax revenues that resulted from the adopted tax rates in those same years.

Primary Analysis Using a 2% Levy Limit in Addition to Growth

The constitutional amendment does not include specifics of a levy limit, which makes impact analysis difficult. For this research, we use a 2% levy limit because it was presented by the Tax Foundation as one of their highlighted state levy limit policies and included in their hypothetical example to the House Select Committee on Property Tax Relief & Reform. 2% if also the Federal Reserve’s goal inflation rate. *There are several states with levy limits that allow local governments to increase more than 2% in their levy limits, but these states were not highlighted by the Tax Foundation or mentioned in the House Select Committee hearings.*

Focus on Revaluation Years

This analysis focuses on revaluation years, which include the most drastic shifts in property tax revenue and often set a baseline tax rate for the intervening years. Revaluation years have also been a primary focus of discussion in the legislature. There are limitations to this, discussed on the following page.

Sources: NCDOR Total Valuation Numbers (Forms LG-01 & LG-54) and Posted Revenue Neutral Rates

For consistency, we calculated differences in property tax levies based on the total taxable value by county and municipality in revaluation years reported to the NC Department of Revenue (NCDOR) instead of local budgeted numbers, since budgeted values are based in part on projections for appeals and collection rates that are often limited and calculated inconsistently. We also compared these results to calculations using budgeted numbers by several counties and found that the overall trends and percentages are the same despite slight variations in numbers. The revenue neutral rates were not publicly available for two of the 100 counties, but we were able to estimate the revenue neutral rate for those counties based on NCDOR data available following guidance provided by [NC School of Government’s bulletin](#).

Methodology: Limitations

Focus on Revaluation Years

This analysis focuses on revaluation years, which include the most drastic shifts in property tax revenue, often set a baseline tax rate for the intervening years, and have been the primary focus of discussion in the legislature. That said, most levy limits in other states provide an annual limit no matter whether a revaluation has occurred. Our analysis has several limits drawn from this difference:

- 1) While counties and municipalities are most likely to experience larger shifts in property tax revenue in revaluation years, this is not always the case. In our analysis, if a county chose a revenue neutral rate in the last revaluation year, their county would not show a loss or reduction in property tax revenue from a levy limit. However, if the county increased the tax rate in the years following the revaluation by a higher percentage than growth and inflation, as was the case in a dozen or so counties, they would have lost revenue if a levy limit had been in place. The opposite is also true. If a county shows a slight revenue loss (less than 3%) in the revaluation year but maintained the same tax rate over the following years, these counties may not have experienced annual loss of the full degree of their revaluation year.
- 2) Revaluations occur every 4-8 years in NC. In impacted counties, a levy limit in revaluation years would set a new baseline for non-revaluation years. Therefore, reductions in overall property tax revenues in a revaluation year would impact the budgets in each future year after the revaluation. The extent of this impact would depend on the specifics of a levy limit and whether counties could bank increases in a levy in years that they are below the levy limit threshold.

Retroactive Analysis Using an Example Limit

This is a hypothetical, retroactive analysis based on the example that led to this proposed amendment. This analysis could under- or over-estimate impact:

Underestimated Impact: Local governments are seeing an increase in expenses due to increased cost-sharing requirements from state and federal funding cuts and policy changes. As a result, a retroactive analysis may tend to be too conservative. In fact, even in this retroactive analysis, most counties that show no or limited impact of a levy limit are counties that have not done a revaluation in the last three years, the period in which cost-sharing expectations from state and federal governments have increased most.

Overestimated Impact: If a levy limit were set with a more lenient cap or multiple exceptions, like several other states have in place, the property tax revenue impact would be smaller by the degree of allowable increases and exceptions.

Methodology: Limitations (Continued)

Other Considerations:

Average homeowner impact limitations: The best data available for all 100 NC counties was median residential tax bill data from a Tax Foundation study in 2024. We used these numbers as the basis for calculating savings across the counties and to aggregate those numbers for state-wide impacts. About half of county revaluations occurred on each side of this, so the aggregate and average impact should be relatively accurate. We do not share individual county impacts in this report since those will tend to be less accurate than aggregated numbers.

Corporate Savings Calculations: Calculating the property tax savings of the state's largest corporate owners is especially difficult due to the lack of a comprehensive and consistent data set of county-specific tax values and exemptions. For purposes of this analysis, we focused primarily on large property owners within specific counties, where access to the exact property tax bills were accessible and calculations could be based on the county and municipal specific impacts of a levy limit. Any estimates included for state-wide corporations and out-of-state apartment owners are conservative due to the way many of these larger owners hold properties in separate LLC's or shell companies. NC DOR assesses the value of public utilities across the state, which makes calculating the savings of state-wide utility companies like Duke Energy more accurate.

Municipalities included: This study includes 75 municipalities, including the 50 largest municipalities by property value and municipalities that make up more than 10% of their county's property value. There are hundreds of smaller municipalities that could be impacted, so this study is by no means comprehensive of the municipal-level impact.

Special Note About How to Interpret Individual County & Municipal Impact:

The numbers included in this analysis show the impacts that a 2% levy limit would have had on local governments in the *year of their last revaluations prior to 2026*. These are not meant to be interpreted as the exact revenue impacts that specific counties and municipalities *will* experience with a future levy limit, but instead to show the *kind of impacts and patterns* a levy limit could have if counties and municipalities face similar budgetary challenges in future revaluation years.

For example, in this analysis, Yancey County would have lost over 30% of its property tax revenue in the budget year following their last revaluation (2024-2025). That year, Yancey County released a statement explaining the reasons for going above revenue neutral, including increased demands to its emergency services, health department, and trash services, rising school costs, and increased construction and deferred maintenance. Were a levy limit to pass next year, Yancey County would not lose existing revenue or somehow be slated to lose that same amount in the future. But if Yancey or another NC county were to face that same extent of funding gap in an upcoming year under a levy limit, they would be forced to forego that property tax revenue and likely lose those critical services.

In other words, this analysis is most useful in showing trends and cumulative impacts. Specific counties and cities are unlikely to experience the exact impacts that this analysis shows, but these kinds of impacts are likely for range of municipalities and counties across the state under a future levy limit.

"Lawmakers should focus property tax relief efforts on taxpayers most burdened by unaffordable housing costs, rather than a one-size-fits-all approach that disproportionately harms seniors and people with fixed incomes."

TO: Ron Smith, City Manager
FROM: Sherisha Hills, Richard Griggs, and Gina Lawrence
DATE: October 12, 2026
SUBJECT: **Memo #4 – SCVB/TDA Discussion**

The Statesville Convention and Visitors Bureau (SCVB) began collecting occupancy tax in the FY87. Statesville currently levies a 5% room occupancy tax which operates under a legacy formula. Under North Carolina's occupancy tax framework, Statesville could collect up to 6%, but this would need General Assembly authorization.

In 2023, Statesville analyzed a potential change to a 6% occupancy rate with two thirds directed to the SCVB and the remaining one third to tourism related expenditures. Based on this change, the Event Center would lose the occupancy tax and need to be funded (via General Fund). Without the occupancy tax, below is the difference that the Event Center would need to be funded over the past years:

Fiscal Year	Salary & Benefits	General Operating	Total Operating Cost	Event Center Revenue	Operating Gap	Revenue Cost Recovery
FY22	\$546,441	\$278,567	\$825,008	\$201,786	\$623,222	24.5%
FY23	\$615,923	\$330,245	\$946,169	\$308,290	\$637,879	32.6%
FY24	\$654,747	\$449,105	\$1,103,851	\$343,563	\$760,288	31.1%
FY25	\$627,336	\$482,777	\$1,110,113	\$393,283	\$716,830	35.4%
FY26	\$492,624	\$486,631	\$979,254	\$494,816	\$484,438	50.5%

In our September 3x3 meetings, the SCVB Board discussed their desire for Council to consider changing legislation from the current funding model. Below is what a 5% to 6% tax change would look like:

FY2025-2026 Adopted Occupancy Tax

Measure

Budgeted revenue at 5%	\$1,484,035
Estimated revenue at 6%	\$1,780,842
Additional revenue	\$296,807

FY2026-2027 Adopted Occupancy Tax

Measure

Budgeted revenue at 5%	\$1,380,000
Estimated revenue at 6%	\$1,656,000
Additional revenue	\$276,000

Under this new formula, the City would get one-third (\$552,000) of the estimated revenue (\$1,656,000). If the Event Center continues its upward revenue trend as it has over the past couple of years, and the occupancy tax brings in a minimum of \$1,500,000 (\$500,000 would be the City's one-third) therefore the operating gap for the Event Center would be closed.

