
In May of 1999, City Council approved the development of a Traffic Evaluation Plan for downtown as it related to the improvements at Pritchard Park. This particular proposal requested reimbursement of this Plan by the Transportation Advisory Committee for the MPO Transportation Planning Work Program budget. The upfront costs of this study were paid out of the Pritchard Park budget with the understanding that, once funds were received as part of the MPO, reimbursement would be made to this account.

The Parks and Recreation Department recommends City Council approve the budget amendment, in the amount of \$38,312.53, to reimburse the Pritchard Park renovation account for the development of the Downtown Traffic Evaluation Plan.

Upon inquiry of Councilwoman Bellamy, Parks and Recreation Director Irby Brinson said that the park renovation should be completed no later than December 15, 2000.

Annual Report of the Minority Business Program

Summary: Presentation of the Minority Business Program Annual Report for Fiscal Year 1999 - 2000.

In May of 1998, City Council adopted the Asheville-Buncombe Minority Business Plan. The Plan was subsequently amended in November 1998 and December 1999, to clarify provisions of the Plan and to expand participation in the Mentor-Protégé Program.

The Plan requires the Office of Minority Affairs to present to the City Council and County Commissioners an Annual Report on the effectiveness of implementation of the Plan. The Report includes, but is not limited to: the number of minority businesses; percentage of minority businesses contracting with the County and City either as a prime contractor or as a subcontractor; percentage of overall reported contracts awarded to minority businesses; percentage of contractors complying with good faith efforts; percentage of goals achieved and goals waived.

The Annual Report for Fiscal Year 1999 – 2000 has been reviewed by the Minority Business Commission and approved at its meeting on August 24, 2000.

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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UPDATE FROM THE FUTURE OF THE CIVIC CENTER TASK FORCE

Councilman Hay, Chair of the Future of the Civic Center Task Force, said that over

the last several months, the Task Force on the Future of the Civic Center has made fresh progress in identifying future uses of the Asheville Civic Center. Our present Civic Center serves as a convention center, sports arena, and performing arts center. In the future, each facility will meet a unique community need, has its own prospects for success, and has its own funding mechanisms. The Task Force thinks that each should complement the others, but they also believe that each has merit in its own right, regardless of the feasibility of the others.

The Task Force created three different sub-committees; each assigned a different component to investigate. The sub-committees have completed their initial research and have made reports to the Task Force. The reports are as follows:

Convention/Conference Center

In cooperation with the Task Force, the Tourism Development Authority commissioned a study on the need for additional convention center space in Asheville. The result was the Highland Group Report, which questioned the need for additional space and did not support the idea of developing a convention center.

The Task Force believes compelling arguments exist for a convention/conference center downtown, but also acknowledge that without the full support of the hospitality industry, the primary beneficiary of a new convention center, the emphasis for the present should be on the performing arts center and the sports arena. Nonetheless, the Task Force believes that efforts should also be ongoing to explore convention center possibilities with partners such as UNC-A.

Sports Arena

The sub-committee exploring the option of a sports arena has been meeting almost weekly to identify possible locations for the arena and have reviewed a total of 25 – 30 locations. Meetings have included property owners, staff, and others associated with the different locations. The sub-committee has narrowed the locations down to three possibilities: the existing location, a site behind City Hall, and the UNC-A campus. A location on the river was also identified as a strong fourth choice.

In the course of its study, the sub-committee was hearing from operators interested in locating sports teams in Asheville. (As was reported in the Asheville Citizen-Times last week, the NBA is one of those interested parties). Each has encouraged us to look first at upgrading the existing facility. Also, problems identified early in our process with access and parking will now be addressed head-on with the new parking deck on Battery Hill and the realignment of the Broadway exchange.

As a result, the Task Force determined that it should resolve once and for all the question of whether the existing sports arena can be feasibly upgraded to a modern facility, capable of meeting the needs of a variety of new sports and entertainment tenants. Therefore, the sub-committee has developed a Request for Proposal (RFP) for an architectural feasibility study of the Civic Center, with an emphasis on the arena. They are now asking for City Council approval to proceed with the RFP process.

