



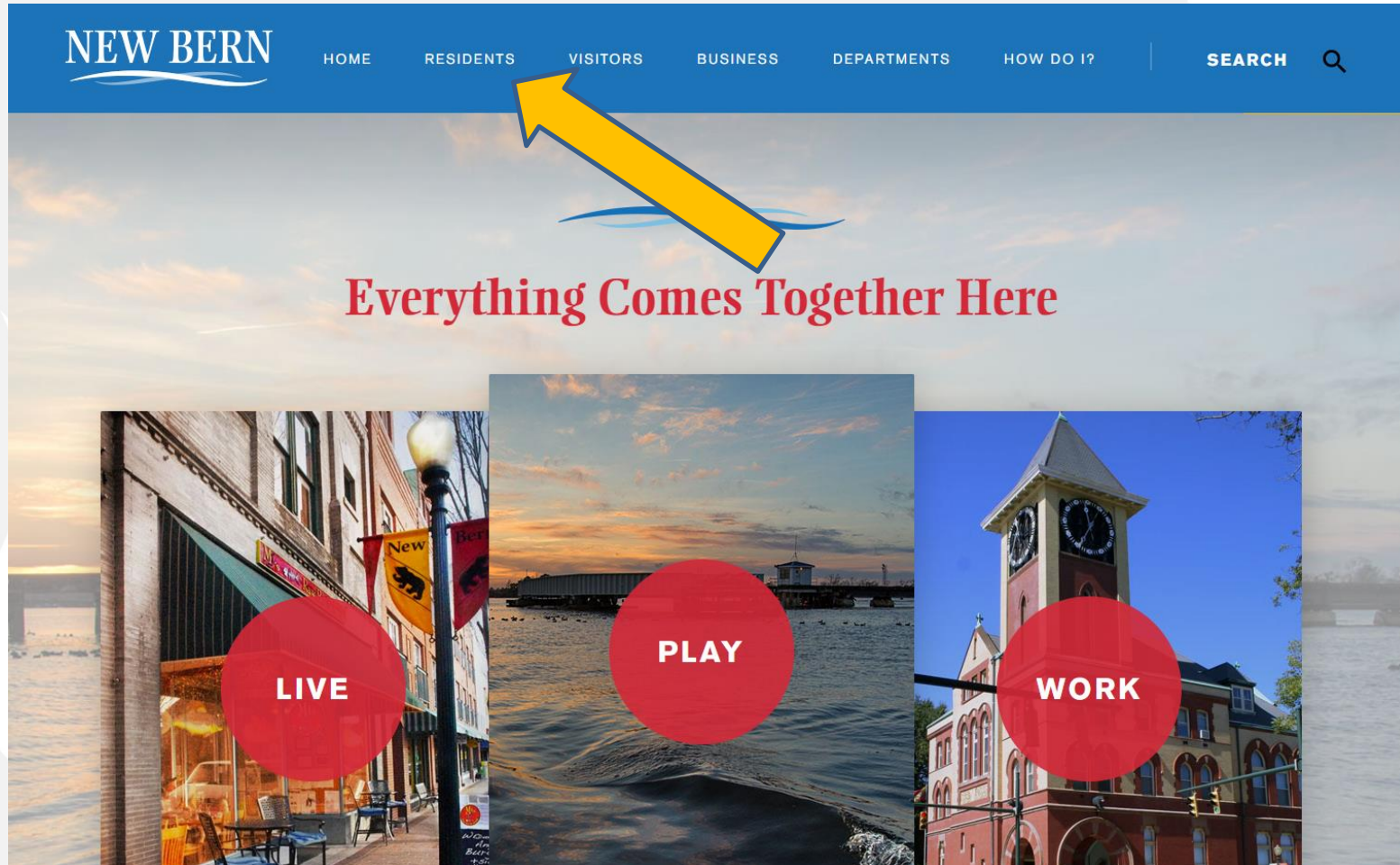
# City of New Bern

Municipal Service District

May 25, 2023



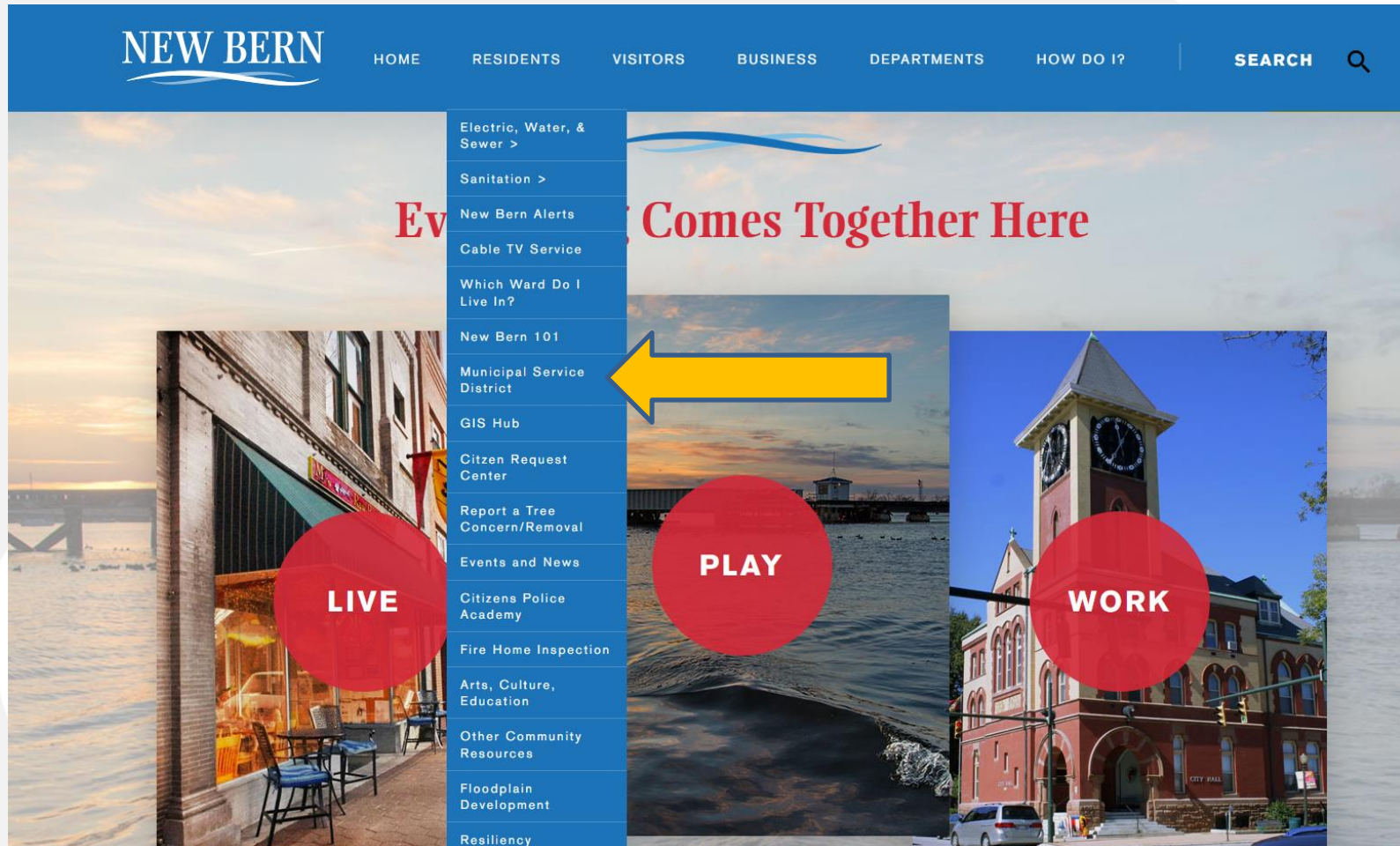
# MSD Resources & Information



[www.NewBernNC.gov/msd](http://www.NewBernNC.gov/msd)





# MSD Resources & Information




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# MSD Resources & Information

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## Municipal Service District

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### Meeting Announcement

The City of New Bern is hosting a public meeting on Thursday, May 25 at 5:30pm on the second floor of City Hall, located at 300 Pollock Street. The purpose of the meeting is to discuss New Bern's Municipal Service District (MSD).