Event Center - Revenue		
\$494,816 (FY26)	Revenue	Operating Gap
0% Increase	\$494,816.00	\$484,438.00
15% Increase	\$569,038.40	\$410,961.60
20% Increase	\$593,779.20	\$386,220.80
25% Increase	\$618,520.00	\$361,480.00

Occupancy Tax (6%)		
	CVB	COS
\$1,450,000.00	\$966,666.67	\$483,333.33
\$1,500,000.00	\$1,000,000.00	\$500,000.00
\$1,600,000.00	\$1,066,666.67	\$533,333.33
\$1,650,000.00	\$1,100,000.00	\$550,000.00

Event Center Funding Structure – Statutory Considerations and General Fund Support

Under North Carolina law, the City may support Event Center operations through General Fund revenues. However, any change in the funding structure must comply with the statutory

restrictions governing occupancy tax proceeds. These revenues cannot be redirected for unrestricted General Fund purposes, nor can the established statutory distribution formula be modified through a budget amendment.

Importantly, providing General Fund support does not necessarily require reclassifying the Event Center as a General Fund operation. The City may retain its existing fund structure while supplementing operations through General Fund transfers. Any proposed consolidation or reclassification would require further evaluation under **N.C.G.S. § 159-26**, the City's applicable occupancy tax legislation, outstanding debt obligations, and governmental accounting requirements.

Under the City's current occupancy tax legislation, the initial 3% must be deposited into a restricted special fund and may be used for Event Center construction, operations, maintenance, related debt service, or tourism promotion. Of the additional 2%, half must be remitted to the Statesville Tourism Development Authority.

Consequently, should the City transition to a General Fund-supported model, occupancy tax proceeds would continue to be maintained in restricted funds and could be transferred or appropriated to support eligible Event Center expenditures, consistent with statutory and accounting requirements. Such a transition would not eliminate or modify the restrictions governing the collection, allocation, or use of occupancy tax revenues.

The primary policy consideration is the level of financial responsibility the General Fund would assume. Specifically, the City would need to determine whether the General Fund would fully support Event Center operating expenditures or provide supplemental funding to address the difference between operating costs and revenues generated through facility fees and eligible occupancy tax proceeds.

Ultimately, this decision would require an assessment of the Event Center's long-term financial sustainability, the recurring impact on the General Fund, and Council's broader funding priorities before recommending any changes to the existing structure.

Event Center Funding Structure — Decision Matrix

Purpose: Evaluate alternative funding structures for the City of Statesville Event Center, considering financial sustainability, General Fund exposure, operational flexibility, and compliance with North Carolina occupancy tax restrictions.

Evaluation Criteria	Option 1: Current Structure	Option 2: General Fund Hybrid	Option 3: Full General Fund Support	Option 4: Increased Cost Recovery
Funding Structure	Restricted occupancy tax revenues and facility fees	General Fund support combined with eligible occupancy tax revenues and facility fees	General Fund covers all operations; restricted revenues support other authorized purposes	Existing structure with increased facility-generated revenues
Advantages	Maintains current accounting structure; preserves dedicated funding; minimizes General Fund exposure	Stabilizes operations; provides supplemental funding; reduces reliance on occupancy tax fluctuations	Provides predictable operating support; allows strategic use of restricted funds for eligible capital, debt, and tourism purposes	Improves self-sufficiency; reduces subsidy needs; aligns fees with service costs
Limitations	Dependent on occupancy tax collections and facility revenues; limited flexibility	Increased General Fund obligations; more complex funding allocations and reporting	Significant recurring General Fund commitment; potential impact on other City priorities	Higher rates may affect demand; revenue increases may not fully address operating deficits
General Fund Impact	Minimal or none	Moderate; based on operating shortfall	High; assumes full operating responsibility	Minimal to moderate; dependent on cost recovery
Operational Flexibility	Moderate	High	High	Moderate
Financial Sustainability	Dependent on restricted revenues and facility activity	Shared funding responsibility improves stability	Dependent on long-term General Fund capacity	Dependent on market demand and pricing strategy
Statutory Considerations	Maintain existing restrictions and authorized uses	Maintain restricted accounting and apply tax proceeds only to eligible costs	Restricted revenues remain dedicated to legally authorized purposes	Existing statutory restrictions remain unchanged
Implementation Complexity	Low	Moderate to high	High	Low to moderate
Best When	Existing revenues adequately support operations	Current revenues cover only a portion of operating costs ↓	Council prioritizes full tax-supported operations	Facility demand supports additional fee revenue

Request (Decision needed) –

1. Does Council wish to pursue legislation authorizing an increase in the occupancy tax rate from 5% to 6%?
2. If Council chooses to pursue legislation authorizing a 6% occupancy tax, the City should establish greater oversight of the use of these funds. What oversight structure would Council prefer to ensure sustainability, accountability and alignment with City priorities?
3. Does Council support transitioning the Event Center to a General Fund Department?

Attachments

1. **Occupancy Tax – Tourism and Recreation related capital projects**

Tourism-Related Capital Project Opportunities

Cost assumptions. Potential investment ranges are planning-level 2026 allowances. Component-level pricing is intentionally omitted so projects can remain flexible and individual components can be advanced over multiple funding cycles.

1. Athletic Facilities & Sports Tourism

A. Statesville Soccer Complex - Regional Tournament Improvements

Potential investment: \$4.0M-\$7.0M

Build on the existing soccer complex to increase all-weather capacity, extend tournament schedules, improve spectator experience, and strengthen the City's ability to recruit regional events.

Components
• Synthetic turf - championship field
• LED field lighting for additional fields
• Tournament scoreboards
• Permanent bleachers / spectator seating
• Championship-field enhancements - fencing, team areas, PA, etc.
• Restroom / concession facility expansion/renovation
• Parking / circulation improvements
• Complex gateway / branding / wayfinding

Planning note: Improvements can be advanced field-by-field, beginning with a championship field and infrastructure needed to increase tournament capacity.

B. McClure Park - Baseball / Softball Tournament Renovation

Potential investment: \$4.0M-\$6.0M

Reinvest in the existing three-field complex as a modern baseball/softball tournament venue while retaining strong local league and community use.

Components
• Synthetic turf - Field 1
• Synthetic turf - Field 2
• Synthetic turf - Field 3
• LED field lighting replacement
• Tournament scoreboards
• Central restroom / concession facility
• Bleachers / spectator seating
• Shade structures
• Dugout / backstop / fencing upgrades
• PA / tournament technology
• Parking / circulation / site improvements
• Tournament gateway / wayfinding

Planning note: Lighting, tournament amenities, and individual field renovations can be completed independently over multiple funding cycles.

C. Competition Aquatic Facility

Potential investment: \$15M-\$22M

Develop a competition-oriented aquatic facility capable of hosting high school, club, regional, and potentially collegiate-level meets while providing substantial year-round community aquatics.

Components
• 8-10 lane competition pool
• Pool building / enclosure / HVAC
• Locker rooms / restrooms
• Spectator seating
• Timing / scoring / scoreboard systems
• Meet operations / officials / team rooms
• Lobby / administration / support areas
• Parking / site / utilities
• Warm-water / instructional pool as a future phase

Planning note: A market and feasibility study should precede major design investment.

F. Beach Volleyball Tournament Complex

Potential investment: \$700K-\$1.2M

Create a compact regional tournament facility that also provides a distinctive local recreation option.