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Performing Arts Center

This sub-committee, headed by Herb Smith from the Asheville Symphony, has been visiting performing arts centers throughout the Southeast, including the Peace Center in Greenville, S.C., the Spartanburg Auditorium in Spartanburg, S.C., the Roanoke Performing Arts Center in Roanoke, VA, the Blumenthal Center in Charlotte and the Stephens Center in Winston-Salem, N.C. They have reported on each of these visits and recommend that the entire Task Force visit the Peace Center and the Spartanburg Auditorium to get a first-hand look at the two facilities, which represent renovated and newly constructed centers. These visits will be planned in the near future.

The Task Force feels that they are making substantial progress in finding the right mix of uses for our Civic Center. They were somewhat disheartened in January when the report from our consultants at Hunter Interests was released, but we now feel that it has given them a different perspective and a fresh way of looking at things. The recent NBA interest in our City is an indicator of what the future holds for the Asheville Civic Center. They look forward to finding the perfect equation for our community and adding new, exciting entertainment venues for all of Western North Carolina.

A brief discussion surrounded how the Civic Center would be funded, i.e., fully public funded, fully privately funded or funded in a public/private nature.

Upon inquiry of Councilwoman Bellamy, it was discussed that the best ballpark guess of the RFP would be in the range of \$60-100,000 and it would come from contingency or fund balance. Councilwoman Field explained that the more clear the RFP is, it will cost less.

Councilwoman Field wanted to make sure that the consultant knows that the community is attached to the present facility. She personally feels that it is cheaper and better to recycle what we have than to build a new facility, unless the facility is completely inappropriate for the task in the future or the building is unsound.

It was the consensus of City Council to instruct the Task Force to proceed with the RFP for an architectural feasibility study of the Civic Center, with an emphasis on the arena. The Task Force will then review the RFP's and report back to City Council with a request for an appropriation.

DETAILS ON HOUSING TRUST FUND

Ms Charlotte Caplan, Community Development Director, said that this is the consideration of a resolution approving policies and procedures for the Housing Trust Fund, and the request for proposals for Fiscal Year 2000-2001 projects.

On June 13, 2000, City Council approved an allocation of \$400,000 in the Fiscal Year 2000-2001 City Budget to create a Housing Trust Fund. This report proposes:

- 1) General policies and procedures for the management and use of the Fund;
- 2) A request for proposals (RFP) for FY 2000/01 from developers of new housing for rent or for homeownership.

These documents have been developed by staff after discussion with stakeholders, including housing non-profits, real estate professionals, and developers, and have been approved by the Housing and Community Development Committee.

The key features are mainly as proposed to Council before the creation of the Trust Fund, and include:

- o Creating a permanent fund to assist in developing and preserving affordable housing;
- o Allowing a wide range of eligible uses in principle, with more specific targeting in each year's RFP;
- o Project selection to support the Consolidated Plan and Smart Growth policies;
- o Assistance in the form of loans, not grants, with flexible repayment terms;
- o No Trust Funds to be used for administration, at least for the first year;
- o General oversight and project selection by the Housing and Community Development Committee

City staff recommends City Council approve the resolution adopting policies and procedures for the Housing Trust Fund and the types of projects to be the subject of a request for proposals this year.

Upon inquiry of Councilman Worley, it was the consensus of City Council to add sole proprietorships to the types of entities that will be eligible to apply for assistance from the Fund.

Councilman Worley expressed concern that second mortgage assistance to home buyers is not precluded by eligible home buyers.

Councilwoman Bellamy was concerned that the City itself is able to operate projects assisted by the Fund and personally did not support that.

Councilwoman Field said that the Housing and Community Development Committee will make recommendations to City Council and the Council will have final approval authority over the projects.

It was the consensus of City Council that the Housing and Community Development Committee have the authority to vary the terms of the loans.

Councilwoman Field hoped that when other entities decide to participate monetarily for affordable housing, that the City be willing and flexible to work with them.

Mayor Sitnick suggested that after adoption of these polices and procedures Ms. Caplan contact Buncombe County to see if they can work with the City.

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.

REVISIONS TO THE TAXICAB ORDINANCE

Revenue Manager Deborah Crowder said that this is the consideration of a revision of the current taxicab ordinance including the implementation of a new rate table.

N.C. Gen. Stat. sec. 160A-304 allows a city to license and regulate all vehicles operated for hire in the city.

