

Tuesday - August 15, 2000 - 3:00 p.m.

Worksession

Present: Mayor Leni Sitnick, Presiding; Vice-Mayor M. Charles Cloninger; Councilwoman Barbara Field; Councilman Edward C. Hay Jr.; Councilman Brian L. Peterson; Councilwoman Terry Bellamy; and Councilman Charles R. Worley; City Attorney Robert W. Oast Jr.; City Manager James L. Westbrook Jr.; and City Clerk Magdalen Burleson

Absent: None

CONSENT:

The Consent Agenda item regarding withdrawal of dedication of portion of Steele Avenue was removed from the agenda.

Consumption and Possession of Alcoholic Beverages at 2000 Goombay Festival

Summary: The consideration of a resolution to allow alcoholic beverages on August 25-27, 2000, at the 2000 Goombay Festival.

N. C. Gen. Stat. sec. 18B-300 (c) authorizes the City by ordinance to regulate or prohibit the consumption and/or possession of open containers of malt beverages and/or unfortified wine on public streets, and on property owned, occupied or controlled by the City of Asheville. The City Council has adopted an ordinance pursuant to that statutory authority. Section 11-11 of the Code of Ordinances provides that City Council may adopt a resolution making other provisions at a special event or community festival.

The Parks and Recreation Department recommends City Council adopt a resolution allowing the possession and consumption of malt beverages and/or unfortified wine at the 2000 Goombay Festival to include the areas as described in the resolution.

Carter Cove Road Sewer Project Change Order

Summary: The consideration of a resolution authorizing the City Manager to sign a change order with Cooper Construction Company for the installation of a sanitary sewer line on Carter Cove Road and Blackberry Lane in the amount of \$117,830.76 and a budget amendment in the amount of \$162,782 appropriating the full amount of revenue from MSD reimbursement for this project.

In December of 1998, City Council awarded a contract to Cooper Construction Company to install a sanitary sewer line and water line in the Carter Cove Road and Blackberry Lane area of North Asheville. This project was known as Beaverdam Annexation Area Carter Cove Sanitary Sewer Improvements. The original amount of the contract was \$442,278. Two changes orders have previously been approved by City Council for this project in the amounts of \$13,156.20 and \$11,134.50 respectively, bringing the current project total to \$466,568.70.

The first change order was due to increases in material costs from the time the project was bid until the time the Notice to Proceed was issued. The second change order was issued to provide for additional tree removal on the project.

This final change order request in the amount of \$117,830.76 is largely due to the amount of material that had to be removed from the sewer trench. Most of the earth material removed from the trench for the installation of the sanitary sewer line in Carter Cove Road was

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not suitable for backfill. Additionally, several underground springs were encountered and had to be drained prior to backfilling. With this change order, the final total cost of the project will be \$584,399.46.

The budget amendment in the amount of \$162,782 to cover the change order and provide contingency funds will be funded with an appropriation of reimbursement revenues received from MSD for installation of sanitary sewer in the annexed areas.

Staff recommends that City Council authorize the City Manager to sign a change order with Cooper Construction Company in the amount of \$117,830.76 for the installation of a sewer line on Carter Cove Road and Blackberry Lane. Staff also requests that City Council approve the budget amendment in the amount of \$162,782 appropriating funds from MSD reimbursement for this project.

Councilman Worley stated that even though he lives on Carter Cove Road, the City Attorney has advised him that he does not have a conflict of interest on this matter.

Contract with Buckeye Construction Company for Brevard Road Annexation Area Phase 3, Contract 2

Summary: The consideration of a resolution awarding the contract for Brevard Road Annexation Area Phase III Contract "2" to Buckeye Construction Company, Inc., in the amount of \$169,794.10.

This project is part of the Brevard Road annexation that occurred in the early 1990's. It is called the Brevard Road Annexation Area Phase III- Contract "2" Sanitary Sewer System Improvements and consists of the installation of approximately 3,528 linear feet of eight inch (8") diameter sanitary sewer line and 660 linear feet of four inch (4") diameter sanitary sewer service line and related appurtenances.

The Engineering Department received and publicly opened five (5) bids on Thursday, August 3, 2000, at 2:00 p.m. After a thorough review of the bid documents by the Engineering Department and the Office of Minority Affairs, Buckeye Construction Company, Inc., was found to be the lowest responsible bidder with a total bid of \$169,794.10. The Engineer's estimate for this project was \$ 211,175.00.

Funding for this project is included in the fiscal year 2000/2001 Capital Improvement Program (CIP) and will be financed through the issuance of two-thirds bonds.

Buckeye Construction Company, Inc., has performed several projects of this nature in the past without any major problems.