Components
• Competition courts
• Additional tournament courts
• Championship court / seating
• Lighting
• Shade / spectator amenities
• Restroom / event support

G. Caldwell Park Tennis / Pickleball Improvements

Potential investment: \$750K-\$1.25M

Upgrade Caldwell Park as a stronger community racquet-sports facility with the ability to support tournaments and regional play.

Components
• Pickleball court reconstruction
• LED court lighting improvements
• Spectator seating
• Shade structures
• Fencing / site improvements
• Tournament scoring / amenities
• Restroom renovation
• Restroom expansion to support concessions

G. Disc Golf Tournament Improvements

Potential investment: \$250K-\$450K

Enhance an existing low-cost recreation asset to better support regional tournaments and destination play.

Components
• Three additional courses
• Course land improvements
• Tournament signage / scoring
• Spectator / event areas

2. Trails, Greenways & Outdoor Recreation

A. Greenway Expansion

Potential investment: \$1M-\$2.5M per one-mile section

Continue building a connected greenway system that serves residents while creating opportunities for recreational tourism, races, cycling, and connections among downtown, parks, athletic facilities, and visitor destinations.

Components
• Approximately one mile of paved shared-use trail
• Bridges / stream crossings as required
• Road crossings / safety improvements
• Trailhead parking and access where appropriate
• Trailhead restroom where appropriate
• Maps / visitor information
• Signage / wayfinding
• Bike repair / water station
• Rest areas / site furnishings
• Landscaping / restoration
• Lighting in appropriate urban sections

B. Mountain Bike Trail System

Potential investment: \$400K-\$750K initial expansion; \$1.0M-\$1.75M for 8-12 mile destination system

Expand mountain biking into a regional outdoor recreation product capable of supporting everyday riding, clinics, races, and special events.

Components
• Additional trail construction
• Technical trail features
• Trail bridges / structures
• Trailhead / staging area
• Skills area
• Race start / finish infrastructure
• Signage / timing / event infrastructure

C. Paved Pump Track / Bike Skills Park

Potential investment: \$750K-\$1.2M

Create a multi-generational riding facility for bicycles, BMX, scooters, and skateboards with potential competition and event use.

Components
• Paved pump track
• Bike skills area
• Lighting
• Spectator / seating areas
• Event / timing infrastructure

3. Downtown Improvements

A. Downtown Outdoor Event / Festival Space

Potential investment: \$500K-\$2M

Build upon an existing or planned event lawn with permanent infrastructure that makes downtown festivals, concerts, markets, and visitor-generating events easier to produce.

Components
• Permanent performance stage / covered performance area
• Permanent sound / lighting infrastructure
• Event electrical / water connections
• Supporting hardscape
• Shade / seating
• Landscaping
• Storage / event-support infrastructure

Planning note: The investment assumes the event lawn itself is already available.

B. Downtown Public Restrooms

Potential investment: \$250K-\$400K

Provide permanent, high-quality public restrooms positioned to support festivals, events, downtown visitors, and everyday activity.

Components
• Restroom structure / renovation
• Utility connections
• ADA access improvements
• Security / access controls
• Signage / site improvements

C. Downtown Gateway Improvements

Potential investment: \$250K-\$500K per major gateway

Create identifiable arrival points at key approaches to Downtown Statesville.

Components
• Gateway monument / feature
• Lighting
• Landscaping
• Directional signage
• Associated site / streetscape improvements

4. Destination Recreation Attractions

A. Destination Miniature Golf

Potential investment: \$750K-\$1.1M

Create a high-quality 18-hole family attraction capable of generating local use, visitor activity, and operating revenue.

Components
• 18-hole course
• Clubhouse / ticketing
• Lighting
• Landscaping / theming
• Seating / shade

B. Destination Skate Park

Potential investment: \$750K-\$1.25M; approximately \$1.5M-\$2.0M combined with pump track

Develop a regional-scale action-sports facility rather than a small neighborhood skate park.

Components
• Initial skate features
• Future expansion
• Lighting
• Seating / shade
• Competition / event infrastructure

C. Destination Inclusive Playground

Potential investment: \$1.0M-\$1.5M

Develop a distinctive regional family destination with a particularly strong local community benefit.

Components
• Major inclusive play structures
• Safety surfacing
• Sensory / quiet play areas
• Shade
• Seating / site amenities
• Landscaping / fencing

D. Destination Splash Pad / Interactive Water Area

Potential investment: \$750K-\$1.25M

Create a large family-oriented water-play attraction that can function as a destination amenity during the summer season.

Components
• Water-play equipment / features
• Mechanical / treatment systems
• Surfacing / drainage
• Shade / seating
• Restrooms / changing facilities
• Site / landscaping improvements

E. Ground-Level Challenge Course

Potential investment: \$200K-\$400K

Create a flexible group-oriented challenge course focused on team building, youth programs, leadership development, and community use without elevated or climbing elements.

Components
• Ground-level team challenge elements
• Low ropes / balance elements
• Group problem-solving stations
• Gathering / instruction area
• Accessible paths and site improvements
• Storage / program-support infrastructure

F. Outdoor Climbing / Bouldering Park

Potential investment: \$500K-\$900K

Develop a distinctive outdoor climbing attraction that can support everyday recreation, clinics, and organized competitions.

Components
• Artificial boulders / climbing walls
• Safety surfacing
• Lighting
• Seating / shade
• Competition / event infrastructure

G. Dog Sports / Competition Facility

Potential investment: \$250K-\$450K

Combine everyday dog-park use with a modest purpose-built agility and competition area capable of supporting organized canine events.

Components
• Large / small dog areas
• Competition / agility field
• Competition equipment
• Selective lighting
• Spectator / shade areas
• Water / wash stations

5. Statesville Event Center & Meetings Tourism

A. Conference & Event Shuttle Fleet

Potential investment: \$150K-\$250K for initial two-vehicle fleet

Provide hotel-to-Event Center, downtown, conference, and special-event transportation to strengthen the overall visitor and meeting experience.

Components
• 15-passenger shuttle #1
• 15-passenger shuttle #2
• Vehicle branding / wraps
• Communications / dispatch equipment

B. Event Center Technology - Phase II

Potential investment: Up to \$250K

Build upon current AV modernization to expand meeting, conference, hybrid-event, and production capabilities without duplicating equipment already being installed.

Components
• Meeting-room technology
• Hybrid meeting / conferencing systems
• Digital meeting-room signage
• Production / event lighting
• Additional sound / production capability

C. Pre-Function / Lobby Renovation

Potential investment: \$200K-\$500K

Improve visitor arrival, registration, networking, and conference support spaces.

Components
• Interior finishes
• Registration / check-in areas
• Furniture / gathering areas
• Charging / technology infrastructure
• Digital information / signage
• Lighting / support improvements

D. Catering Kitchen Improvements

Potential investment: \$400K-\$700K

Increase capacity and efficiency for conferences, banquets, receptions, and catered events.

Components
• Commercial cooking / prep equipment
• Refrigeration / cold storage
• Prep / service areas
• Storage
• Utilities / ventilation / code improvements

E. Outdoor Event Terrace

Potential investment: \$500K-\$1M

Add flexible outdoor reception and conference-function space adjacent to the Event Center.

Components
• Hardscape / terrace construction
• Landscaping
• Lighting / power
• Shade / weather protection
• Furniture / event infrastructure

F. Conference / Banquet Furniture Replacement

Potential investment: \$150K-\$350K

Modernize movable furnishings and equipment used for conferences, banquets, meetings, and special events.

Components
• Tables
• Chairs
• Mobile staging / risers
• Podiums / registration furniture
• Storage / handling equipment

G. Exterior Digital Event Marquee

Potential investment: Up to \$75K

Improve event promotion, visitor information, and facility identification.

Components
• Digital display / sign structure
• Electrical / data infrastructure
• Minor site / landscaping improvements

H. Event Center Outdoor Amenities

Potential investment: \$300K-\$1.5M

Expand the Event Center grounds into a more useful visitor and community space that can support conferences, markets, family events, and downtown programming.