Ms. Crowder said that staff has reviewed Sec. 18 of the City of Asheville Code which sets forth the provision for regulation of taxicab businesses and drivers and several minor changes have been made to bring the Code up-to-date. For example, the current language of the Code requires a vehicle to have seat belts and heaters. The revision changes the language

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to terms like standard safety devices, and also includes the provision for air conditioners. Other terminology changes are *medallion* to *insignia*, *Motor Transport* to *Fleet Management*, etc. She noted that the most significant change in the text of the ordinance is the driver's renewal period has been changed from the December 31 and June 30 dates to allow expiration one year from the date of issue.

The taxicab rate schedule, formerly included in the City's Fees and Charges Manual, has been revised and moved to the Appendix of the City Code. The last rate change was approved in 1987. The schedule is removed from the Fees and Charges Manual because taxicab rates are not fees paid to the city. They are amounts paid, by the customer, to the business. The Fees and Charges Manual retains those amounts paid to the city, by the business or driver, that are associated with the regulation of taxicab businesses and drivers.

City staff recommended that the insurance provision be revised from currently \$25,000/person; \$50,000/accident; and \$15,000/property be increased to \$100,000/person; \$300,000/accident; and \$50,000/property.

Ms. Crowder then reviewed a taxicab rate comparison of eight cities. City staff recommended \$1.70 drop; \$1.60 per mile; and \$4.10/1.5 trip. Staff also recommended that the minimum total fare shall not be less than \$3.00.

City staff recommends Council adopt the revised ordinance and rate schedule.

Ms. Crowder said that there has been numerous complaints from the taxi drivers about Airport rules which prohibit them from waiting for return rides on Airport property. She passed out a copy of the Airport's commercial ground transportation regulations. She recommended the Mayor write a letter to the Airport Authority indicating that the City of Asheville is interested in reviewing and resolving the ground transportation issue at the Asheville Regional Airport.

When Councilman Peterson asked what the City could do to require taxicab stands at the Airport, City Attorney Oast said that he is researching that issue.

Mr. Mike Armour, Airport Director, said that in the past they have had difficulty in getting cabs to respond to calls for late night arrivals. In addition, the Airport has very limited curbside capacity. He noted that the contract with Airport Ground Transportation is not an exclusive contract and they do have the ability to enter into other agreements, however, the current ground transportation carries a total of less than 3% of their passengers. He said that the Authority is currently reviewing their Master Plan process and ground transportation is very much a part of that process. He said that the Authority is willing to work with City Council to see if they can come to a solution.

Mr. Spiro Aliferis said that the Airport doesn't mind taxicabs taking customers out there, however, they aren't willing to let them take passengers back. He felt that with the higher insurance recommendations by staff, the per mile figure should be \$1.80.

When Councilman Peterson asked what kind of improvements might the public see if Council raised their rates, Mr. Aliferis said that hopefully they can find more drivers and there would be more cabs on the streets.

Mr. Joe Hall noted that the Airport Ground Transportation shuttle charges \$20/person to be taken to the Grove Park Inn, whereas, a taxicab is \$20 but it holds more people.

After discussion, it was the consensus of City Council to raise the rates to \$1.80/drop; \$1.70 per mile; and \$4.35/1.5 trip. In addition, the minimum total fare shall not be less than

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\$3.00. In addition, it was the consensus of Council to raise the insurance requirement to \$100,000/person; \$300,000/accident; and \$50,000/property.

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.

UDO AMENDMENT REVIEW

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

Identify Colleges and Universities, Vocation and Training Schools as a Permitted Use in Industrial District

Chief Planner Gerald Green said that this is the consideration of an amendment to the Unified Development Ordinance (UDO) to identify colleges and universities, vocational and training schools, and business incubation as permitted uses in the Industrial District.

He said that uses in the Industrial District are currently limited to manufacturing and related uses. While this limited range of uses preserves industrially zoned property for industrial uses, it is not flexible enough to meet the needs of technological changes and new approaches to the uses of industrial sites. This limitation is exemplified by the proposed use of land donated by BASF to Asheville-Buncombe Technical Community College (A-B Tech) . The property is located adjacent to the BASF plant and is zoned Industrial. A-B Tech plans to locate classrooms and a business incubation center in the existing building. The classrooms would be used primarily for vocational education. The business incubation center would provide an area for start up businesses to locate, share resources, and receive assistance in the first years of their existence, helping to ensure their success. Currently, the Industrial District does not permit either of these uses. The proposed ordinance amendment would allow these uses by listing colleges and universities, vocational and training schools, and business incubation as permitted uses in the Industrial District. Future efforts such as that proposed by A-B Tech would be permitted by the proposed ordinance amendment, helping to strengthen the area's economy.