City representatives will review the history and purpose of the MSD and share examples of past projects. The agenda for this meeting is as follows:

1. Discuss the creation of an MSD Committee.
2. Discuss proposed projects within the MSD.

This meeting will be broadcast live on City 3 TV (Suddenlink/Optimum), the City website ([www.NewBernNC.gov/city3tv](http://www.NewBernNC.gov/city3tv)), and on Roku. It will also be recorded. MSD property owners are encouraged to attend to discuss and offer feedback on the agenda items listed above. The City mailed letters to all MSD property owners informing them of this meeting. [A copy of the letter can be viewed by clicking here.](#)

### Reference Documents & Info

Current MSD Tax Rate: \$0.1375

74 MSDs in North Carolina

[MSD Budget Status Report \(April 2023\)](#)

[MSD Debt Service \(June 2023\)](#)


[NC Municipal Service District Act of 1973](#)

[Original MSD Map \(1978\)](#)

[Resolution Defining the MSD \(1978\)](#)

[Minutes from June 13, 1978 BOA meeting](#)

[Resolution Enlarging the MSD \(1986\)](#)



### History of the MSD

By the late 1970s, businesses had begun moving out of downtown New Bern and into the outskirts of town. The downtown area had suffered a period of decline and businesses were looking for more lucrative locations and foot traffic. In 1978, at the request of many property owners, business owners and residents, the Board of Aldermen passed a [resolution creating a Municipal Service District \(MSD\)](#), a defined service district with an additional levied property tax. An MSD provides local governments with a way to raise additional funds for services or projects within the defined area. See [North Carolina General Statute 160A-535 "The Municipal Service District Act of 1973."](#)

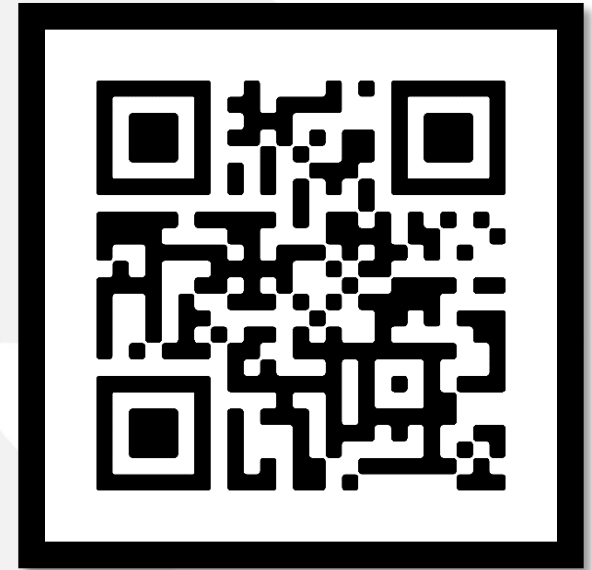
The original footprint of the MSD was just north of Broad Street, to the west side of Hancock Street, south

[www.NewBernNC.gov/msd](http://www.NewBernNC.gov/msd)



# MSD Resources & Information

- [www.NewBernNC.gov/MSD](http://www.NewBernNC.gov/MSD)
  - Sign up for email updates
- To watch this meeting:
  - Live broadcast:
    - Facebook Live, City 3 TV (Optimum), website ([www.newbernnc.gov/city3tv](http://www.newbernnc.gov/city3tv)), and Roku
  - Video on Demand:
    - City website, Roku, YouTube (pre-recorded)
- Have questions about the MSD?
  - Email us at [msd@newbernnc.gov](mailto:msd@newbernnc.gov)
- Follow up meeting:
  - June 15, 2023 at 5:30pm
  - City Hall courtroom, 2<sup>nd</sup> floor, 300 Pollock Street





# What is a Municipal Service District (MSD)?

A municipal service district is a special tax district.

Governing boards designate this area & levy an additional tax to be used for specific projects or services.

The New Bern Board of Aldermen considers all budgetary requests for MSD spending & votes to approve/deny projects or services.



