
Financial Plan

Total project cost is estimated at \$2,428,500. The proposed sources of funding are:

Section 108 Guaranteed Loan \$800,000

Economic Development Initiative grant \$340,000

CDBG \$530,000 (already approved)

Equity contributions \$758,500

TOTAL \$2,428,500

To receive the Section 108 loan guarantee, the City must pledge its future CDBG entitlement grants as security, backed up by a first mortgage on the real estate. The EDI program is a competitive grant program designed by HUD to provide additional support for projects receiving Section 108 loan funding.

Staff has reviewed the financial plans, put together by EMSDC with assistance from the National Development Corporation, and believe that this is a viable project. Together with some private sector initiatives already under way, it will bring an entire block back into productive economic activity and should transform the area.

A public hearing is required before the Section 108 application can be submitted.

Staff recommends, after the public hearing, approving the resolution which authorizes the Mayor to submit applications for an \$800,000 Section 108 Guaranteed Loan and a \$340,000 EDI grant.

Ms. Caplan then explained how the Section 108 Guarantee Loan program is administered.

Mayor Sitnick urged citizens to write to their state legislators to encourage them not to diminish the opportunity provided by Historic Preservation Tax Credits.

Mayor Sitnick closed the public hearing at 6:06 p.m.

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Mayor Sitnick said that members of Council have been previously furnished with a copy of the resolution and it would not be read.

Councilwoman Field moved for the adoption of Resolution No. 01-97. This motion was seconded by Councilman Worley and carried unanimously.

RESOLUTION BOOK NO. 26 – PAGE 397

IV. UNFINISHED BUSINESS:

A. ORDINANCE NO. 2825 - ORDINANCE ADOPTING THE FISCAL YEAR 2001-02 ANNUAL OPERATING BUDGET

Mayor Sitnick said that a public hearing was held on the Fiscal Year 2001-02 Annual Operating Budget on June 12, 2001.

Budget Director Ben Durant said that this report presents the Fiscal Year 2001/2002 Annual Operating Budget for City Council's consideration before adoption.

The Fiscal 2001/2002 Annual Operating Budget was presented to City Council on May 10, 2001. In accordance with the North Carolina Local Government Budget and Fiscal Control Act, a summary of the budget along with a notice of the public hearing was published on June 1 and June 8, 2000. The City Council conducted a public hearing on the budget on June 12, 2001.

The Fiscal Year 2001/2002 Annual Operating Budget is balanced with a tax rate of \$0.56 per \$100 of assessed valuation, which reflects no increase over the current property tax rate. All essential City programs and services are maintained.

The budget as currently presented to City Council includes a net budget of \$88,739,599 and a General Fund appropriation of \$64,263,688. Key items for Council's review are summarized and discussed below:

- Outside Agency funding is presented in accordance with the Outside Agency Committee recommendations to allow most agencies that currently receive City funding to receive the same appropriation for FY 2001/2002 as originally appropriated in FY 2000/2001. Funding for the A-B Community Relations Council is maintained at \$63,000 and a new, one time appropriation of \$1,000 is provided for the Kids Voting program.
- Civic Center fees have been revised to reflect the charging of arena changeover fees during hockey season to trade show tenants whose events generate less than \$35,000 in ticket sales. Arena changeover fees will be waived for events generating \$35,000 or more in ticket sales or for tenants who held events at the Civic Center prior to the inception of the hockey program.
- Additional appropriations to the Civic Center Operating Fund in the amount of \$637,897 have been added to the FY 2001/2002 Annual Operating Budget presented to Council to support the National Basketball Developmental League (NBDL). This appropriation is balanced with additional Civic Center operating revenues of \$490,550 and an increased transfer from the General Fund of \$147,347.
- The increased General Fund transfer to the Civic Center Operating Fund of \$147,347 is funded with an offsetting reduction to the Manager's contingency account, which has been reduced from \$300,000 to \$152,653. As a result of the reduction to the contingency account,

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no increase to the General Fund Budget was needed to fund the additional transfer to the

Civic Center Operating Fund.

