

Tuesday - December 3, 1996 - 3:00 p.m. Worksession

Present: Mayor Russell Martin, Presiding; Vice-Mayor Barbara Field; Councilman Edward C. Hay Jr.; Councilman Thomas G. Sellers; Councilman James J. Skalski; and Councilman Charles R. Worley; City Attorney Robert W. Oast Jr.; City Manager James L. Westbrook Jr.; and City Clerk Magdalen Burleson

Absent: Councilman M. Charles Cloninger

EVALUATION OF FINANCE DEPARTMENT OPERATIONS AND THE DEVELOPMENT REVIEW AND PERMITTING PROCESS

City Manager Westbrook said that he is requesting Council approval to contract with the N.C. League of Municipalities ("League") to perform an evaluation of the Finance Department and the City plan review and permitting process.

During Fiscal Year 1995-96 budget, he requested and City Council approved an appropriation to evaluate the organization, management and operations of the Finance Department. In July of 1996, the incumbent Finance Director retired and the appropriation was carried forward in order to have the study take place during the current fiscal year. Both he and Mr. Bill Schaefer, who was appointed Finance Director in the fall of 1996, believe that a fresh look by an independent third party would give us a chance to improve the organization, management and operations of the Finance Department.

There has been much discussion about the City's Development Review and Permitting Process over the past several years. Feed back from developers is that the process is too long and cumbersome. We do not have any good benchmarks to determine our success, or lack of success, in these areas. Therefore, he recommended an evaluation by an independent third party who will perform the evaluation. The purpose of the evaluation will be to examine the process for efficiency, effectiveness and provide benchmarks of similarly sized cities with which to compare operations and results. The consultant in all cases will make recommendations they feel would improve the process, improve effectiveness and provide better customer service.

Some of the processes the consultant will look at may be changed as a result of the adoption of the UDO. This information will be provided to the consultant for their review, in addition to any other information they may request.

He recommended contracting with the League who will select and provide overall project direction for the evaluation, as discussed above.

The cost of the study is \$30,000. We currently have \$10,000 appropriated for that purpose; therefore, a supplemental appropriation of \$20,000 is needed.

Staff recommends the Mayor be authorized to sign an agreement with the North Carolina League of Municipalities to perform the studies as outlined above, and an appropriation of \$20,000 to complete the funding for the studies.

Mr. Woody Underwood, Director of Operations from the League, and Mr. John Maxwell, Vice-President of Municipal Advisors Inc., reviewed what the studies would involve.

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Vice-Mayor Field said that since we already have an exceptional staff, she wanted to make sure that any improvements suggested were positive improvements. She also suggested that if some overlapping occurs with our permitting system

interacting with other levels of government, that the League support changes at the State level that would make our process better.

Mayor Martin asked that the record show that City Council has received this information and instructs the City Manager to place these items on the next formal City Council agenda.

YMI FUNDING REQUEST

Ms. Cindy Batson, Internal Auditor, said that the YMI Cultural Center, Inc. has requested \$10,000 from the City of Asheville to provide interim finances to cover certain overhead expenses.

The City Council Outside Agency Committee ("Committee") met to discuss the funding request of \$10,000 from the YMI Cultural Center. The Committee expressed its continuing interest in supporting the South Pack Square Redevelopment area. The Committee also recalled the \$8,000 in funding provided by the City to the YMI Cultural Center during fiscal year ending June 30, 1996. The purpose of the \$8,000 in funding was the same as for the current request, that being to provide interim finances for overhead expenses.

The Committee has a number of concerns regarding the funding request, including the fact that no current audit has been performed, the Internal Revenue Service has levied the Center's bank account to satisfy payroll deposits, the Center has had limited success with recent fund-raising initiatives, the Center's proposed corrective measures do not include specific, attainable action steps, and the Center has made no progress towards procuring funding to otherwise meet its overhead expense obligations.

The Committee recommends the City Council deny approval of the \$10,000 funding request from the YMI Cultural Center Inc. until such time as the Committee concerns have been satisfied.

Councilman Worley said that the Committee is very supportive of the YMI and it was with reluctance that they did not recommend the funding. He said that the Committee would like to see a plan that would help bring the YMI out from its financial problems and then they would reconsider the request.

Mayor Martin asked the City Attorney to research if a non-profit corporation could go into bankruptcy and a receiver be appointed to manage the affairs of the corporation.

Upon inquiry of Vice-Mayor Field about the YMI having no building or content insurance, Assistant City Manager Doug Spell said that the City's Risk Manager did submit a proposal to the YMI for a reasonable rate, however, the City did not receive a response from them.