# NC State Statute

The State of North Carolina authorized use of Municipal Tax Districts in 1973 with the adoption of General Statute 160A-535.

- City councils may define a district(s) to finance, provide, or maintain one or more of the following services, facilities, or functions:
  - Beach erosion
  - Any service, facility, or function which the municipality may provide in the city, including/not limited to placement of underground utility wiring, street lighting, street signs, street furniture, landscaping, specialized street & sidewalk paving, & improvements to rights-of-way that preserve the character of an historic district.



# NC State Statute

(Continued)

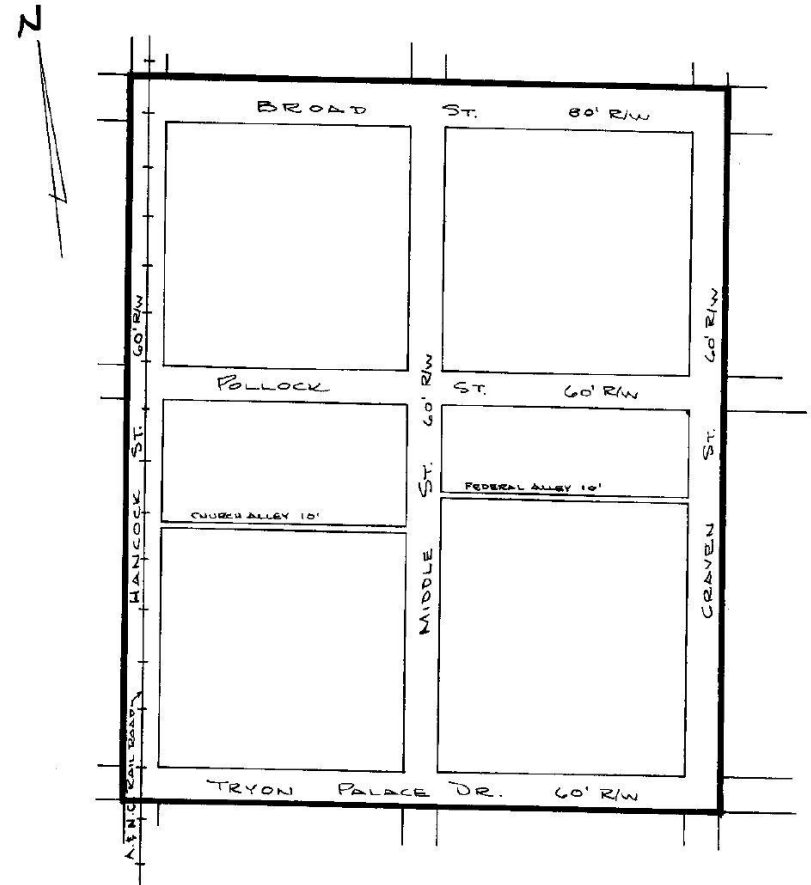
- Downtown revitalization projects
- Urban area revitalization projects
- Transit-oriented development projects
- Drainage projects
- Sewage collection & disposal systems of all types
- On/Off-street parking facilities
- Watershed improvement projects
- Conversion of private residential streets to public streets



# New Bern's Municipal Service District (MSD)

## History

- Late 1970s, businesses began moving out of downtown.
- 1978: at the request of many residents, businesses & organizations, the Board of Aldermen passed a resolution creating a Municipal Service District.
- Original footprint was just north of Broad St., to the west side of Hancock St., extending south & east to both rivers.





# MSD Committee

1985

- Initial MSD Advisory Committee was appointed by the Board of Aldermen.
- Tasked with studying issues and potential projects within the MSD and to make recommendations.

1986

- After presenting their findings, the Advisory/Executive Committee was never reconstituted.