- The budget as currently presented to City Council includes a merit package which allows for an average increase in employee pay of four percent. Beginning July 1, 2001, employee performance appraisals will be conducted according to normal schedules, however, merit pay increases that may result will be delayed until the North Carolina General Assembly makes a final decision regarding local government reimbursements payments. If the General Assembly discontinues reimbursement payments during FY 2001/2002 and provides no additional replacement revenues, the City may need to reduce the funding available for merit pay increases. If reimbursement revenues are restored, or sufficient replacement revenues are provided, employees will receive full merit awards, retroactive to their original eligibility date.

Staff requests that Council review the FY 2001/2002 Annual Operating Budget and make necessary recommendations or adjustments followed by adoption of the budget ordinance.

Upon inquiry of Vice-Mayor Cloninger, City Manager Westbrook explained that due to the uncertainty of the state reimbursements, all merit and cost of living increases will be temporarily held until we hear about the reimbursement money from the State. This will only affect employees who have anniversary dates during approximately the first six weeks of the new fiscal year (or until the State budget is passed). In the unlikely event that the State withholds the full \$2.2 million reimbursement, it could potentially mean a reduction in services for citizens and layoffs for employees. However, by temporarily holding merit and cost of living pay for approximately 6 weeks until the General Assembly passes a budget, he has preserved the option of reducing merit pay rather than laying off employees in this worst case scenario. He did not feel the State will discontinue the funding; however, this is a decision of the General Assembly and he would rather have the option to preserve jobs at this critical point. Again, the City expects to hear something from the State by the end of August. As soon as we are informed that we will be receiving all or a portion of the reimbursements, merit and cost of living increases that have been held in abeyance will be processed retroactive back to the employees' anniversary date.

Upon inquiry of Councilwoman Bellamy, Mr. Westbrook explained what other contingency plans there were in the event the City does not receive the state reimbursement.

There was a brief discussion on the details of the Civic Center operating budget as it related to the NBDL, and also the compromise with the Regional Water Authority's budget (which Authority agreed to a 2.5% increase).

Upon inquiry of Mayor Sitnick regarding her concern of the Criminal Justice Information Services (CJIS) monies, Finance Director Bill Schaefer gave City Council a brief update on where that program stands at the present time.

Upon inquiry of Mayor Sitnick, Transit Services Director Bruce Black said that the Transit Center enclosure should be completed by mid-November but stressed he would do everything he could to have the enclosure completed by the cold months.

Mayor Sitnick stressed how seriously City Council takes their responsibility on how they spend the City taxpayer's money. Even though she would have preferred putting more money in traffic calming, transportation services, and an across the board minimal reduction to outside agencies, she did feel this is a fat-free and waste-free budget.

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Councilman Peterson also said that there are minor items in the budget he did not agree with, but all of Council has been allowed to voice their concerns. He also agreed that this has been a tight budget year.

Mayor Sitnick said that members of Council have been previously furnished with a copy of the ordinance and it would not be read.

Vice-Mayor Cloninger moved for the adoption of Ordinance No. 2825. This motion was seconded by Councilman Worley and carried unanimously.

ORDINANCE BOOK NO. 19 - PAGE

At 6:55 p.m., Mayor Sitnick announced a 15 minute recess.

V. NEW BUSINESS:

A. RESOLUTION NO. 01-98 - RESOLUTION DESIGNATING THE SILVERMAN COMPANY STEEL ROOFTOP SIGN AT 48 SWANNANOA RIVER ROAD AS A LANDMARK SIGN

Historic Resources Director Maggie O'Connor said that this is the consideration of a resolution designating the Silverman Company steel rooftop sign at 48 Swannanoa River Road historically significant and/or a landmark sign.