Dr. Mosley said that they are conscious of the situation from a year ago and since then, a new Board of Directors have been appointed. They are now in the process of getting the YMI under fiscal control. He said that there is currently an audit in process. They have planned a retreat on December 21 which will reassess the programmatic thrust of the YMI and research how the YMI can access funds to satisfy the IRS lien. He said that they have been in touch with an insurance company which has assured them that they would be willing to insure the building

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provided measures be taken for an alarm system and they are in the process of taking those measures. He felt the City Council should be supportive of the YMI

in some tangible way and assured Council that they are making every effort to try to bring the YMI out of fiscal problems. He said that every major organization of minority background looks to the YMI facilities to hold their meetings, i.e., churches, NAACP, Eagle/Market Streets Development Corporation. He felt it would be a great loss to lose the building that is worth over One Million Dollars to a \$48,000 IRS lien.

Mayor Martin stressed that City Council is supportive of the YMI but they do need to see some results from their funding.

Councilman Hay wondered if Council would be amenable to bringing this matter back up in a month after the YMI has resolved some of the pending issues, i.e., insurance and audit.

Councilman Skalski was concerned with the building having no insurance and suggested physical presence in the building, perhaps with volunteers.

Mayor Martin asked that the Committee meet with Dr. Mosley to see if any issues could be resolved.

Mr. H.K. Edgerton, representative of the local NAACP, spoke in support of the YMI and felt that since the NAACP moved into the community in the YMI building, there has been a big change on that block. He suggested Council talk to the IRS to see if the debt can be forgiven. He said that whether or not the City funds the YMI, the NAACP will see how they can help raise the YMI out of their financial crunch.

REQUEST FOR STREET ACCEPTANCE - HILLS OF BEAVERDAM

Mr. Tony Lewis, Technical Services Director for the Engineering Department, said that staff is requesting Council consideration regarding the petition for acceptance of roads for maintenance by the City within the Hills of Beaverdam Subdivision.

The Engineering Department along with the Public Works Department over the course of the last two years has been working with the Hills of Beaverdam Homeowners Association to facilitate the acceptance of streets within the existing subdivision. The Homeowners Association has completed the appropriate street acceptance petition and collected the necessary revenues to complete the rehabilitation of the streets prior to city acceptance.

The streets were not constructed to City street standards. Therefore, the streets must be rehabilitated prior to acceptance for maintenance by the City. Rehabilitation of these streets consists of providing road construction rehabilitation of 1.1 mile of streets which serve 45 residential lots. The existing streets have varying slopes of 5% to 15%. The proposed cost for improvements of the homeowner participation is estimated \$137,000. However, the City would contribute toward the project by contributing the necessary labor and equipment for the rehabilitation.

The Engineering Department has completed construction plans for the necessary street repairs and construction. The Public Works Department - Streets Division will provide construction repairs thereby the city contributing associated labor and equipment as public/private participation on the project. The proposed project schedule is to begin project construction in the spring of 1997.

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The City Attorney's Office will prepare required contract documents for the

acceptance and approval by the City Manager's office. The City Manager will enter into the agreement with the Homeowners' Association for collection of funds needed to purchase materials and supplies to complete the necessary scope of work. The agreement will stipulate that any residual funds will be reimbursed or any additional funds must be provided by the Homeowners' Association. As part of the acceptance process, all necessary rights-of-way and easements must be transferred to the City of Asheville for acceptance by City Council.

Staff requests approval of the resolution which consists of consideration of this request for the City to accept the designated streets for maintenance and to participate with the Homeowners' Association by contributing labor and equipment for the project.

Mayor Martin asked that the record show that City Council has received this information and instructs the City Manager to place the resolution authorizing staff to proceed with negotiations on the next formal City Council agenda.

REQUEST CONCERNING ASSISTANCE WITH THE CHARLOTTE STREET SMALL AREA PLAN

Mr. Mike Matteson, Urban Planner, said that the Charlotte Street Small Area Plan Advisory Committee has not met yet to discuss Council's concerns and requested that this matter be postponed until January 7, 1997.

LEGISLATIVE PROGRAM

City Manager Jim Westbrook presented City Council with a draft legislative program for their review. He suggested City Council request the local delegation to designate a contact person for us to rely on for information as the General Assembly goes through its session.

City Attorney Oast suggested the following three items that City Council may want to include in their 1997 legislative program:

1. Repeal of the exemption in G.S. 160A-458.3 for municipalities in Buncombe County, thus giving Asheville the same opportunities for downtown development as other North Carolina cities have.

Except for Asheville and other cities in Buncombe County, the governing bodies of all North Carolina cities can undertake downtown development projects within the central business district as defined by the city council. For Asheville, however, the boundaries of our central business district are set forth by local act and include a much smaller area than our central business district actually covers. For other municipalities in Buncombe County, there is no authority at all for such projects.