Components
• Destination / inclusive playground
• Permanent or semi-permanent farmers market booths
• Small vendor / artisan market structures
• Outdoor seating and gathering areas
• Shade structures
• Event lawn enhancements
• Electrical service for markets and outdoor events
• Site lighting
• Landscaping
• Pedestrian connections between outdoor amenities and the Event Center

6. Larger Signature Projects / Multi-Year Initiatives

These initiatives combine component projects above into larger long-term tourism assets. Each can be advanced incrementally rather than requiring a single funding commitment.

Signature Initiative	Overall Planning Range
Competition Aquatic Center	\$15M-\$22M
Soccer Complex Regional Tournament Transformation	\$4M-\$7M
McClure Park Baseball / Softball Tournament Renovation	\$4M-\$6M
Regional Pickleball / Racquet Complex	\$3M-\$6M
Downtown Event / Festival Infrastructure	\$500K-\$1.5M
Outdoor Adventure Hub - MTB + Pump Track + Skills + Disc Golf	\$2.5M-\$4M
Skate / Pump / Action Sports Complex	\$1.5M-\$2M
Destination Family Recreation Area - Mini Golf + Inclusive Playground + Water Play	\$3M-\$5M

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TO: Ron Smith, City Manager
 FROM: Glenn Kurfees, Fire Chief
 DATE: October 12, 2026
 SUBJECT: **Memo #5 – Countywide Coverage Discussion**

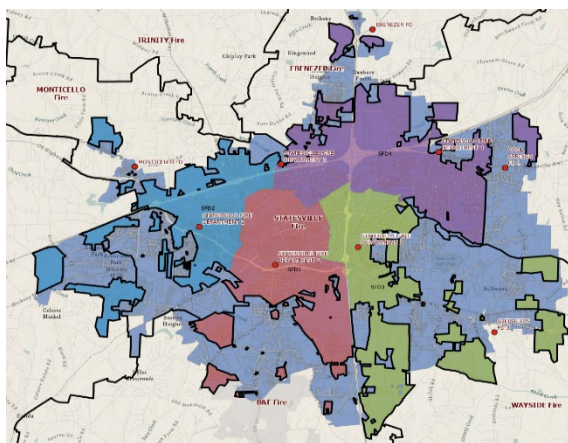
The county is currently restructuring its boundaries, contracts, and funding, and Statesville could play a significant role in this process. Recently, the county contracted with the same third-party firm we used for our station study to conduct a county-wide fire study.

One key recommendation (Recommendation #9) suggests that Iredell County begin discussions with the City of Statesville and Shepherds to develop a transition plan for the city to service additional unincorporated areas. This includes the Shepherds area, as well as discussions regarding Ebenezer and Cool Springs Station 1.

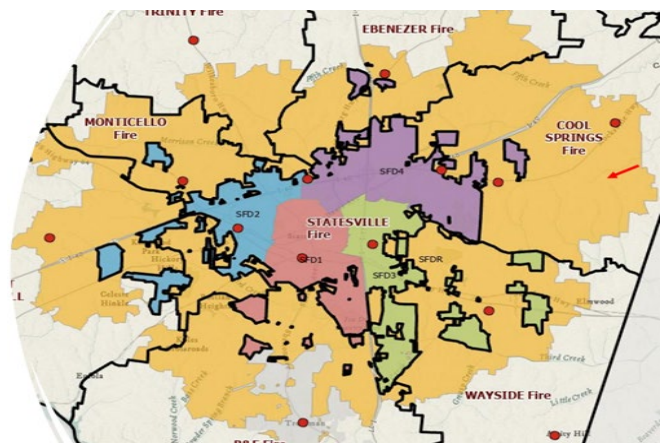
I attended a county retreat on September 15th where two options were presented for Statesville and Mooresville to contract:

- **Option A – Rural Coverage:** Extend municipal coverage to satellite annexations and anticipated future growth areas to limit routine travel across response areas.
- **Option B – Max Rural Coverage:** Extend municipal coverage deeper into rural areas to provide fire protection through a career department.

The county has decided to proceed with **Option A**. The maps of these options are provided below.



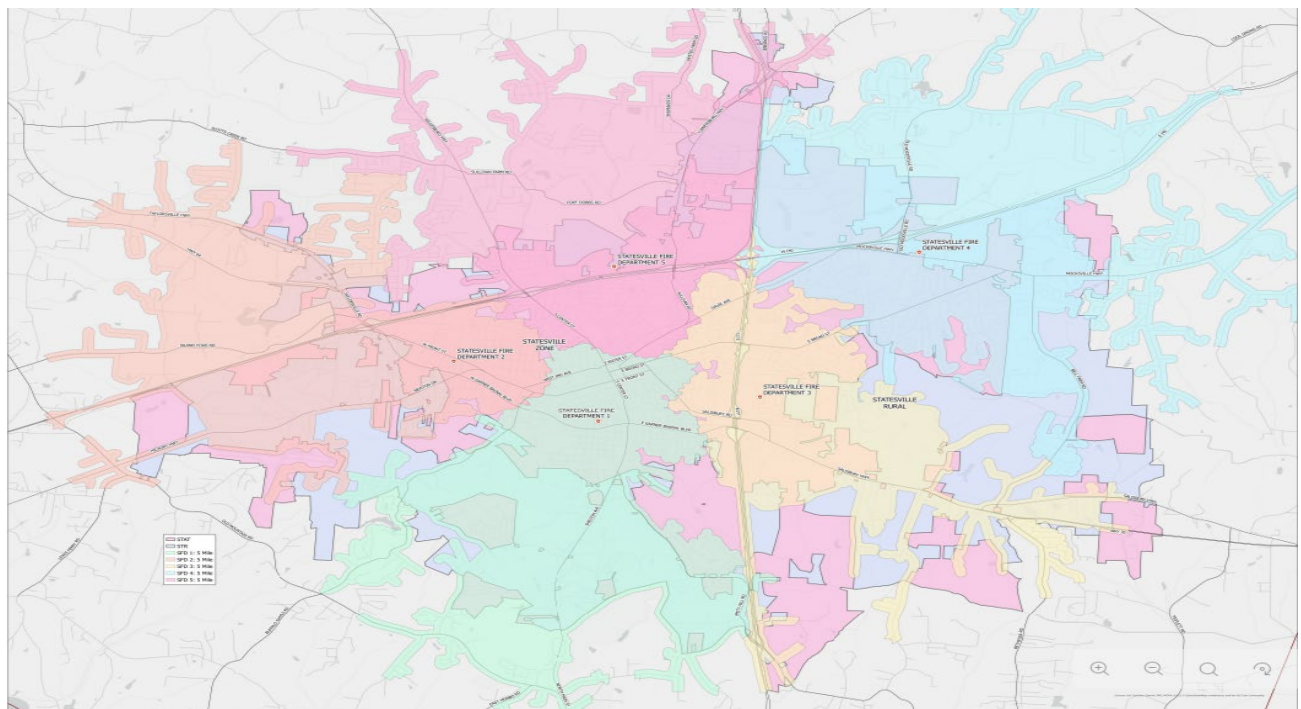
Option A



Option B

This expansion would add approximately 25.16 square miles to our current 30.87-square-mile district. Last year, this additional area generated roughly 1,200 calls. A key distinction is density: our current municipal area has about 17,500 address points, whereas this rural area has only 4,400.

The following map shows a five-mile coverage radius. Because rural coverage is measured in miles rather than minutes, we handle this designation differently than in our municipal areas, and it carries no risk to our existing ISO rating. Operationally, the lack of hydrants in these areas makes water supply our most significant challenge.



The consultant's funding formula is included below. Based on our current figures, this would provide approximately \$3 million in funding. However, the increased coverage will require additional personnel, equipment, and facility space.

of Station 2 and/or 3, or acquiring a building within the service area. We will dive deeper into placement once the partnership is agreed upon, keeping in mind that our latest station study still confirms that Stations 2 and 3 need to be relocated.