The owner of the Silverman Company steel rooftop sign located at 48 Swannanoa Road requests landmark sign designation of the 6 feet x 64 feet (384 square feet) steel roof top Silverman Company sign. The sign erected in 1924 has been maintained over the years. Sec. 7-13-2(c) of the Unified Development Ordinance (UDO) "Signs Exempt from Regulation," provides in paragraph 12 that landmark or historically significant signs are exempt from regulation, and that signs may be designated historically significant and/or landmark signs by the city council provided the signs satisfy one or more of the following criteria:

- A. The sign is significant to the history of the City of Asheville, including but not limited to, the character of the city as a tourist attraction or cultural center.
- B. The sign is unique, notably aesthetic or creative so as to make a significant contribution as a work of art.
- C. The sign merits recognition as an important example of technology, craftsmanship, materials or design of the period in which it was constructed and may no longer be economically feasible to produce or manufacture the sign today.

Pursuant to UDO sec. 7-3-4(a)(2), the Historic Resources Commission (HRC) may recommend to the City Council that certain objects be designated as historic or landmark. Though not specifically mentioned, this function includes signs. At its February 9, 2000, meeting, the Historic Resources Commission of Asheville and Buncombe County (HRC) reviewed a request for landmark sign designation for the Silverman Company sign. By a unanimous vote the motion to recommend that designation passed. The HRC found the Silverman Company steel rooftop sign meets Criteria A; Criteria B because it denotes a local business; and Criteria C because a steel company made the sign out of steel for their business and, it is the only one of its kind that the Silverman Company designed and built.

This is an unusual case in that the Silverman sign, despite its historic characteristics, appears to be a relatively standard roof-top sign. Staff recognizes that approval of this request

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may result in similar requests for similar type signs that do not have the same level of historicity as the Silverman sign. By recommending approval, the HRC has taken a broad view with regard to the intent of the ordinance. If Council prefers that the ordinance be more tightly construed so that signs like the Silverman sign and Dreamland Flea Market sign are not considered eligible for such designation, staff would appreciate a discussion on the intent of the ordinance in order to provide appropriate direction to HRC and to modify our code requirements and guidelines as needed.

The HRC recommends approval of the request to designate the Silverman Company steel rooftop sign at 48 Swannanoa River Road historically significant and/or a landmark sign. If Council wishes to designate the Silverman Company steel rooftop sign as a landmark or historic sign, adoption of a resolution is required. If Council wishes to deny the request, a motion to that effect may be made, but is not required, or Council may vote down the resolution. If council denies the request, staff asks that you assist us in clarifying the intent of the ordinance that allows for the designation of historically significant/landmark signs.

Ms. O'Connor reported back to Council the information they requested at the June 19, 2001, worksession.

Vice-Mayor Cloninger stated that he could not see how this sign is significant to Asheville. He felt the sign was not responsive to the "B" criteria of the ordinance. He feels this may be an attempt to circumvent the sign ordinance.

Upon inquiry of Councilwoman Field, Ms. O'Connor said that if the sign is not designated as a landmark or historic sign, they must remove the sign as it does not meet the sign ordinance.

Councilman Peterson felt that taking into the context of what kinds of businesses that were in the area at the time the building was built, he felt the sign did qualify as a landmark sign.

Mayor Sitnick was concerned about setting a precedence if Council approves this sign.

Even though Councilman Worley felt that the sign appears to be the original sign and the Silverman Company is part of the history of the City of Asheville, he too, was concerned about setting a precedence for these type signs.

Mr. Kevin Rollins and Ms. Hazel Fobes each spoke in favor of designating the sign as a historic sign.

Councilman Hay suggested that we invite the HRC members to a worksession to get their assistance in clarifying the intent of the ordinance allowing for the designation of historically significant/landmark signs.

Mayor Sitnick said that members of Council have been previously furnished with a copy of the resolution and it would not be read.

Councilwoman Bellamy moved for the adoption of Resolution No. 01-98. This motion was seconded by Councilman Peterson and carried on a 6-1 vote, with Vice-Mayor Cloninger voting "no".

