



**Budget, Governance, and Intergovernmental Relations Council
Committee Meeting Summary**

**Thursday, March 5, 2026
CH-14 at 3:00 pm**

COMMITTEE AGENDA TOPIC

Agenda Overview

- I. Water and Stormwater Budget Outlook
- II. University City Partners Municipal Service District

COMMITTEE INFORMATION

Committee Members Present: Malcom Graham (Chair), Dimple Ajmera, Joi Mayo, James Mitchell, Kimberly Owens

Staff Resource: Shawn Heath, City Manager’s Office

DISCUSSION HIGHLIGHTS

Water and Stormwater Budget Outlook

Mike Davis, Storm Water Services, outlined Storm Water’s transition from a historically reactive model to a fully proactive, data-driven utility focused on aging infrastructure, flood mitigation, and long-term system resilience. The fiscal year (FY) 2027 proposed budget is \$137 million, with roughly two-thirds dedicated to capital investment and one-third to operations. Davis emphasized that Charlotte receives 43 inches of rain annually, often in intense bursts that strain older systems, and that much of the city’s pre-2007 development occurred without modern stormwater controls.

The utility highlighted the successful elimination of a 1,690-project backlog, achieved through expanded asset assessment tools such as pipe-video inspection trucks and improved long-term planning. Upcoming priorities include addressing infill development impacts, updating development regulations, and coordinating with major city initiatives such as Strategic Investment Areas (SIA). A projected 4–4.5% fee increase for FY 2027 would translate to about 72 cents or less per month for most single-family customers.

During discussion, council members focused on climate-driven severe weather trends, state-level regulatory risks, and the importance of maintaining public trust. Davis noted that updated NOAA climate projections are expected within a year and will guide future infrastructure sizing. Committee also cautioned that state legislation continues to limit local authority to require stormwater retrofits during redevelopment.

Angela Charles, Charlotte Water Director, presented an update on system performance, regional service delivery, and long-term capital needs for one of the nation’s largest water utilities. The system serves 14 jurisdictions, operates 3 water treatment plants, 6 wastewater plants, and maintains more than 9,300 miles of pipe. Major recent achievements include the completion of the Stowe Regional Water Resource Recovery Facility, the largest capital project in the department’s history.

The proposed FY 2027 operating budget is \$682.6 million, with a five-year capital program totaling \$2.57 billion. Approximately 32 percent of capital spending is dedicated to replacing aging infrastructure, particularly older cast-iron pipes vulnerable to cold-weather failures. Charles emphasized that Charlotte remains among the most affordable large utilities in the country, with typical households seeing a projected 5.75–7 percent rate increase in FY 2027—about \$5 per month for average usage—while still staying well below EPA affordability thresholds.

Council questions centered on system capacity for continued growth, the water demands of data centers, and regional cost-sharing. Charles reported that growth projections are closely monitored by a dedicated planning team and that reclaimed water is being negotiated for at least one upcoming data center to reduce potable water demand. They also noted that regional partners often express reciprocal concerns about cost distribution, underscoring the importance of managing the system as a unified regional utility.

University City Partners Municipal Service District

Keith Stanley, President & CEO of University City Partners (UCP) presented a proposal to increase the millage rate for the Municipal Service District (MSD) to ensure services keep pace with the district’s rapid growth. The plan focuses on strengthening, not reinventing, the existing MSD by updating its millage rate and expanding its boundaries to reflect current development patterns.

Since the MSD’s creation in 2003, University City has experienced significant increases in population, density, employment, and development intensity. More than 185,000 residents now live in the trade area, and UNC Charlotte anchors the district with over 30,000 students. Despite this growth, the MSD tax rate has remained unchanged for over 20 years, while service expectations around safety, cleanliness, and corridor management have risen sharply.

The proposed Community Investment Plan includes two key components:

1. Millage Rate Adjustment

- Increase from 0.262 to 0.380 per \$100 of assessed value.
- Anticipated impacts:
 - ~\$43/year for a median-value home (\$365,000)
 - ~\$118/year for a \$1 million property
- Large commercial property owners bear the majority of the cost; homeowners represent a small share of total assessed value.

2. MSD Boundary Expansion

- Expands the district to include high-activity areas currently outside the MSD, such as portions of North Tryon Street and Mallard Creek Church Road.
- Adds \$968 million in assessed value and generates approximately \$364,000 in new annual revenue.

Financial Impact

Combined, the millage rate adjustment and boundary expansion would generate just over \$1 million annually. These funds will support:

- Enhanced safety and cleanliness, including increased corridor visibility and exploration of an ambassador program.
- Expanded placemaking and community activation, building on events that already attract more than 120,000 attendees annually.
- Long-term planning and development, particularly for University Research Park, the city's second-largest employment center.

UCP operates under a city contract with oversight from a 21-member board. Reporting aligns with city priorities and measurable service outcomes, ensuring transparency and disciplined investment. Mr. Stanley stated that University City is at a pivotal moment. With rapid growth and rising expectations, maintaining the current rate and boundary risks falling behind community needs. The proposed adjustments align investment with growth, ensuring the district remains clean, safe, competitive, and well-positioned for long-term success.

Council member Graham requested that the process for adopting the millage rate increase and boundary expansion be outlined.

Cherie Smith, Strategy and Budget, explained that the MSD update process follows a standard, structured sequence governed by both city policy and North Carolina statute. UCP initiated the process in early February by submitting a formal request for a millage rate adjustment and boundary expansion. City Council then authorized the notice to proceed during its budget workshop, allowing public engagement and review to begin.

Over the following 60 days, UCP is conducting stakeholder outreach and will deliver a final engagement report by April 13. After receiving that report, City Council will review the findings and provide direction to the City Manager on whether to include the proposed rate increase in the FY 2027 budget.

Two parallel approval tracks occur:

- Millage Rate Increase — governed by city policy and incorporated into the FY 2027 proposed budget if Council decides to proceed.
- Boundary Expansion — governed by state statute and requires a public hearing in May followed by approval at two separate Council meetings.

Once these steps are completed, the updated rate and expanded boundary can be formally adopted as part of the city's budget process.

Meeting adjourned at 4:34 p.m.