Initial personnel costs will be around \$3 million, including salaries, benefits, equipment, and promotions. Beyond personnel costs, there will be costs for the apparatus to run this program, along with equipment and housing/station needs to place the apparatus and personnel I previously discussed. This should be viewed as a strategic partnership with the county, as it will provide 24/7 guaranteed response to rural residents; adding additional units will also improve coverage for city residents. These rural areas are potentially areas that will be in the city or surrounded by the city one day, and they will all receive the same service delivery. We are already responding in these areas to assist the county; this has nothing to do with volunteer or municipal departments. It's all about consistent service levels, since municipal departments are staffed with multiple companies 24/7, while volunteer staffing depends on funding and availability.

These response units are versatile, multi-role units designed to optimize our department's efficiency and resource management. Their primary functions include:

- **Medical Calls:** Handling medical calls in certain zones to keep Engines and Ladders available as much as possible. They will still run medical calls, as some days we have 3-5 units tied up on them.
- **Structure Fires:** On structure fires within the city, these units provide critical additional personnel to support fire suppression and search operations.
- **County Response:** Replacing an engine on rural calls to keep other apparatus available.
- **Specialized Response:** Assisting with MVAs and rescue calls.
- **Community Risk Reduction & Public Relations:** Beyond emergency response, these response units could handle non-emergent service calls, such as smoke detector installations and some public outreach events

Chief Bell has a detailed presentation outlining the city squad program and all related costs. We believe the city alone currently justifies implementing one squad program to support staffing and serve several vital roles, regardless of whether the program expands to include county coverage.

Summary and Takeaways - County Rural Coverage Proposal

The county proposes moving forward with Option A – Rural Coverage, which would significantly expand the city's fire response district to include satellite annexations and anticipated growth areas. This expansion adds approximately 25.16 square miles and 4,400 address points to our current jurisdiction. To meet this demand, the Fire Department has identified specific staffing and equipment requirements that a consultant-recommended funding formula would help support, estimated at approximately \$3 million. The success of this expansion relies on the

additional response units, which the county's proposed funding model is designed to help support.

Key Takeaways for Council

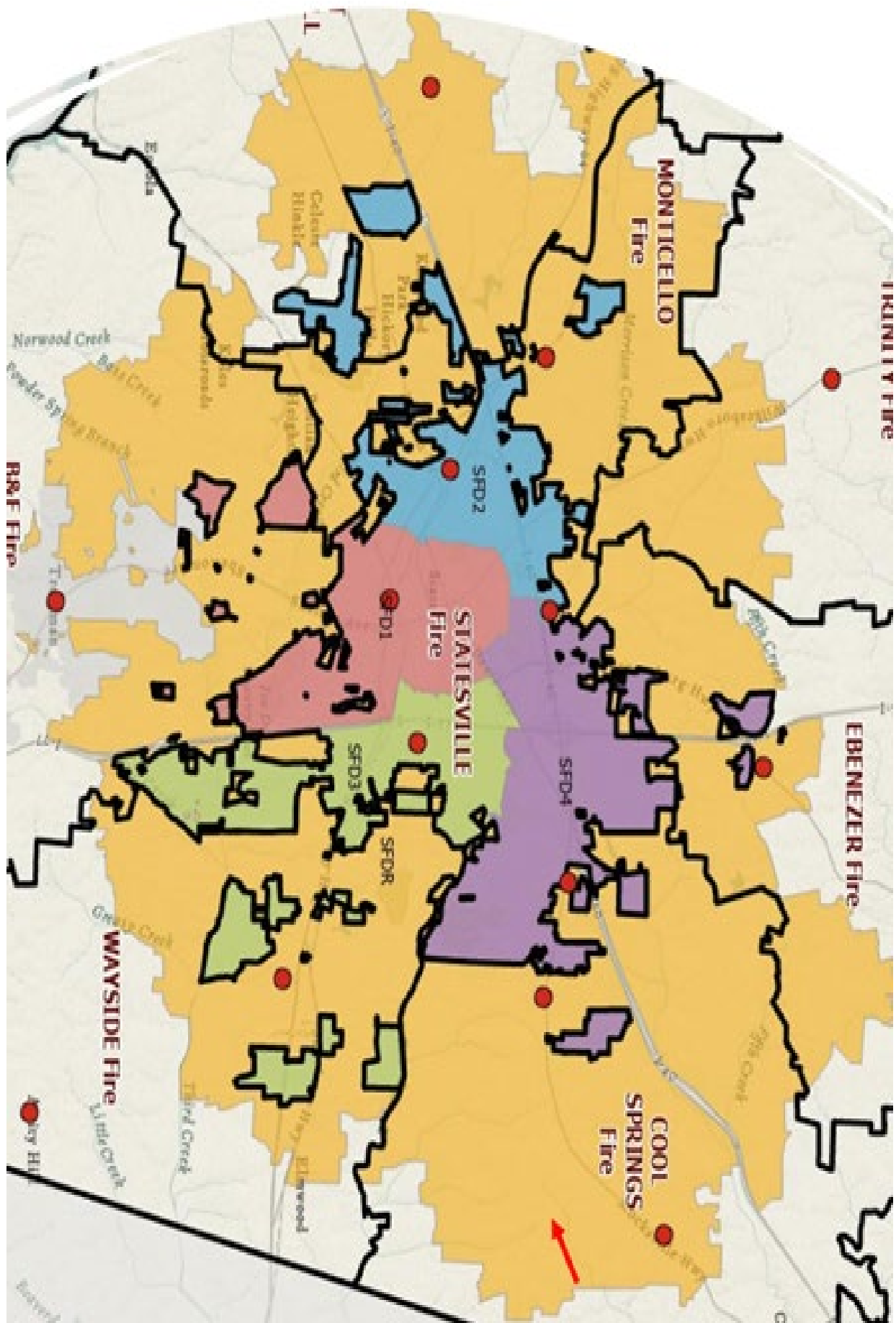
- **Expanded Jurisdiction:** The proposal nearly doubles our current district size, requiring a strategic shift in how we manage rural response and water supply.
- **Funding Formula:** The plan is supported by a specific funding formula that provides an estimated \$3 million to help cover the expansion's operational and capital costs.
- **Response Units Integration:** If the county and city move forward, the department will deploy two response units (East and West sides). These units are essential for maintaining city coverage while responding to rural calls.
- **Resource Requirements:**
 - **Personnel:** 27 new positions to staff the response units and establish a necessary second Battalion Chief for command and control.
 - **Apparatus:** Add two response units and possibly two tankers to ensure adequate water supply in rural areas without hydrants.
 - **Facility Space:** Potential solutions include using vacated County facilities, accelerating the relocation of Station 2 and/or 3, or acquiring a building within the service area.
- **Operational Efficiency:** The response units will handle medical and specialized calls, ensuring that engines and ladders are more available for structure fires and other emergencies.
- **Current City Need:** While the full program is tied to county funding, the department's assessment shows that current city staffing levels already justify implementing at least one squad unit to maintain our service standards.