Since 1986

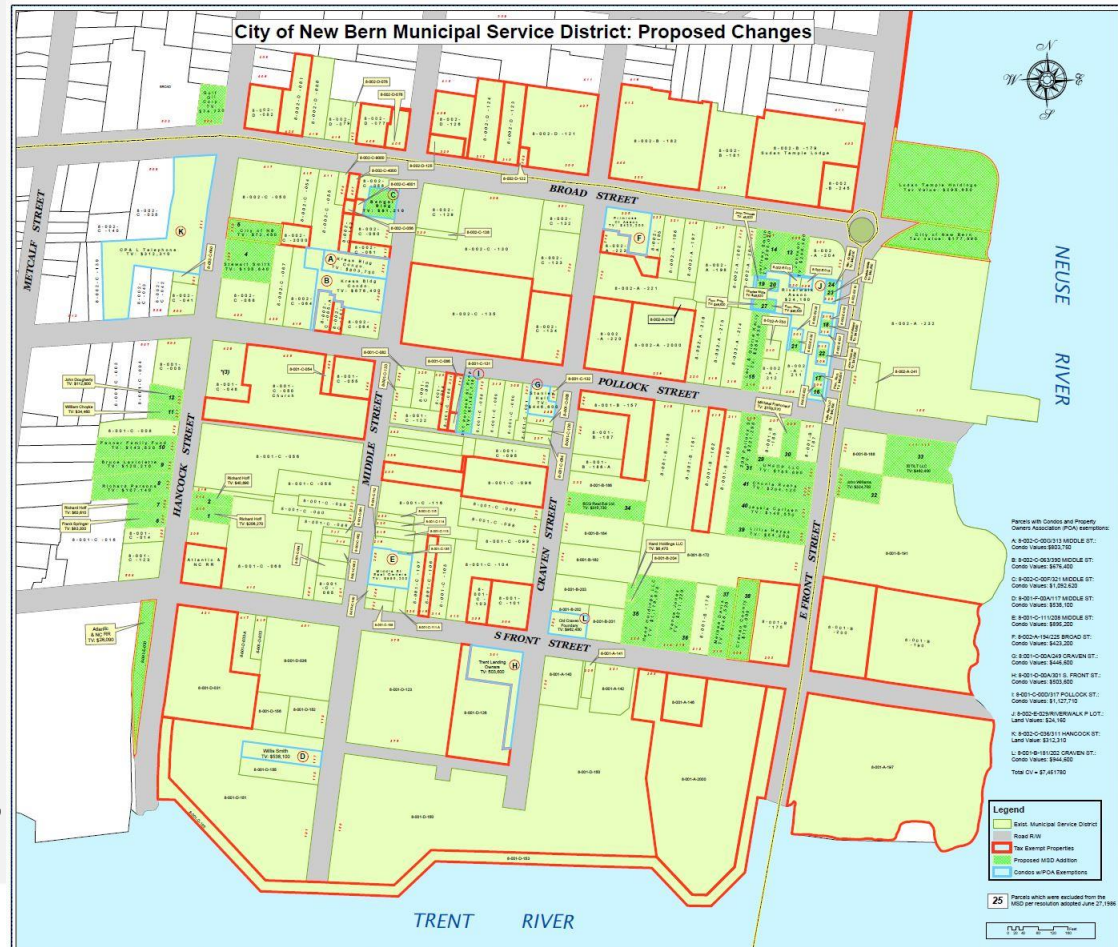
- A small group of property owners and other interested parties have continued to meet with the Ward 1 Alderman and to occasionally make recommendations to the Board of Aldermen.



# New Bern's MSD

## Current footprint

- Additional properties were added to the original footprint in 2014.
  - Broad, Hancock, Middle, Pollock, Craven, South & East Front streets