This draft legislation lifts this restriction, bringing Buncombe County's municipalities under the coverage of the statewide law and enabling Asheville to decide for itself the area to include within its central business district.

2. Authorization for an increase in the annual motor vehicle tax from \$5.00 to \$10.00.

The statewide law that authorizes cities to levy a tax on motor vehicles limits this tax to \$5.00, but some cities have granted authority for higher amounts. At least eight cities have authority to levy motor vehicle taxes as high as \$20, at least

five have authority for a \$15 tax, and at least seven can levy a \$10 tax.

Asheville does not currently have legislative authority to levy a motor vehicle tax of more than \$5.00. This draft legislation would authorize a \$10.00 tax.

3. Amendment of G.S. 136-27.1 to provide for payment of relocation costs of water and sewer lines belonging to water or sewer systems organized pursuant to G.S. 160A-462 (local modification for Buncombe and Henderson counties).

G.S. 136-27.1 requires the state Department of Transportation to pay the nonbetterment cost for the relocation of water and sewer lines of certain entities when the lines are located within an existing state highway right-of-way and must be relocated for a state highway improvement project. These entities include nonprofit water or sewer associations or corporations, as well as water or sewer systems organized pursuant to G.S. 162A.

The Asheville-Buncombe Water Authority, which was organized pursuant to G.S. 160A-462 rather than G.S. 162A, does not fall in any of the categories for which DOT is required to pay relocation costs. Therefore, when a state highway improvement project requires that its lines be relocated, the Water Authority does not receive reimbursement for this expense.

This draft legislation, which is written as a local bill for Buncombe and Henderson counties, would add a new category to G.S. 136-27.1, requiring DOT to pay relocation costs for lines constructed by a water or sewer system in those counties which was organized pursuant to G.S. 160A-462.

City Attorney Oast said that the General Assembly will convene on January 29 for its 1997 session, so there is still time to develop additional requests before meeting with the delegation.

It was the consensus of Council to request authorization for an increase in the annual motor vehicle tax from \$5.00 to \$15.00, stressing that City Council is not taking any action to raise it, they are only asking for the authority. They felt this might be a good additional revenue source to repair streets and roads in Asheville.

Mayor Martin said that a date will be set for City Council to meet with the local delegation sometime in December, if possible.

Upon inquiry of Councilman Hay about proposed legislation regarding historic trees, City Attorney Oast said that his staff is checking with the cities of Greenville and Wilmington that have similar legislation concerning that to see if Asheville can be included.

City Attorney Oast responded to questions from Mr. Ralph Bishop concerning the City Charter and State law.

Mr. H.K. Edgerton suggested City Council consider amendment to the Civil Service Law regarding the Rule of Three.

Mr. Leni Sitnick suggested legislation regarding hillside development regarding private property rights when they impact other private property rights. She also suggested Council consider the possibility of infrastructure participation fees for tourists.

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Mayor Martin instructed the City Manager to proceed with appropriate action at the next formal meeting for staff to proceed with the 1997 legislative program

as follows: (1) Repeal of the exemption in G.S. 160A-458.3 for municipalities in Buncombe County, thus giving Asheville the same opportunities for downtown development as other North Carolina cities have; (2) Authorization for an increase in the annual motor vehicle tax from \$5.00 to \$15.00; and (3) Amendment of G.S. 136-27.1 to provide for payment of relocation costs of water and sewer lines belonging to water or sewer systems organized pursuant to G.S. 160A-462 (local modification for Buncombe and Henderson counties).

EMPOWERMENT ZONE/ENTERPRISE COMMUNITY PROGRAM (EZ/EC)

Ms. Julia Cogburn, Planning & Development Director, gave a brief overview of the strategic planning process. She said that during March - June 1994 the City conducted an extensive community involvement process in development of a strategic plan which served as the basis for a grant application to HUD through the Empowerment Zone - Enterprise Community program. Although the grant application was not approved, some of the projects in the Strategic Plan have been implemented.

Mr. Randall Barnett, Rehab Loan Specialist, then reviewed the current status of 35 projects that were in the strategic plan.

Mr. Marvin Vierra, Community Development Director, briefed Council on the future of the EZ/EC program noting that HUD has recently initiated new grant programs for communities that submitted applications through the EZ/EC program.

Mayor Martin, on behalf of City Council, commended staff for their effort in pulling together this program with the community.

Ms. Leni Sitnick stated that it was her understanding that President Clinton said that not only would he be putting more money in the EZ/EC efforts, but they would be concentrating on smaller communities. She offered her assistance in trying to request those funds.