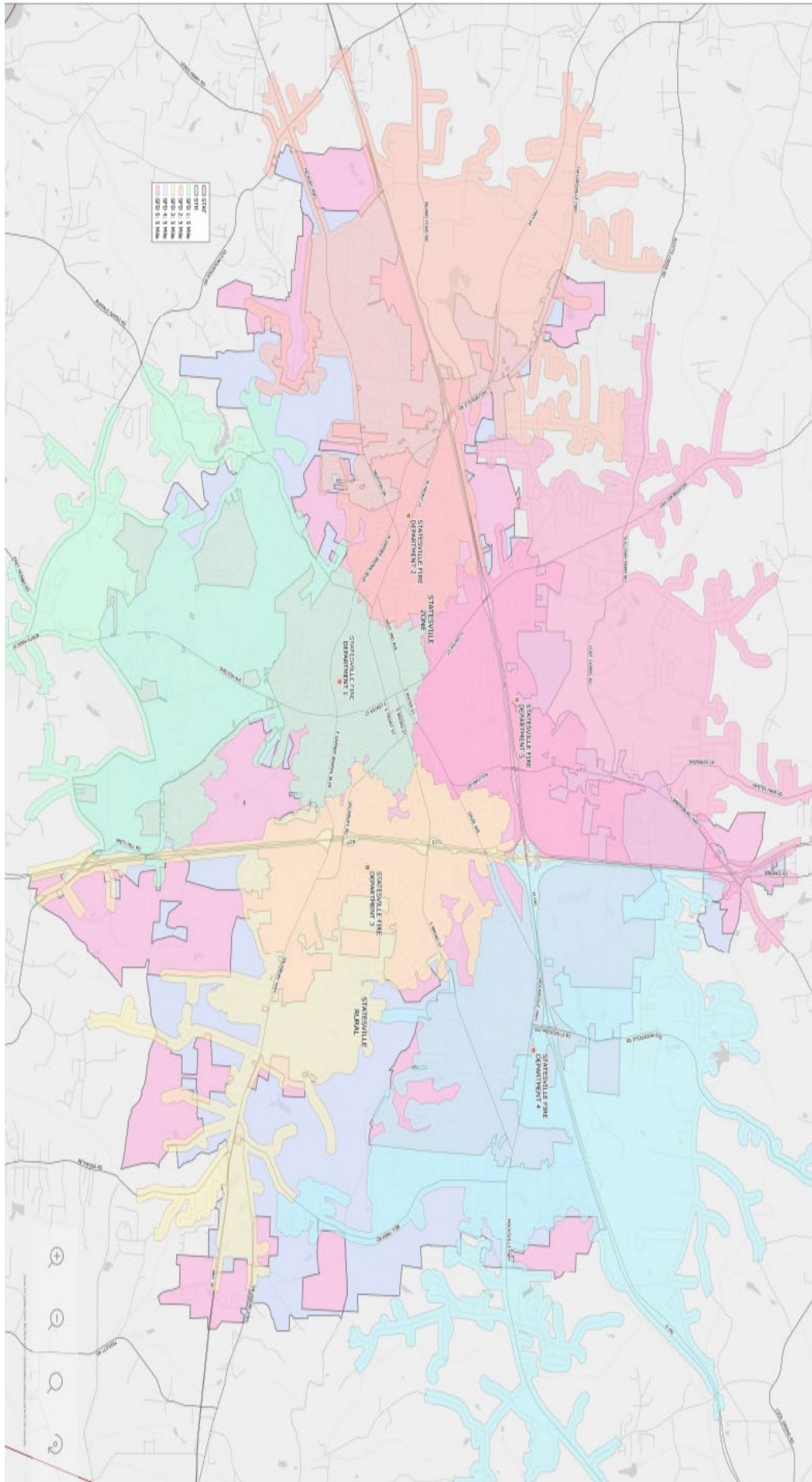
Request (Decision needed) –

1. Does the Council want to move forward with this discussion with the Iredell County?

Attachments

1. **Maps**





TO: Ron Smith, City Manager
FROM: John Hatcher Grants Manager
DATE: October 12, 2026
SUBJECT: ***Memo #6 – Build Grant Discussion***

The city has applied for the Department of Transportation BUILD grant in 2024, 2025, and 2026. This is a streets and sidewalk competitive grant that funds small to large transportation projects. Statesville’s Shelton Avenue Connector application includes sidewalk and utility improvements, lighting, multiple crosswalks, traffic calming measures, and modern landscaping from S Sharpe Street south to Boyd street. The 1.5-mile project’s goal is connecting the neighborhoods south of downtown to city services and recreation, improving safety along the pathway, added access to public transit, and spurring economic investment along the project pathway. The past 2 applications were rated *Project of Merit* by the DOT, the highest rating and places projects with that designation in the top applications from which the Secretary of Transportation selects projects for awards.

This grant is highly competitive with just over 100 awards each year from over 1,000 applications, they can be a long-term strategy sometimes requiring 5-7 applications before receiving an award. This project has the support of the NCDOT, State & Federal elected officials, and local community partners. All three applications have utilized an expert in this type of grant program at an approximate cost of \$25,000. Additionally, city representatives have traveled to Washington DC each year to advocate with elected officials and DOT representatives on behalf of the project. A 2027 application would be budgeted at \$19,859,275

Source 2026	Amount	Percentage	2027	Percentage
Statesville	\$1,470,360	8%	\$1,935,585	8%
BUILD	\$16,909,142	92%	\$17,923,690	92%
Total	\$18,379,502	100%	\$19,859,275	100%

The DOT debrief for the 2026 application highlighted overall grant application strengths, weaknesses, and overall competitiveness:

- A. **1,400** initial nationwide applications, 1st Tier review narrows down applications to **345**, 2nd Tier narrows down applications to **195** for submission to the DOT Secretary, **107** final total awards. Statesville was one of the **195** finalists.
- B. Consideration other than applicant scores included: Even distribution of funds throughout all states, 50% Metropolitan and 50% Rural awards, communities that have not ever received an award and areas of persistent poverty receive extra points.
- C. The merit score includes 8 categories – in 7 out of 8 the COS application received the highest score. The one category which scored “medium” was for Innovation. Suggestions to improve on this rating were:
 - Incorporate new technology, innovative financing strategies, public communication strategies, incorporate ways to increase the speed of the project life cycle, and incorporate community partnerships into the application.
- D. Benefit Cost Analysis (BCA) – The BCA is the financial scorecard estimating the 15-year average dollar return for investment dollars spent. Areas noted for improvement:
 - Primary safety data was primarily vehicular not pedestrian; this was a pedestrian project.
 - Calculation of induced users – how many trips would increase with this project’s installation. IE: how many additional users would be prompted to use the project installation. Questioned the debriefers on how to quantify this and they gave suggestions.
 - No Growth rate – we used the implied growth rate, utilize new surrounding commercial and residential growth to show trends up for use of the corridor.
 - Show estimated increase in Bike usage along the corridor.
 - Include signalization of traffic time savings
 - Curb Cuts – document how the reduction in curb cuts would impact the percentage of accidents.

The applications change slightly each year and focus on changing priorities of the administration and elected representatives.

Summary and Takeaways:

1. Statesville has applied three times to date, but those close to the project say that this is not uncommon
2. The risk to reward is favorable to Statesville, although we are now beginning to plan for projects as if we are not going to receive a BUILD Grant
3. We have all the ammunition we need to apply again with a strong application

Request

1. Does the Council want to pursue the 2027 BUILD grant?

Attachments

- 1. Build Grant Summary with map**
- 2. Brownfields Discussion Points**

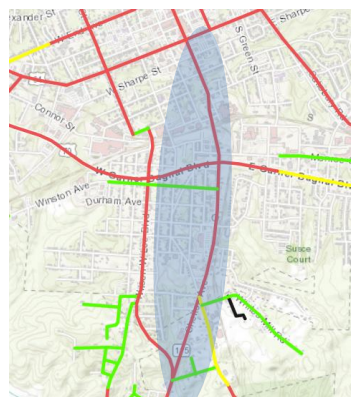
SHELTON AVENUE NEIGHBORHOOD CONNECTOR

an extension of a 2012 \$10 million Complete Streets project funded by Statesville

Statesville NC 2026 BUILD Project Summary



Center Street Downtown Streetscape Project Results



NC DOT Planning Safety Section Map 2025. On the Project Corridor, Between 1/1/2020 and 12/30/2024, 161 Crashes Occurred - Red Lines Indicate Alarm



Family Enjoying Their New Bike Purchase From A Locally Owned Business Downtown



Seven Schools Exist Within 0.5 Miles of the Project Corridor. This Picture is Within A Half Block of the Project