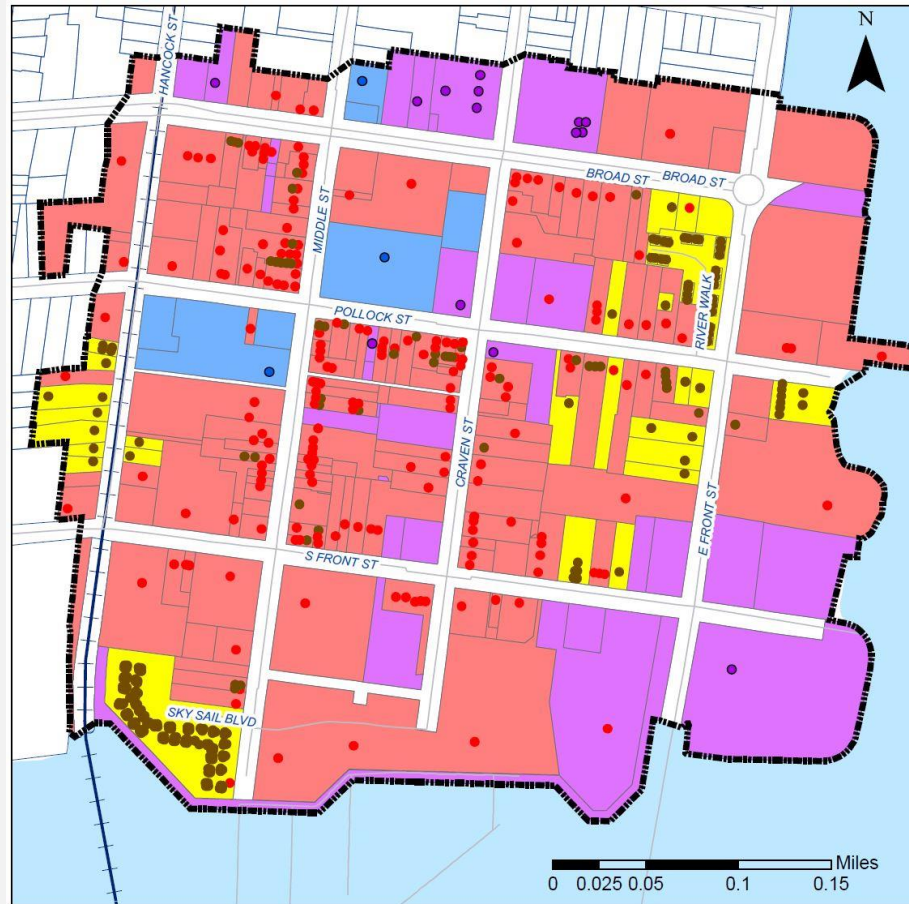




# New Bern's MSD

## Current footprint

- 30% residential
- 70% commercial
  - (Includes nonprofit & governmental entities)
- Nonprofit & governmental entities do not contribute to the tax revenue



Municipal Service District

### Within the MSD Boundary

Number of Parcels: 243  
7 - Church  
158 - Commercial  
32 - Government  
46 - Residential

Area: 83.33 Acres  
based on parcel size  
Church: 4.45 Acres  
Commercial: 50.18 Acres  
Government: 20.49 Acres  
Residential: 8.27 Acres

Addresses/Units: 446 Total  
Church: 3 units  
Commercial: 197 units  
Government: 14 units  
Residential: 232 units

### Legend

#### MSD Units

- Church
- Commercial
- Government
- Residential

#### MSD Parcels

- CHURCH
- COMM
- GOVT
- RES
- MSD Boundary

July 2014



# Finances

- Anticipated revenues for FY2024: \$421,200
  - MSD tax
  - Property lease (Farmer's Market)
  - Parking lease
- Expenses: \$421,200
  - Transfer to Fund Balance \$242,152
  - Debt service \$107, 548
  - Parking control \$42,000
  - Miscellaneous other services \$29,500  
(cleaning & maintenance of the Cub House, James Reed Lane fountain, etc.)



# Impact of Revaluation

- Current tax rate: .1375%
- Valuation (as of 4/6/23): \$183.5 million
- Revenue Neutral Tax Rate Calculation of .1122%
  - Calculation basis includes .61% average growth of assessed values since last revaluation in 2016
    - \$1,247 increase in tax revenue
- \$18,350 for every additional 1-cent increase in tax rate



# MSD Committee

## Current interest:

- Early 2023: Board of Aldermen Work Session
  - Alderman Prill voiced interest in establishing an MSD Advisory Committee
- 74 MSDs in NC
- 3 management styles (by statute): advisory boards, no advisory boards, contract out to Main Street programs or downtown development entities.
- Committee representation (examples): residents, large property owners, developers, hospitality, retail, professional services, night-life, Downtown Business Alliance/Council, at-large, city manager (Ex-Officio), county liaison, downtown development corporation