RESOLUTION NO. 96-212 - RESOLUTION AUTHORIZING THE CITY MANAGER TO APPLY FOR A FEMA HAZARD MITIGATION GRANT AND TO ENTER INTO AN AGREEMENT WITH THE STATE OF N.C. DIVISION OF EMERGENCY MANAGEMENT AND THE FEDERAL EMERGENCY MANAGEMENT AGENCY FOR THAT GRANT

Ms. Debbie Ivester, Superintendent of Administration in the Parks & Recreation Department funds are available through the State of North Carolina Division of Emergency Management and the Federal Emergency Management Agency (FEMA) in the North Carolina Hazard Mitigation Grant Program. The grant provides matching funds (75% Federal, 25% local) for projects that reduce or eliminate the risk to human life and property damage from natural hazards such as flood, wind, snow, and seismic. The City of Asheville through the Parks and Recreation and Building Safety Departments wish to apply for grant funds for projects in the following priority: 1) acquire property for the French Broad River Greenway; 2) implement mitigation through training of design professionals and builders; and 3) improve seismic performance of essential emergency services buildings.

Ms. Ivester briefed Council on the project for the French Broad River Greenway. She said the proposed property is located on Riverside Drive, just south of the RiverLink Bridge, and north of the Smoky Park Bridge This area represents a section of a major greenway corridor being developed along the French Broad and Swannanoa Rivers. Phase I was

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completed in 1994 with the completion of French Broad River Park. Phase II of the trail at French Broad River Park was just completed in October 1996. Phase

III, Amboy Road Park and Greenway is in the early stage of development and will provide a riverfront park featuring a boat launch, fishing area, and support areas for growing activities in the region. The FEMA Hazard Mitigation Grant Program represents an opportunity to acquire and relocate property within the greenway corridor. The property will be dedicated for open space and appropriate land use. The project represents a piece in the French Broad River Master Plan and the Asheville Parks and Recreation Department 2010 Plan, and the successful public/private partners to make the plan a reality. The overall project has a long history of collaboration with RiverLink and the many partners its efforts have brought to the table.

Total project cost is approximately \$3,450,000. Funds will be matched by 25% of the cost by labor, equipment, and project supervision.

Ms. Julie Combs, Plan Reviewer, briefed Council on the Training Program portion of the grant request. She said that the training will implement a professional development course and materials for design of major hazards emphasizing current building code requirements. Hazards include seismic, flood, wind, and snow. The training will be available to architects, engineers, code officials, and builders throughout a five state region. To ensure long range dissemination of information, a pilot course will be developed with the local technical community college and engineering curriculums.

Total project cost is \$50,000. Funds will be matched by 25% of the cost by A-B Technical Community College in facilities, staff, and project management.

Ms. Combs then reviewed the Seismic Performance of Emergency Services Buildings portion of the grant request. She said that although Asheville has not experienced seismic activity since 1928, it is important to recall earthquakes in this area can result in the 5 to 8 magnitude range. The Municipal Building and St. Joseph/Mission Hospital must function with immediate occupancy following a seismic incident. Following an upcoming engineering assessment of these buildings, seismic retrofitting is to be implemented. In addition, A-B Technical Community College engineering students will perform Rapid Visual Assessment of Seismic Hazard per the FEMA documents of other buildings throughout the city.

Total cost of Municipal Building retrofitting is approximately \$5 million. Matching funds may come from the already proposed moneys for the Municipal Building renovations, \$1.25 million of the \$9 million budgeted. Cost of hospital complex retrofitting is estimated to be \$10 to \$17 million. Matching funds will come from St. Joseph/Mission Hospital.

The Parks and Recreation and Building Safety Departments ask the City Council to review and concur with the priority of projects, and recommend the City Manager to apply for and enter into this agreement, subject to the City Attorney's review.

Mayor Martin said that because this application needs to be filed prior to December 15, 1996, and City Council will not be holding their formal meeting until December 17, 1996, a motion is necessary authorizing the resolution today. He said that members of Council have been previously furnished with a copy of this resolution and it would not be read.

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Councilman Worley moved to authorize the City Manager to apply for and enter into an agreement with the State of N.C. Division of Emergency Management and FEMA for a grant to (1) acquire property on the French Broad River for the French Broad River Greenway; (2) develop and implement a hazard training

mitigation program; and (3) to improve seismic performance of essential emergency services buildings. Said agreement is subject to the City Attorney's approval. This motion was seconded by Councilman Skalski and carried unanimously.

RESOLUTION BOOK NO. 23 - PAGE 354

PINNACLES AT PARK AVENUE

Mr. Tony Lewis, Technical Services Director for the Engineering Department, updated Council on the erosion control and stormwater concerns at the Pinnacles at Park Avenue.

ADJOURNMENT:

Mayor Martin adjourned the meeting at 5:29 p.m.

CITY CLERK MAYOR