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 hearing on September 12, 2000.

GENERAL OBLIGATION TWO-THIRD BONDS

Finance Director Bill Schaefer said that this is the consideration of resolutions related to the issuance of \$1,970,000 City of Asheville General Obligation Two-Thirds Bonds.

In most instances, the least expensive financing source available to municipalities is the issue of General Obligation (GO) Bonds; especially when the GO bonds can be issued without the expense and uncertainty of conducting a referendum to authorize their issue. N.C. General Statutes allow the issue of GO bonds without a referendum in a maximum amount equaling two-thirds of the amount by which the City's outstanding GO debt was reduced in the prior fiscal year. As a result, the City of Asheville may issue up to \$1,973,333 in Two-Thirds Bonds in Fiscal Year 2000-2001.

The City of Asheville budget for Fiscal Year 2000-2001 includes \$1,300,000 for sewer projects and \$800,000

for an aerial ladder fire truck. The budget called for the sewer projects to

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be financed by Two-Thirds Bonds and the fire truck through an installment purchase. After financing of the sewer projects, the City would still have \$670,000 of Two-Thirds Bond capacity which staff proposes be used to finance the majority of the fire truck; with the balance of only \$130,000 to be financed by the more expensive lease purchase.

The City's Bond Counsel, in consultation with the Local Government Commission (LGC) and City staff, has established a tentative calendar of events leading to a sale date of December 5, 2000, for the City's Two-Thirds Bonds. In order to meet that schedule, City Council needs to adopt the first four enabling resolutions at the September 12, 2000, formal meeting. The following summarizes each of the resolutions:

1. *Resolution Directing the Publication of Notice of Intention to Apply to the LGC for Approval of Bonds:* Directs the City Clerk to have published on September 13, 2000, a notice of the City's intent to apply to the LGC to issue \$1,300,000 bonds for sewer projects and \$670,000 bonds for the purchase of a fire truck.
2. *Resolution Authorizing the Finance Director to Prepare an Application to the LGC ...:* Directs the Finance Director to submit the necessary application and associated information regarding the City and its financial condition and to request LGC's approval of the City's use of Parker, Poe, Adams & Bernstein L.L.P. as the City's Bond Counsel.
3. *Resolution Making Certain Statements of Fact Concerning Proposed Bond Issues:* Documents Council's findings of fact as to the following:
 - A. The proposed bonds are necessary and expedient;
 - B. The amounts of the bonds are adequate and not excessive;
 - C. The City's debt management policies have been carried out in compliance with law;
 - D. The City's budgetary and fiscal management policies have been carried out in compliance with law; and
 - E. The schedule for issuing the bonds does not require a property tax increase and calls for all of the bonds to be issued in December, 2000.
1. *Resolution Declaring the Intent of the City to Reimburse Itself for Capital Expenditures Incurred in Connection With the Extension of Sanitary Sewer Lines From Proceeds of Certain Tax-Exempt Bonds ...:* On August 22, 2000, Council authorized the City Manager to enter into a contract for a portion of the sewer projects which are to be financed by Two-Thirds Bonds. In order for the City to be able to reimburse itself from the proceeds of the Bonds for a construction contract executed prior to the sale of the Bonds, the City must publicly document its intent prior to or within 90 days following the execution of the contract. This resolution documents the City's intent.

City staff recommends City Council adopt the four resolutions.

Mr. Schaefer responded to a question by Councilman Peterson about how much the City will be saving.

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.

ENGAGEMENT OF UNDERWRITERS

Finance Director Bill Schaefer said that this is the consideration of a resolution authorizing the engagement of underwriters for the issue of Water Revenue Bonds and Certificates of Participation.

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The City of Asheville Budget for Fiscal Year 2000-2001 calls for the issue of \$11,300,000 of Water Revenue Bonds to finance various improvements to the water system and the issue of \$11,200,000 tax-exempt Certificates of Participation (COPs) for the City's portion of the Battery Park Parking Deck. (An additional taxable portion of the COPs issue, currently estimated as \$4,000,000, will be required to finance the private partner's portion of the project. The debt service for the taxable portion is to be provided, in its entirety, by the private partners.) The services of an underwriting firm will be required for the structuring and sale of both the Water Revenue Bonds and the COPs.

