

Item Title: Wake County Water, Sewer and Road Financial Policy

Specific Action Requested:

That the Board of Commissioners approves the proposed amendments to the Wake County Water, Sewer and Road Financial Policy.

Item Summary:

Purpose: Staff is recommending that the Board of Commissioners consider amending the Wake County Water, Sewer and Road Financial Policy to provide clarification for residents seeking County financing for infrastructure projects. The policy was established by the Board of Commissioners and may only be amended by the Board.

Background: On April 6, 2015, the Wake County Board of Commissioner adopted the Wake County Water, Sewer and Road Financial Policy. The purpose of the policy is to determine when the County should consider public financing of critical community infrastructure projects. Examples of projects might include assisting a community when a private water or sewer system is not functioning properly, or repairing roads to NCDOT standards so they can be accepted into the state maintained highway system (“orphan roads”).

Since the policy was adopted, the County has financed and completed one project, the Banks Pointe Subdivision roads. Staff has also talked with several other communities about their “orphan roads” and the option for County financing to fix them. Given the number of inquiries the County has received, staff is proposing amendments to the policy that will do the following: 1) clarify the financing terms for communities seeking county financing, and; 2) expedite payback to the County on property owner assessments so that other projects may be financed more frequently.

The recommended changes to the policy were presented to the Board’s Growth, Land Use and Environment Committee on June 11, 2018.

Board Goal: This action supports standard County operations and does not relate to a specific Board initiative.

Fiscal Impact: County financing of critical community infrastructure projects, in accordance with this policy, will be considered during the annual budget process.

Additional Information:

Since adoption of the policy in April 2015, the County has completed one project, the Banks Pointe Subdivision roads. There have also been inquiries from many other communities about the policy. During this time, staff have identified several elements of the policy that could be improved. This has led to the proposed policy amendments that will accomplish the following: 1) clarify the financing terms for communities seeking county financing, and; 2) expedite payback to the County on property owner assessments so that other projects may be financed more frequently. Highlights of the proposed amendments are as follows:

- Petitions for County financing will be considered in the order they were received and on a case by case basis
- The County is under no obligation to provide project financing even when a petition meets the state law requirements
- Financing will be considered during the County's annual budget process
- Projects will not begin or advance until funds are appropriated in the budget
- Establish the following formula to expedite payback to the County (less than 10 years) so that other projects may be funded more frequently: *The estimated annual installment, per lot, shall be approximately equal to the average annual property tax of all the lots requesting County financing, not to exceed a period of 10 years.*
- The financing terms (assessment period) for a project will be stated in the project petition

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Attachments:

1. Wake County Water, Sewer and Road Financial Policy (Amended)
2. Sample Petition (Amended)