The construction time for this project is identified as 90 calendar days in the contract documents. The contractor will be required to pay the sum of \$250.00 as liquidated damages for each and every calendar day that he shall be in default after the time stipulated in the contract.

Staff recommends that City Council adopt a resolution awarding the bid for Brevard Road Annexation Area - Phase III - Contract "2" Sewer System Improvements to Buckeye Construction Company, Inc., the responsible low bidder, and authorize the City Manager to execute all necessary agreements and contracts.

Mayor Sitnick 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.

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COMMUNITY DIALOGUE – ASHEVILLE-BUNCOMBE VISION INC.

Mr. Gregg Stamey, representing Asheville-Buncombe VISION, Inc., showed Council a promotional video entitled "Let's Talk! Dialogues for Our Future" which promotes community dialogue. Their goal is to encourage discussion among diverse residents in order to promote understanding of how local issues affect different segments of our community, and to encourage citizens to collaborate on efforts that benefit the whole community.

CITY FUNDING OF ECONOMIC DEVELOPMENT COMMISSION – USE OF CITY FUNDS

Mr. Dave Porter, Vice-President of the Buncombe County Economic Development Commission explained the proposed uses of the City of Asheville's \$50,000: Information and Technology Industry (knowledge based industry) - \$35,000; Commercial/Industrial/Office Market Analysis and Marketing Piece - \$10,000; and Local Business and Industry Resource Guide - \$5,000.

Mayor Sitnick suggested the Commission appoint a retiree advisory board who have personal contacts in the fields we are looking to target. This would be a great way to utilize their knowledge.

Mayor Sitnick also suggested that since the Asheville Film Board is very industry based, the Commission might consider working with them to create a local business guide.

On behalf of City Council, Mayor Sitnick thanked Mr. Porter for their efforts to recruit and establish new or expanded business activity, which has a positive impact on the economic health of the community.

UDO AMENDMENT REVIEWS

City Attorney Oast said that these Unified Development Ordinance amendments are being brought before City Council in order that staff may respond to questions Council may have prior to the public hearings, which are scheduled on September 12, 2000. He advised Council that it would be inappropriate for Council to receive comments from the public at this worksession.

Definition of Signs

Chief Planner Gerald Green said that this is the consideration of an amendment to the Unified Development Ordinance (UDO) to revise the definition of sign to exclude certain art and works of art from the definition of sign.

The definition of sign currently found in the UDO is worded so that art and works of art are considered signs. As a result of this definition, the use of art and works of art by businesses is limited. Because art and works of art can be considered a sign, the placement of art and works of art at a business can limit the amount of signage that the business can display. Rather than limit their signage, businesses typically decide to abandon plans for incorporating art or works of art into their development.

With this proposed ordinance amendment, the Planning and Zoning Commission is endorsing a more whimsical approach to the incorporation of art and works of art by businesses in their building and site design. The City of Asheville is recognized as an arts city; this amendment acknowledges this recognition and removes a significant impediment to the placement of art and works of art throughout the City by private businesses. While loosening the

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restrictions on the incorporation of art and works of art in building and site design, the proposed amendment continues to identify distinctions between art and signs:

- The art or works of art cannot include logos in their traditional form;

- The art or works of art cannot include the name of the business; and
- The art or works of art cannot be an obvious portrayal of a product or service provided by the business.

With these limitations, the ability of businesses to incorporate art and works of art in their building and site design is increased while an appropriate distinction between signs and art remains.

The Planning and Zoning Commission voted 6 – 0 to recommend adoption of the ordinance amendment. The Planning and Development Department staff supports the ordinance amendment and recommends that a public hearing be scheduled to solicit public comment on the ordinance amendment.

After discussion, it was the consensus of City Council to delete the restriction that the art or works of art cannot be an obvious portrayal of a product or service provided by the business.

Standards for A-Frame Signs

Chief Planner Gerald Green said that this is the consideration of an ordinance to amend the Unified Development Ordinance (UDO) to establish standards for A-Frame signs in the Central Business District.

A-frame signs are currently prohibited in all zoning districts by the UDO. As a result of requests from downtown businesses, the Downtown Commission developed general standards for A-frame signs and requested the Planning and Development staff to consider preparation of an ordinance amendment that would permit the signs in the downtown area and establish standards for them. In developing the proposed ordinance amendment, the Planning and Development staff reviewed the general guidelines developed by the Downtown Commission and obtained standards from other cities. Staff also inspected downtown sidewalks to ensure that A-frame signs could be placed on the sidewalks without restricting accessibility. The draft ordinance recommended for adoption by the Planning and Zoning Commission defines A-frame signs, permits them in the Central Business District, and establishes standards for them. The proposed standards address the following:

- Minimum and maximum sizes for the signs;
- Number of A-frame signs each business may have;
- Location/placement requirements for the signs;
- Safety standards for A-frame signs;
- Insurance requirements for the business placing the sign(s); and
- Permit requirements for A-frame signs.

