Capital Investment Program

During the economic downturn, the cost to support existing city services outpaced growth in revenues. Asheville addressed this financial gap by reducing expenditures…. And deferring capital improvements. While this allowed the City to persevere through a global economic crisis without raising the property tax rate or reducing core services, it did not come without consequences. The City fell behind in capital maintenance….

The operating budget proposes a three-percent across the board increase in pay, and a planned FY 2014-2015 city-wide compensation study will address the issue of employee compensation. The deferral of capital investment and maintenance has created a significant backlog on projects and other capital needs. The City Council recognized the necessity of addressing this backlog during the fiscal year 2013-2014 budget process; adopting a $.03 increase to the property tax rate to fund capital investment ($.02) and maintenance ($.01). Beginning in 2014-2015, the City of Asheville is embarking on a comprehensive capital improvement program. In order for the City to maximize the impact of the additional revenue from the property tax increase, Finance and Public Works have worked with the City's financial advisors and bond counsel to develop a plan that includes debt financing and pay-go funding of projects. Over the next five years, the capital improvement plan includes $132 Million in projects, with approximately $43 million in revenue from outside sources offsetting some of the cost. The Plan is a rolling five-year budget for capital projects. Each year, one year of the five-year plan will be adopted as the capital budget.

The plan includes projects that meet one or more of the City Council's strategic goals: economic growth and sustainability, affordable housing and community development, and high quality of life. Additionally, projects were evaluated for potential outside funding sources in the form of grants or contributions, and perceived return on investment using a triple bottom line approach considering social, environmental and financial returns.