RESOLUTION BOOK NO. 26 – PAGE 398

B. RESOLUTION APPOINTING MEMBERS TO THE CIVIC CENTER COMMISSION

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Mayor Sitnick explained that she and Councilman Hay, liaison to the Civic Center Commission, will be meeting with Civic Center Commission Chair Carl Mumpower and she asked that City Council consider posting appointments to the Commission until after that meeting. Therefore, Councilman Worley moved to postpone taking action on the Civic Center Commission appointments. This motion was seconded by Councilwoman Bellamy and carried unanimously.

City Attorney Oast noted that even though the appointments expire on June 30, 2001, all Commission members are appointed to serve until their successor has been appointed.

C. RESOLUTION NO. 01-99 - RESOLUTION REAPPOINTING A MEMBER TO THE CIVIL SERVICE BOARD

Vice-Mayor Cloninger said that the term of Gene Bell, as a member on the Civil Service Board, expired on May 21, 2001.

On June 5, 2001, City Council instructed the City Clerk to prepare the proper paperwork to reappoint Mr. Bell as a member of the Civil Service Board to serve an additional two year term, term to expire on May 21, 2003, or until his successor has been appointed.

Councilwoman Bellamy moved to reappoint Gene Bell as a member to the Civil Service Board, term to expire

May 21, 2003, or until his successor has been appointed. This motion was seconded by Councilwoman Field and carried unanimously.

RESOLUTION BOOK NO. 26 – PAGE 403

D. RESOLUTION NO. 01-100 - RESOLUTION APPOINTING MEMBERS TO THE CLEAN AIR COMMUNITY TRUST BOARD

Vice-Mayor Cloninger said that on June 6, 2000, Resolution No. 00-88 was adopted which established the Clean Air Community Trust Board. City Council must name two trustees to the Trust Board.

On June 12, 2001, City Council interviewed Ms. Tracy Kreider, Ms. Kimberly Kirstein, Ms. Molly Rose and Mr. Ned Guttman. Mr. Mike Lewis and Mr. Keith Thomson are also candidates for consideration.

Tracy Kreider received 4 votes, Kimberly Kirstein received 1 vote, Molly Rose received 0 votes, Ned Guttman received 0 votes, Mike Lewis received 3 votes and Keith Thomson received 6 votes. Therefore, Tracy Kreider and Keith Thomson were appointed to each serve a two year term, terms to expire June 1, 2003, or until their successors have been appointed.

RESOLUTION BOOK NO. 26 – PAGE 404

E. RESOLUTION NO. 01-101 - RESOLUTION APPOINTING MEMBERS TO THE EDUCATIONAL ACCESS CHANNEL COMMISSION

Vice-Mayor Cloninger said that Ashly Maag has resigned from the Educational Access Channel Commission leaving an unexpired term. In addition, the terms of Michelle Price, Patti Cutspec, Gerry Kovach, Greg Dillingham and Rusty Holmes expired on June 1, 2001.

On June 5, 2001, City Council instructed the City Clerk to prepare the proper paperwork to reappoint Patti Cutspec (City School representative), Gerry Kovach (County School representative), Greg Dillingham (UNC-Asheville representative), Rusty Holmes (A-B Technical

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Community College representative) and Michelle Price (at large representative), to each serve a four-term respectively, terms to expire June 1, 2005, or until their successors are appointed.

On June 12, 2001, City Council interviewed Adam Baylus and Kimberly Kirstein for the unexpired term of Ms. Maag. Wally Bowen is also a candidate for consideration.

Adam Baylus received 6 votes, Kimberly Kirstein received 1 vote, and Wally Bowen received 0 votes. Therefore, Adam Baylus was appointed to serve the unexpired term of Ms. Maag, term to expire June 1, 2003, or until his successor has been appointed.

Councilman Worley moved to reappoint Patti Cutspec (City School representative), Gerry Kovach (County School representative), Greg Dillingham (UNC-Asheville representative), Rusty Holmes (A-B Technical Community College representative), and Michelle Price (at large representative) to each serve a four-term respectively, terms to expire June 1, 2005, or until their successors are appointed. This motion was seconded by Councilwoman and carried unanimously.