The intent of the proposed ordinance amendment is to permit the use of A-frame signs by downtown businesses as an additional means of advertising the business and/or the goods and services provided by the business. By identifying certain standards for the signs, pedestrian accessibility and general safety issues will be addressed. The Downtown Commission and the Merchants Action Coalition have endorsed the ordinance amendment.

The Planning and Zoning Commission voted 6 – 0 to recommend adoption of the ordinance amendment. The Planning and Development Department staff supports the

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ordinance amendment and recommends that a public hearing be scheduled to solicit public comment on the ordinance amendment.

At the request of Councilman Peterson, it was the consensus of City Council that the temporary sign permit be for six months initially, and then the renewal can be valid for one year.

Mayor Sitnick asked that the record show that City Council has received this information and instructs the City Manager to proceed with the appropriate public hearings on September 12, 2000.

RECOMMENDATIONS FOR INCREASED FUNDING FOR PARKS AND RECREATION CAPITAL IMPROVEMENTS

Parks and Recreation Director Irby Brinson said that the Parks and Recreation Department is recommending City Council approve projects for Fiscal Year 2001 from the one-cent tax increase dedicated for capital improvements for Parks and Recreation.

Parks and Recreation staff, through a community input session, has developed an initial list of projects which could be funded from the one-cent tax increase for Parks and Recreation capital improvements. This initial list was shared with a citizen group who had participated in the development of the Parks and Greenway Master Plans. In addition, members of the Parks and Recreation Advisory Board, Greenway Commission, Public Art Board, and Parks and Greenway Foundation were invited to a meeting on July 24, 2000, at the Public Works Building. An overview of the process was discussed with the group which resulted in a recommendation that the total \$400,000 be used for specific projects in this fiscal year instead of using the \$400,000 to pay debt service towards borrowing approximately \$4 million. The overall justification for this decision is we need one year to determine whether a future bond referendum will be considered. We do not want to dedicate the \$400,000 over a long-term period to pay debt service without having general consensus about pursuing a bond referendum.

Staff identified projects that would be highly visible, geographically and economically distributed, address needs identified in the master plans which would be completed within the fiscal year, and partnered with other funding to increase the impact to the community. He reviewed each of the top six projects:

1. French Broad River Park Phase IV estimated cost \$ 70,000
2. Burton Street Playground estimated cost \$ 50,000
3. Ira B. Jones Ballfield estimated cost \$ 125,000
4. Broadway Greenway Master Plan estimated cost \$ 75,000
5. Royal Pines Park Demolition estimated cost \$ 30,000
6. Reid Recreation Center Renovations estimated cost \$ 50,000

Total \$ 400,000

The Parks and Recreation staff is prepared to begin immediately with the implementation of this list upon approval by City Council.

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

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RE-DESIGNATION OF STATE DEVELOPMENT ZONE

Economic Development Director Mac Williams said that this is the consideration of a resolution approving the re-designation of the State Development Zone as proposed.

The City of Asheville has been notified by the NC Department of Commerce that our municipal State Development Zone will expire December 31, 2000. Application for re-designation is due before September 30, 2000, and will take effect January 1, 2001.

In 1998, the State of North Carolina created Development Zones to encourage and enhance economic

development within areas of high poverty. Qualifying enterprises and activities receive significant tax credits for job creation and investment in machinery and equipment. In 1999, the State amended the legislation increasing the benefits but tightening the criteria controlling the size and location of the zone. As stated, the existing zone will expire on December 31, 2000.

Upon notification by the Department of Commerce about zone re-designation, a Task Force was assembled to determine the new zone according to the new criteria established by the State. The team included the following city staff: Mac Williams, Economic Development Director; Charlotte Caplan, Community Development Director; Gerald Green, Chief Planner; and, Mike Matteson, City Development Director. Others representing interested agencies included: Denise Fall, Asheville Area Chamber of Commerce; Sam Powers, AdvantageWest; Ray Burrows, NC Department of Commerce – Business & Industry Division; Jeff Fischbach, NC Dept. of Commerce – Community Development Division; Marvin Vierra, Cherokee Native American Business Development Center; Karen Cragolin, Riverlink; Rich Olejniczak, Blue Ridge Center; and, Jim Stokoe, Land of Sky Regional Council.