STATESVILLE'S BUILD PROJECT HIGHLIGHTS

- The U.S. Department of Transportation's BUILD program offers discretionary grants for surface transportation projects with significant local or regional impact. The program prioritizes Safety, Environmental Sustainability, Quality of Life, Mobility & Community Connectivity, Economic Competitiveness & Opportunity, and Partnership & Collaboration.
- Statesville seeks \$16.9M in BUILD funding for the Shelton Avenue Neighborhood Connector Project, estimated to cost \$18,379,502. The Project will create a safe, accessible multi-modal corridor linking families within a disadvantaged neighborhood to opportunities.
- The Project will transform a critical 1.5-mile artery in Statesville. It extends a city-funded 2012 streetscape to improve safety, access, and economic opportunity for a community designated as an Area of Persistent Poverty. The improved corridor will connect families to jobs, services, and key amenities. This connection fosters greater financial independence and a higher quality of life. The four-lane roadway currently lacks crosswalks, lighting, sidewalks, and traffic calming measures. As a result, severe and fatal injuries are frequent. This project is broadly supported and has been a cornerstone of city plans since 2007.
- Although **Statesville's 2025 Round 2 application received the highest rating, an Award of Merit**, it was not funded due to the program's competitiveness and lack of available funding.
- **To strengthen its position for 2026, Statesville is providing an 8% cost match of nearly \$1.5M**—even though this is not required for applicants designated RURAL and within an Area of Persistent Poverty, as is the case for this Project.
- This application marks Statesville's **third attempt at securing a BUILD grant for this project**. *The City has not received USDOT TIGER/RAISE/BUILD funding in the past.*
- Furthermore, the Project builds on recent and upcoming efforts. These include improvements by the Statesville Housing Authority, downtown investments, and Iredell County Area Transit System services. All aim to diversify and enhance economic well-being.
- In addition, Statesville leverages local assets through strategic plans such as the Mobility & Development Plan (2019), Land Development Plan 2045, 2020 Housing Conditions Study, and the CBD & NC 115 Corridor and Downtown Streetscape Plans (2007/2024).
- The project will make it safer and easier for vehicles, bicycles, and pedestrians to reach ICATS public transit. This will benefit Statesville, Iredell County, and four nearby rural cities and towns that rely on Statesville's economy.
- Safety is a focus of this project, especially given the high rate (161) of vehicle accidents in the Project area from 2020 to 2024 and non-motorist accidents (10). Based on USDOT-supported values, the costs of these accidents, by severity, exceed \$45 million.
- Beyond safety improvements, the Project will also generate a significant economic impact. Based on NC-based economic formulas, it will **generate \$12.2M for the local/regional economy through household incomes**. According to the [Council of Economic Advisors](#), the investment **would support 220 jobs for one year**.
- Statesville's poverty rate is 18.5%, almost double Iredell County's 9.5% and well above the state's 10.6%. The Shelton Avenue Project seeks to transform this **Area of Persistent Poverty and designated Opportunity Zone**. The neighborhood has vacant buildings, few vehicles, limited access to jobs and services, and long-term disinvestment. Statesville is focused on changing these conditions.

SHELTON AVENUE NEIGHBORHOOD CONNECTOR

an extension of a 2012 \$10 million streetscape project completed 100% with Statesville funding

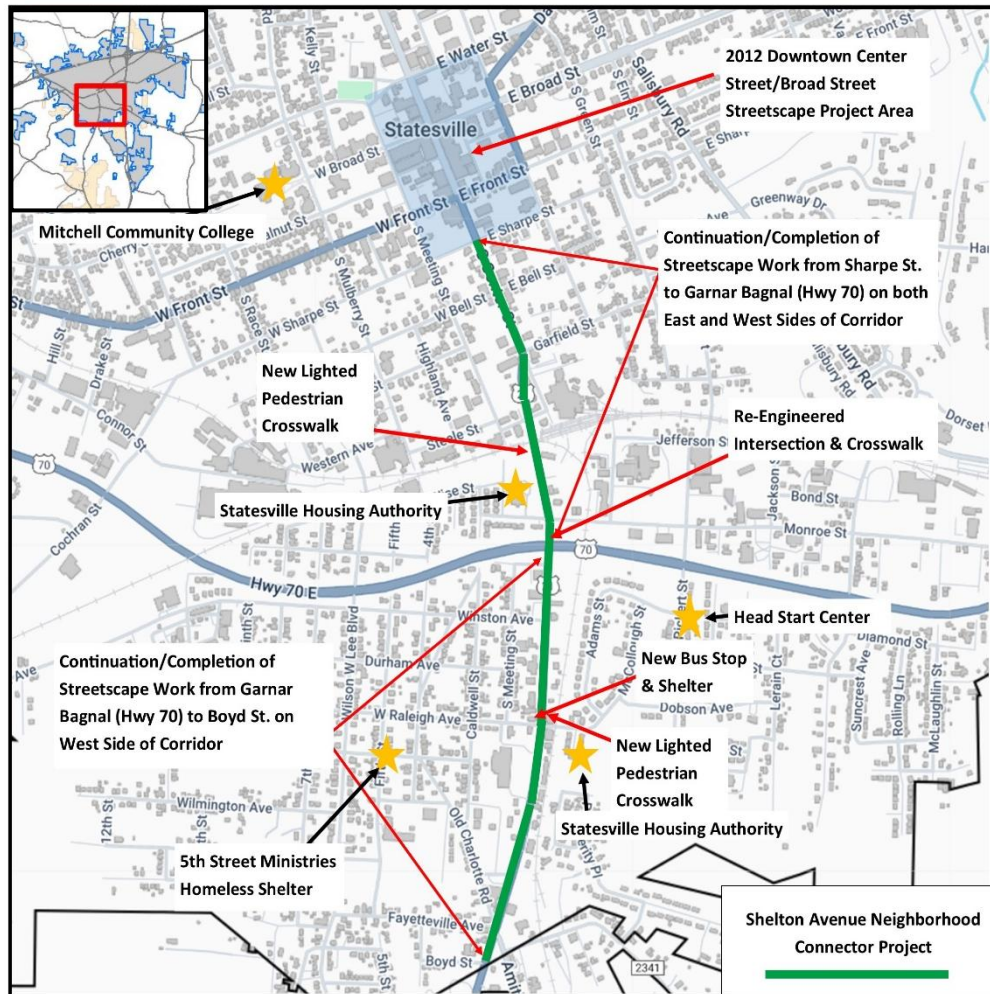
Statesville NC 2026 BUILD Project Summary

PROJECT SUMMARY

The Shelton Avenue Connector Project traverses through an Opportunity Zone and two census tracts, both designated as Areas of Persistent Poverty, and extends into healthier, more prosperous, and developed sectors of the city, especially the northern downtown area, where city investments have been transformational. The stark difference between downtown and the Project area is marked by an operational freight rail line. The Project area is deterring potential growth of this revitalized downtown and preventing Project area citizens from achieving self-sufficiency.

A primary objective of this Project is to significantly improve transportation safety and accessibility along a high-risk street corridor by creating safe spaces that promote affordable modes of travel. The Benefit-Cost Analysis for Safety underscores the project's positive impact, as analysis of planned crash-modification measures alone yielded a benefit-cost ratio of 1:3.2.

The project area offers many opportunities for reinvestment, given the conditions or vacancies of nearby land or buildings. Affordable and available housing is a real need in Statesville. A recent report by the Housing Authority indicates that 7,000 people are waiting for affordable housing in Statesville. This area could be part of the solution, especially given its proximity to downtown.



PROJECT SCOPE

The project will include the following:

- The continuation and completion of streetscape work on Shelton Avenue's east and west sides from Sharpe Street southward to Garner Bagnal Street (Hwy 70). This work will include traffic-calming design measures, wider, improved sidewalks, improved lighting, designated pedestrian crosswalks, street furnishings, shade trees, and underground infrastructure improvements, including water, sewer, and electrical. This will all be conducted within the current NCDOT rights-of-way with easements.
- The continuation and completion of streetscape work on the western side of Shelton Avenue from Garner Bagnal (Hwy 70) to Boyd Street. This work will include traffic-calming design measures, the creation of a 5' sidewalk on the western side, improved lighting, a new bus stop and shelter, designated pedestrian crosswalks, street furnishings, shade trees, and underground infrastructure improvements, including water, sewer, and electrical. This will all be conducted within the current NCDOT rights-of-way with easements.
- Overall, it will result in the installation of 101 new trees and Indigenous landscaping to lessen the heat island effect on pedestrians and bicyclers, improve stormwater runoff, reduce curb cuts by nearly 24%, address significant safety issues for vehicles, pedestrians, and bicyclists, and improve the mobile experience, thus increasing use.
- Given the 161 vehicular crashes that have occurred from 1/1/2020 to 12/30/2024, of which 118 occurred at the 8 intersections along this corridor, safety is a primary priority.