The City requested separate proposals for the Water Revenue Bond issue and the COPs issue from six investment banking firms. In response, we received five proposals to underwrite the Water Revenue Bonds and all six firms provided proposals to underwrite the COPs. City staff members evaluated the proposals based on: experience with similar financings in North Carolina; suggested alternatives for the structuring of the financing; firm's personnel dedicated to the financing; underwriter's counsel; compliance with the City's drug free workplace policies: fee structure; etc.

Based on the results of the evaluation of proposals, City staff recommends the engagement of Robinson-Humphrey, LLC, to underwrite the City's issue of Water Revenue Bonds and both the tax-exempt and taxable COPs.

City staff recommends City Council adopt the resolution which engages underwriters for the issue of Water Revenue Bonds and Certificates of Participation.

Mr. Schaefer responded to various questions from Councilman Peterson.

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.

REQUEST FOR PROPOSALS FOR EAST END PLACE SUBDIVISION

Mr. Randall Barnett, Rehab Loan Specialist, said that this is the consideration of a resolution establishing the minimum price and directing the City Clerk to advertise a Request for Proposals regarding the development of East End Place Subdivision.

The Community Development Division has prepared a plan for the sale and redevelopment of land located in the East End/Valley Street Community Improvement Area known as East End Place and seeks authorization to advertise a Request for Proposals for sealed bids.

East End Place is a proposed subdivision located on a two acre tract on Martin Luther King Jr. Drive. The subdivision plan comprises seven lots and a short cul-de-sac. The plan has been approved by the Technical Review Committee.

The proposed lots have been appraised at \$77,000, which is the amount proposed as the minimum price for the land.

The successful redeveloper will be required to pay not less than the minimum price established for the lots; to construct the infrastructure, i.e. street, sidewalk, water lines, sewer and storm drainage; and to build an affordable home on each lot with a projected sale price not to exceed \$90,000. The homes proposed must contain at a minimum 960 square feet, 3 bedrooms and 1 1/2 baths. The project must be started within three months and completed within twenty-four

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months after conveyance of the property. The City through allocated Community Development Block Grant funds will provide \$78,000 toward the cost of the infrastructure.

The homes must be sold to households with incomes not exceeding 80% of the area median income. The City through allocated Community Development Program Income will provide secondary financing to the buyers in an amount not to exceed \$11,000 per lot.

The advertisement for sealed bids, if approved by Council, will include the provision that proposals will be evaluated on the Redeveloper's qualifications and the quality of the proposed homes as well as the amount bid.

Approval of the resolution will establish the minimum price for East End Place at \$77,000 and initiate the sale of the property through the sealed bid process as provided in N. C. Gen. Stat. sec. 160A-268.

Community Development staff recommends adoption of the resolution.

At the request of Councilwoman Bellamy, Mr. Barnette said that he would be happy to meet with the residents in the area and discuss the proposed subdivision plan, addressing any concerns they may have especially with regard to building on the embankment and the proximity of the proposed subdivision with their homes.

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.

OTHER BUSINESS

It was the consensus of City Council to cancel the October 17, 2000, worksession since there will not be a majority of City Council in town. However, Council instructed the City Manager to wait until closer to the October 17, 2000, worksession date to see if the worksession should be rescheduled to Wednesday, October 18, 2000, or just cancelled entirely for that week.

It was the consensus of City Council to cancel their community meeting for Tuesday, October 31, 2000.

City Council instructed the City Clerk to arrange interviews or prepare paperwork to make appointments to the following boards and commissions: ADA Compliance Committee, Greenway Commission, Minority Business Commission, Opportunity Corporation, Planning and Zoning Commission, River District Design Review Committee, Tourism Development Authority, Victoria of Asheville Board of Directors, and Water Authority.

After discussion regarding the process for appointing Council members to different boards, it was the consensus of City Council to appoint Councilman Hay to the Buncombe County Economic Development Commission.

Mayor Sitnick said that she has had a request to have City Council ask the Public Art Board to discuss the possibility of having a poet laureate for the City of Asheville. Councilwoman Field (liaison to the Public Art Board) said that she would be happy to bring that proposal before the Board.

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City Attorney Oast announced that he was just notified that the variance request by Riverbend Marketplace (i.e. Walmart) to construct a Walmart Superstore at the old Sayles Bleacheries site at 437 Swannanoa River Road was denied by the Board of Adjustment.

ADJOURNMENT:

Mayor Sitnick adjourned the meeting at 6:30 p.m.

CITY CLERK MAYOR