The goal was to identify a zone, based on the new state-imposed criteria, which would encompass areas of high poverty (the total zone must have a minimum of 20% population below the poverty level) and also, areas with reasonable opportunities for economic development / redevelopment.

Staff recommends City Council approve the re-designation of the State Development Zone as proposed.

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

RESULTS OF BUSINESS CLIMATE SURVEY

Economic Development Director Mac Williams said that this is a presentation of the business climate survey conducted in July 2000.

The Economic Development Division conducted a survey in July 2000 of nearly 1000 businesses licensed in the City of Asheville. Almost 200 businesses replied. This survey was one means to better communicate with and get feedback from the business community. The survey is the initial effort of what is hoped will become a semi-annual survey. The purpose is to provide City Council, administration, and staff with regular information in order to improve the City's business climate and services.

An intern from Western Carolina University assisted the Economic Development Director. In addition, WCU's Mountain Resource Center, located in Asheville, provided technical assistance in tabulating the results.

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The purpose of the study is threefold: first, to gather some general information about the businesses operating in the City of Asheville; second, to gauge the sentiment of those businesses about current and future conditions; and third, to provide an opportunity for businesses to identify issues they may have working with and/or conducting business in the City of Asheville.

It is the goal of the Economic Development Division to eventually survey every business operating within the City of Asheville. As of June 2000, there were approximately 6,300 individual business licenses on file with the City Business License Office. For several reasons, it was decided to survey approximately 1000 businesses every six months; thus, it will require approximately three years before all licensed firms are surveyed. Businesses were identified from the database in alphabetical order to assure a random selection of business type, size, location, etc.

The survey instrument was modeled on a similar questionnaire which has been used successfully in the City

of Greensboro, N.C., for more than ten years. The survey package included a cover letter, survey, and postage paid Business Reply return envelope.

In June 2000, 930 surveys were distributed. 199 valid replies were returned which translates to a response rate of 21.4%.

The following is a general summary of the findings of this initial survey. It is hoped that, over time, with consistency of effort and increased participation, this survey can become a useful information tool to assist the City of Asheville in being more responsive to the needs of our business community.

Survey results confirm the well-known characteristic of the Asheville business base as being small business oriented and heavily weighted in the service and retail sectors. These two business sectors combined represented 59% of the responses. Nearly 70% of the respondents employed less than 10 people and 93% employed less than 50 people.

Most respondents reported that both gross revenues and net profits were either about the same, slightly better, or much better than during the same period of the previous year. However, in both revenues and profits, the respondents were about evenly split between "about the same" and "slightly better" suggesting that businesses held their own during the period but did not significantly increase their revenues or profits.

It follows then that most respondents (73%) foresee maintaining (vs. expanding or reducing) current levels of employment and facility operations over the next six months. It should be added however that, of those businesses that did indicate a change in the next six months, 18.5% indicated they would be adding employees vs. 3.5 % decreasing their workforce. Similarly, 5.5% responded they would enlarge or renovate their facility while 6.5% said they would sell or relocate. (Reasons for selling and places of relocation were neither asked nor offered).

The stability of the business community was indicated by the fact that 48% of the respondents had been in business between 5 – 20 years while another 19% had been in business more than 21years. Businesses less than 5 years old represented nearly 28% of the responses but only 3.5% of those had been in business less than one year.

Participants were afforded an opportunity to provide any general comments. The categories receiving the most attention (in no particular order) included: Parking Concerns, Sign Issues, Traffic & Highway Issues, Civic /Convention Center, Suggested Business Focus areas, City Services, City Fees, and comments directed to City Council.

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The Economic Development Division wishes to acknowledge the assistance and support of the following in the development and implementation of the survey process and this report:

The City of Asheville Business Licensing Office and Information Services Division provided the database and technical support necessary in producing the mailing list. The City's Print Shop was utilized to produce some of the survey materials. As noted earlier, this was the initial effort to undertake a survey project of this nature. This required developing, coordinating, and administering a new system for data collection as well as for preparation, tabulation, and reporting of the results. This service was ably provided by an intern from Western Carolina University with assistance by WCU staff through its Mountain Resource Center.

This is intended as a report of an activity and does not require any formal action.

PASSENGER RAIL SERVICE TO WESTERN NORTH CAROLINA

City Manager Westbrook said that this is a request for Council to appoint a Passenger Rail Service Action Committee to advise City Council on upcoming policy issues regarding the passenger rail service to Western North Carolina.