# MSD Committee

Proposed representation:

- 30% residential property owners
- 70% commercial property owners (retail, restaurant, lodging & entertainment)
- Largest property owners
- Ex-Officio members (city manager, finance director, Ward 1 Alderman, Swiss Bear executive director)



# New Bern's MSD

## Past projects

- Streetscape improvements
  - Wayfinding signage, improved street lighting, utility conversion, sidewalk upgrades
- Improved facilities & maintenance
  - Bear Plaza project
  - Cub House project (operation & maintenance)
  - James Reed Lane project
  - Inner core paving improvements
  - Development of alleyways & off-street parking
- Installation of trash & recycling containers
- Landscaping
- & more

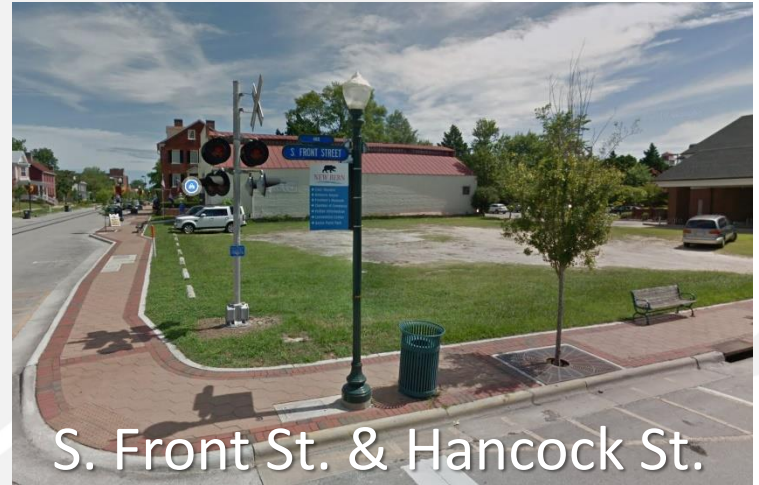




# New Bern's MSD

## Property acquisitions

- S. Front Street & Hancock Street
- S. Front Street & Craven Street





# New Bern's MSD

## Most recent projects & services

- Parking control officers
- Operation & maintenance of Cub House
- Operational support, cleaning & disinfection of James Reed Lane fountain
- New trash receptacles
- Tree pruning





# Proposed Projects

- Lighting
  - Sidewalks, public parking lots
  - LED enhanced crosswalks
- Safety
  - Security cameras (for example: traffic circle, inner core parking area, James Reed Lane, Bear Plaza, Middle & Pollock streets)
  - Dedicated police officers
  - Trash pickup (4 hrs. daily)
  - Crosswalk upgrades (thermoplastic brick pattern)
  - Larger street signs on traffic signals





# Proposed Projects

- Amenities
  - Bike racks
  - Pickleball courts
  - Exercise trail
  - Union Point Park bench swings
  - Flower planters on select corner posts
  - Downtown sound system
  - Bench dividers
  - Historic downtown banners
- Maintenance/Repair
  - Repaint lightpoles
  - Restripe stop bars
  - Sandblast & powder coat trash receptacles
  - Repave Pollock Street lot





# Proposed Projects

- Property enhancements
  - Farmer's Market upgrades (garage doors, restrooms, & replace ceiling fans)
  - Railroad property (between Farmer's Market & railroad tracks)
- Projects
  - Parking & pier along E. Front Street near traffic circle
  - Craven lot project (inner core)
  - Digital wayfinding
- Downtown Master Plan
- Reduce debt service





# MSD Resources & Information

We'd love to hear your feedback!

[www.NewBernNC.gov/MSD](http://www.NewBernNC.gov/MSD)

Sign up for email updates

Have questions about the MSD?

Email us at [msd@newbernnc.gov](mailto:msd@newbernnc.gov)

Follow up meeting:

June 15, 2023 at 5:30pm

City Hall courtroom, 2<sup>nd</sup> floor, 300 Pollock Street