RESOLUTION BOOK NO. 26 – PAGE 405

F. RESOLUTION NO. 01-102 - RESOLUTION APPOINTING MEMBERS TO THE GREENWAY

COMMISSION

Vice-Mayor Cloninger said that Bruce Mulkey and Crystal Pace have resigned from the Greenway Commission.

On June 5, 2001, it was the consensus of City Council to instruct the City Clerk to prepare the proper paperwork to (1) appoint Linda Giltz to serve the unexpired term of Mr. Mulkey, term to expire December 31, 2002; and (2) appoint Phyllis Stiles to serve the unexpired term of Ms. Pace, term to expire December 31, 2003.

Councilman Worley moved to appoint Linda Giltz to serve the unexpired term of Mr. Mulkey, term to expire December 31, 2002; and (2) appoint Phyllis Stiles to serve the unexpired term of Ms. Pace, term to expire December 31, 2003. Both respective terms are until their successor have been appointed. This motion was seconded by Councilwoman Field and carried unanimously.

RESOLUTION BOOK NO. 26 – PAGE 406

G. RESOLUTION NO. 01-103 - RESOLUTION APPOINTING MEMBERS TO THE HISTORIC RESOURCES COMMISSION

Vice-Mayor Cloninger said that the terms of Allen Roderick, Betty Lawrence and Kevan Frazier expire on July 1, 2001.

On June 12, 2001, City Council interviewed Annamarie Rickman, Marsha Shortell and Peggy Gardner.

Annamarie Rickman received 4 votes, Marsha Shortell received 2 votes, and Peggy Gardner received 1 vote. Therefore, Annamarie Rickman was appointed to serve a three year term, term to expire July 1, 2004, or until her success has been appointed.

Councilwoman Field moved to reappoint Allen Roderick and Kevan Frazier to the Historic Resources Commission to each serve an additional 3 year term respectfully, terms to expire July

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1, 2004, or until their successors have been appointed. This motion was seconded by Councilwoman Bellamy and carried unanimously.

RESOLUTION BOOK NO. 26 – PAGE 407

H. RESOLUTION NO. 01-104 - RESOLUTION APPOINTING MEMBERS TO THE NOISE ORDINANCE APPEALS BOARD

Vice-Mayor Cloninger said that on June 27, 2000, City Council adopted a revised ordinance regulating noise in the City of Asheville. Said ordinance established a Noise Ordinance Appeals Board.

On June 5, 2001, it was the consensus of City Council to instruct the City Clerk to (1) appoint Susan Andrew as a regular member to serve a two year term; and (2) appoint Scott Fowler as an alternate member to serve a two year term.

Councilman Peterson moved to (1) appoint Susan Andrew as a regular member to serve a two year term, term to begin immediately and expire on July 1, 2003; and (2) appoint Scott Fowler to serve as an alternate member to serve a two year term, term to begin immediately and expire on July 1, 2003. Both respective terms will be until their successors have been appointed. This motion was seconded by Councilwoman

Bellamy and carried unanimously.

RESOLUTION BOOK NO. 26 – PAGE 408

I. RESOLUTION NO. 01-105 - RESOLUTION APPOINTING A MEMBER TO THE PLANNING & ZONING COMMISSION

Vice-Mayor Cloninger said that due to the recent death of Mr. Lionel Williams, there currently exists a vacancy on the Planning & zoning Commission.

On June 12, 2001, City Council interviewed Ms. Selina Sullivan. Ms. Jane Mathews is also a candidate for consideration.

Selina Sullivan received 7 votes and Jane Mathews received 0 votes. Therefore, Selina Sullivan was appointed to serve the unexpired term of Mr. Williams, term to expire August 14, 2002, or until her successor has been appointed.

RESOLUTION BOOK NO. 26 – PAGE 409

J. RESOLUTION NO. 01-106 - RESOLUTION APPOINTING A MEMBER TO THE POLICE OFFICERS AND FIREFIGHTERS DISABILITY REVIEW BOARD

Vice-Mayor Cloninger said that there currently exists a vacancy on the Police Officers and Firefighters Disability Review Board.