As you know for the past several years, the North Carolina Department of Transportation (NCDOT) has been studying various rail routes across North Carolina. Of particular concern to Asheville as a destination city is when we will receive the passenger rail service, and where the rail station will be located. Recently the North Carolina General Assembly appropriated funding to NCDOT to conduct a study of the feasibility of providing rail service to Western North Carolina. The study will include the following: (1) A phased project timetable for the implementation of passenger service to Western North Carolina; (2) The cost of implementing each phase; and (3) Specific interim goals and performance measures to be used to determine the success in implementing this plan.

The report shall be submitted on or before March 1, 2001, to the chairs of the Senate Appropriations Subcommittee on Transportation, to the chairs of the House Appropriations Subcommittee on Transportation, and to the Fiscal Research Division.

Because some funding has now been appropriated and the process has started with that authorization, he feels it is in the City's best interest to formally appoint a committee to advise the City Council on issues that NCDOT will be studying. Furthermore, he believes NCDOT wants substantial local input on all the factors that will be covered by the study. The action committee will provide the City with a method of seeking public input, organizing and formalizing our recommendations to NCDOT.

Staff recommends that City Council appoint a Passenger Rail Service Action Committee. The committee should include a member of City Council. Staff appointments to the committee should be Transportation Planner Ron Fuller, City Engineer Cathy Ball, City Planner Stacy Merten, Transit Services Director Bruce Black, Economic Development Director Mac Williams, and City Manager Jim Westbrook. It is also recommended that the committee include Bradley Hix with the Asheville Area Chamber of Commerce (who is also involved with the WNC Rail Committee) as well as appropriate representatives of other "interested parties" such as Buncombe County, Tourism Development Authority and RiverLink.

At the suggestion of Mayor Sitnick, it was the consensus of Council to appoint a representative from Biltmore Village to the Committee. In addition, it was the consensus of City Council to appoint Vice-Mayor Cloninger as the member of Council on the Committee.

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

BOARD AND COMMISSION APPOINTMENTS

Vice-Mayor Cloninger reviewed the next quarterly appointment process with Council.

Vice-Mayor Cloninger said that on July 25, 2000, City Council interviewed Peter Crosa and Doc Halliday for a vacancy on the Civic Center Commission. It was the consensus of City Council to have the City Clerk prepare the proper paperwork to appoint Mr. Crosa to the Civic Center Commission to serve a three year term, term to expire June 30, 2003, or until his successor is appointed.

Vice-Mayor Cloninger said that on July 25, 2000, City Council interviewed Doc Halliday for a vacancy on the Tree Commission. It was the consensus of City Council to have the City Clerk prepare the proper paperwork to appoint Mr. Halliday to the Tree Commission to serve a three year term, term to expire December 31, 2003, or until his successor is appointed.

Councilman Worley reported that the Recreation Board recommended the Board membership be increased from seven to nine members. It was the consensus of City Council to place the resolution increasing the membership on the next formal meeting agenda. In addition, it was the consensus of City Council to appoint Ms. Susan Sparboe and Mr. James Drummond to the Recreation Board at the next formal meeting as well.

CLOSED SESSION

At 4:58 p.m., Councilman Worley moved to go into closed session in order to consult with an attorney employed by the City about matters with respect to which the attorney-client privilege between the City and its attorney must be preserved, including lawsuits involving the following parties: Frances C. Briggs; Myrna R. Hendrix; Rose Investments, a North Carolina General Partnership; Travis M. Bach; Haywood Plott and wife, Ruth Plott; Howard W. Meece and wife, Doris B. Meece; Mary Ann Hicklin; Quarngesser; Allyn Family Real Estate Limited Partnership; Thantex Specialties, Inc.; Hubbell Realty Development Corp.; Alliance-Carolina Tool & Mold Corporation; Medical Action Industries, Inc.; Cutler-Hammer, Inc.; Eaton Corporation; Ridgefield Properties, L.L.C.; Ridgefield Women's Cancer Center Properties, L.L.C.; Continental Teves, Inc.; Asheville Endocrinology Properties, L.L.C.; Ridgefield Business Center Property Owners Association, Inc.; George W. Beverly, Jr.; Highwoods Realty Limited Partnership; Highwoods Forsyth Limited Partnership; AP Southeast Portfolio Partners, L.P.; Carolina Power & Light Company; and City of Asheville. The statutory authorization is contained in G.S. 143-318.11(a)(3). This motion was seconded by Vice-Mayor Cloninger and carried unanimously.

At 5:55 p.m., Councilman Worley moved to come out of closed session. This motion was seconded by Mayor Sitnick and carried unanimously.

ADJOURNMENT:

Mayor Sitnick adjourned the meeting at 5:55 p.m.

CITY CLERK MAYOR