Brownfields Grant

NOFO is estimated to be out by the end of October 2026, 60-day open application period.

I. Assessment Grant

- I. This is the type of grant Matthew has managed in the past 4 years which is complete and being closed out.
- II. Maximum \$500,000 with no match
- III. Key component is a written agreement of understanding with the current owner as well as full access from the current owners. To meet the grant criteria if property ownership is in an issue, the property can be transferred to a DCDS, IEDC, SHA, or Electricities (substations).
- IV. Stantec recommends 1 project with an agreement in place and another qualified project to potentially work on.
- V. Potential Sites for a new Assessment application:
 - a) Property behind the Vance Hotel *some historic property work is eligible for grant funding; I believe they are going through that process.
 - b) Lewis Taxi site
 - c) Train Depot and surrounding property
 - d) City owned electric sub-stations
- VI. The assessment grant allows for up to 5% of salary/fringe for city staff work on the project - \$500,000 would allow \$25,000 reimbursement for city staff work on the Brownfields projects.

II. Clean Up Grant

- VII. This is the actual clean-up of qualified properties.
- VIII. Maximum \$500,000 with 20% match
- IX. The city must own the property for it to be cleaned up; it cannot be transferred to the city – cleaned up – then transferred back. Additionally, the city cannot clean a site it contaminated IE: the city owns a landfill, it gets contaminated, we apply for funds to clean it up, not allowed. The city substation sites may or may not need the clean up once assessed - if they did, we could potentially transfer ownership to Electricities, assess, remediate, then leave ownership with them.

III. Funding

If an assessment grant is applied for without a Comprehensive Services Plan in place with Stantec, Brian advised that the fee for application only would be \$5,000. He emphasized that under either of the above application types they would not be starting from scratch and already are familiar with sites and the SOP of the city. If the application is successful, then a Comprehensive plan would be developed.

IV. Other Considerations

1. Any site chosen for application requires a letter of agreement providing full access and support for the Brownfields activities. In addition, ROI information helps make the project more viable – some type of estimate of total investment that the current owner is scheduled to spend.
2. Council Input – it may be prudent to ask members directly if he has any site ideas or properties in mind that already have written development plans in place for a new round of grant funding which would alleviate any question about the chosen sites for application.

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TO: Mayor and City Council
FROM: Ron Smith, City Manager
DATE: October 9, 2026
SUBJECT: ***Memo #7 – Legislative Agenda***

The NC League of Municipalities is currently in the process of developing a statewide set of legislative goals that will come before you at some point soon for input. The Council will be asked to identify a voting delegate to give the final approval to the agenda that is ultimately presented to the Legislature.

However, I want to bring to your attention some other issues that you should be aware of and potentially adopt as your own legislative agenda. The list below was created by the staff to help with this discussion. Some of the topics, highlighted in purple, have at least been in the conversation with NCLM, but may not make the final cut. That said, these issues remain a high priority, or conversely a problem, for the city.

We will discuss the primary concerns at the meeting and then gauge the Council's interest in moving these points forward with our local legislative delegation. As you will see, there are no requests for money included in this list. If you know of a project that you would like to bring to the Legislature as a monetary request, please feel free to bring it to the meeting.

Legislative Issues and Goals

1. Financial

- *Property tax limits (SL 2026-5) – this is being addressed as its own subject at the planning session.*
- *Powell Bill funding formula and overall street and sidewalk maintenance – the formula used for repaving and related costs has not changed in many years, and the amount we receive has not tracked with inflation.*
- *Hold the city harmless on the SNAP penalty repayment issue – this topic will be explained at the meeting.*
- State fire grants are only available to volunteer departments, and SFD would benefit from being eligible to apply for state grants.
- SB1076 – stop to electric enterprise fund transfers in 2 municipalities
- Increased PARTF funding: PARTF continues to be one of the primary funding sources available to local governments for park and recreation projects, but the available funding and \$500,000 maximum grant have not kept pace with construction costs. Demand also continues to exceed the amount of funding available.
- Downtown revitalization funding: Increased state funding for downtown redevelopment,

including public spaces, streetscapes, infrastructure, historic properties and other improvements that help support private investment. Funding that can be used for smaller, incremental improvements could be particularly useful in addition to larger redevelopment projects.

- Cemetery maintenance funding: Municipal cemeteries are a permanent responsibility with significant costs for mowing, grounds maintenance, tree work, roads, sidewalks and general upkeep. There really isn't a dedicated funding source to help offset those costs, and the issue becomes greater as older cemeteries have fewer spaces available for sale and less revenue coming in.

2. Overreach

3. Makes things difficult

- *Notice requirements in the physical newspaper. Could this be changed to the website?*
- *New legislation from the GA is limiting the additional fee for out-of-territory commodity service to 25% of the inside rate without public comment hearings. The increased rates are not prohibited, but anything over 25% requires detailed explanations as to how the rate was determined. (HB 376 and GS 162A-19.2)*
- *Public Records – staff is being inundated with Freedom of Information Act requests. On its face, that is not a problem, however other communities are hiring staff to handle these requests, and we could end up in that situation.*
 - *Bot requests still need to be answered*
 - *Time limit?*
 - *Pay for staff time on lengthy requests?*

4. Charter/Local

- *Charter Provisions – the city's charter is outdated and should be amended. This must go through the Legislature.*
 - *Civil Service Board*
 - Highest priorities:
 - No authority for the civil service board to do anything other than “hear” promotion grievances
 - No direction as to whether the council must approve any order form the civil service board related to promotions
 - Direction of the final decision to rest with the council, when the remainder of HR decisions lie with the city manager's office.
 - Is there an appeal process for promotion grievances?
 - Two reading requirements for every ordinance
 - *Two reading process for all ordinances. This is difficult for rezonings and annexations, as they add significant time. (Section 10.4)*
- *SCVB legislation change*

5. Land Use and Development

- *Zoning*
 - Down Zoning (especially in the light of data center regulation)
 - Data Center Regulations (Cities can only regulate so much without enabling statutes from the GA)
 - The local development regulatory changes of 160D-1403.1 expanding the available legal remedies against municipalities for legislative land development decisions
 - Attorney fees changes from 6-21.7 (especially in light of capped property taxes)
 - Restore municipal ability to rezone and modify zoning requirements.

- Create better tools for data centers (and future unknown, high-impact industrial uses) to expand municipal authority to clearly allow regulations related to utility demands, decommissioning bonds, etc.
- **Transportation**
 - ***Require NCDOT Division 12 to administer LAPs and improve division responsiveness.***
 - ***Approve more municipal transportation funding and in closer-term years to reduce inflation, especially for areas where crashes have resulted in serious injuries and deaths.***
 - Address orphaned streets across the state.
 - Support the passenger rail between Salisbury and Asheville, including funding to retrofit the depot to be a mobility hub.
 - More funding for bike/ped and complete street projects.
 - Wider sidewalks along NCDOT roads: Wider sidewalks or multi-use paths along NCDOT-controlled roads would help improve pedestrian connections between neighborhoods, parks, schools, greenways and other destinations. These connections can be difficult and expensive for municipalities to address when the roadway is controlled by NCDOT. This builds on the pedestrian crossing issue included in our 2024 goals.
 - Greenway connections: Additional funding for construction of greenways and regional trail connections. Planning dollars are helpful, but actually building the connections is where the larger funding need exists. This could include larger regional connections as well as closing smaller gaps in existing systems. Regional greenway funding was included in the 2024 goals.
- **Neighborhood Stabilization**
 - ***Establish a grant program, incentives, and/or resources to attract and retain grocery stores with fresh and affordable food.***
 - ***Amend building standard requirements to make adaptive re-use more attractive and viable.***
 - More efficient enforcement and cost recovery tools (appoint a receiver to rehabilitate multi-heir properties).

Request – Review these legislative topics and provide your feedback at the meeting. We will provide a voting mechanism at the meeting to help with the conversation.

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