On June 5, 2001, the City Clerk was instructed to prepare the proper paperwork to appoint Dr. Alexander Maitland III to fill the unexpired term of Dr. Michael Keleher, term to expire July 19, 2002, or until his successor has been appointed and qualified.

Councilman Worley moved to appoint Dr. Alexander Maitland III to fill the unexpired term of Dr. Michael Keleher, term to expire July 19, 2002, or until his successor has been appointed. This motion was seconded by Councilwoman Field and carried unanimously.

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RESOLUTION BOOK NO. 26 – PAGE 410

K. RESOLUTION APPOINTING MEMBERS TO THE TAXICAB ADVISORY BOARD

Vice-Mayor Cloninger said that Ordinance No. 2773 adopted on November 28, 2000, established the Taxicab Advisory Board. Said Board shall consist of five members.

On June 12, 2001, City Council interviewed Mr. Richard Mann.

Since the Taxicab Advisory Board is to be made up of five members, the City Clerk was directed to advertise for vacancies in the next quarterly appointment process. City Clerk Burlson was also directed to contact Mr. Mann and advise him of the circumstances of this Board and this in no way reflects his excellent interview with City Council.

L. RESOLUTION NO. 01-107 - RESOLUTION APPOINTING A MEMBER TO THE BOARD OF DIRECTORS OF VICTORIA OF ASHEVILLE INC.

Vice-Mayor Cloninger said that S. Douglas Spell has resigned as a member of the Board of Directors of Victoria of Asheville Inc., thus leaving an unexpired term.

On June 5, 2001, the City Clerk was instructed to prepare the proper paperwork to appoint Mr. Jeff Richardson, Assistant City Manager, as a member of the Board of Directors of Victoria of Asheville Inc. to fill the unexpired term of Mr. Spell, term to expire November 29, 2003, or until his successor has been appointed.

Councilman Worley moved to appoint Jeff Richardson, Assistant City Manager, to fill the unexpired term of Mr. Spell, term to expire November 29, 2003, or until his successor has been appointed. This motion was seconded by Councilwoman Bellamy and carried unanimously.

RESOLUTION BOOK NO. 26 – PAGE 411

VI. OTHER BUSINESS:

A. CLAIMS

The following claims were received by the City of Asheville during the period of June 8-21, 2001: Hal Blakely (Water), William Hensley (Sanitation), Lisa Young (Finance), Christine Gordner (Police), Deanna L. Sluder (Police), Jessy Lynn Smith (Streets), John Laughter (Water), John Laughter (Water), Frank Griffin (Water), David Jones (Water) and BellSouth (Water).

These claims have been referred to Asheville Claims Corporation for investigation.

B. LAWSUIT

The City has filed a Complaint on June 14, 2001, as follows: City v. Anderson & Son Construction Co., Inc. This is a complaint for recovery of damages to water main located at 2 Buckstone Place. This lawsuit will be handled in-house.

VII. INFORMAL DISCUSSION AND PUBLIC COMMENT:

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CLOSED SESSION

At 7:55 p.m. Councilwoman Bellamy moved to go into closed session for the following reasons (1) to establish or to instruct the City's staff or negotiating agents concerning the position to be taken by or on behalf of the City in negotiating the terms of a contract for the acquisition of real property by purchase, option, exchange or lease – G. S. 143-318.11 (a) (5); and (2) 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: Henderson County, Cane Creek Water and Sewer District, Asheville-Buncombe-Henderson Water Authority, Buncombe County, and City of Asheville – G.S. 143-318.11 (a) (3). This motion was seconded by Councilman Worley and carried unanimously.

At 9:27 p.m., Councilman Hay moved to come out of closed session. This motion was seconded by Councilman Worley and carried unanimously.

VIII. ADJOURNMENT:

Mayor Sitnick adjourned the meeting at 9:27 p.m.

CITY CLERK MAYOR

