

Worksession

Present: Mayor Charles R. Worley, Presiding; Vice-Mayor Terry M. Bellamy; Councilman Joseph C. Dunn; Councilman James E. Ellis; Councilwoman Diana Hollis Jones; and Councilman Brian L. Peterson; City Attorney Robert W. Oast Jr.; City Manager James L. Westbrook Jr.; and City Clerk Magdalen Burleson

Absent: Councilman R. Carl Mumpower

ANNUAL AUDIT REPORT

- Finance Director Bill Schaefer said that this is the presentation of the City of Asheville annual audit report for the Fiscal Year Ended June 30, 2002.

City Council retained an independent audit firm, Crisp Hughes Evans LLP of Asheville, N.C., to perform an audit of the City of Asheville for the fiscal year ended June 30, 2002, as required by North Carolina General Statute 159-34. The auditors gave the City an unqualified audit opinion. (The term "unqualified" means that the auditors' opinion that the financial statements present fairly the financial position of the City is not modified by reservations or restrictions.)

Mr. Brian Broom, Director of Crisp, Hughes Evans LLP, gave a brief presentation of their findings. He said their report for the 2002 audit expresses an unqualified opinion (clean) on the fair representation of the general purpose financial statements in all material respects, in conformity with generally accepted accounting principles. The Local Government Commission recommends governmental entities maintain, at a minimum fund balance equal to 8% of expenditures. The City's fund balance for 2002 is about 16%.

Mr. Broom updated Council on the Governmental Accounting Standards Board's new reporting standard.

Mr. Schaefer answered various questions from Council regarding the financial report.

At the request of Councilwoman Jones, Mr. Schaefer said that he would provide her with monthly budget statements and talk with her regarding corporations of the City.

Councilman Dunn found it troublesome that there has only been an increase of \$430,000 for streets and sidewalks in the past ten years.

BATTERY PARK PARKING GARAGE

- City Engineer Cathy Ball said that the purpose of this presentation is to provide an overview to City Council on the status of the Parking Garage in the Battery Park area.

In 1998, the City of Asheville completed a Parking Study of the Central Business District, Biltmore Village and West Asheville areas. The study indicated that a parking garage was needed in the Battery Park area in order to meet the current, as well as future needs of the area. The original recommended location of the garage was on the existing BellSouth surface parking lot at the intersection of O.Henry Avenue and Haywood Street. It was determined early on that we were unable to acquire this property for various reasons. The second location was adjacent to the Battery Park Apartments. Over the past two and one-half years we have been in the process of acquiring the properties necessary to complete the parking deck.

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This project is considered to be a public-private partnership both with parking and development opportunities.

During recent weeks we have received letters of intent or contracts for each of the properties needed to complete the project. The purpose of this presentation is to provide Council with the following information:

- General overview of the project;
- Schedule for completing the project; and,
- Overview of additional action needed by City Council to move forward on the project.

Money for this project was budgeted in the 1999-2000 Capital Projects Budget.

Ms. Ball then outlined the history of the parking study which study was completed in 1998. In 1999 the City contracted with Tessier Associates to purchase property needed for the garage and in 2000 the City contracted with Carl Walker to design the garage. The parking study recommended the parking garage be located on the parking lot adjacent to Battery Park Apartments. The original and current scope of the project is to construct a parking garage to meet the current and future needs of the area. After further review of the proposed site, it was determined that the site may have potential for some private development components to include parking spaces and that the project is a public/private venture.

Next steps include: (1) solicit public comment on the project by holding various public meetings - following public comment, City Council will be asked to approve final design concept; (2) complete the design of the project – requires Council to amend contract with Carl Walker to include expanded scope of work and some additional contracts for soil testing, etc.; (3) develop a Request for Proposals for private sector development component; (4) develop agreements with private sector partners for use of the parking garage – Council action will be needed; (5) close on properties – Council action will be needed; (6) complete final design of the parking deck; (7) contract with private sector for private components of the project – Council action will be needed; (8) bid project; (9) issue Certificates of Participation – Council action will be needed; (10) – award contract – Council action needed; (11) begin construction of parking garage and adjacent infrastructure; (12) complete construction of parking garage; (13) private sector to begin construction of private development component; and (14) private sector to complete construction.

Ms. Ball said that their goal is to begin construction in early fall of 2003 with an 18 month construction period.

Upon inquiry of Vice-Mayor Bellamy and Councilwoman Jones, Ms. Ball said that the City will look favorably to components of affordable housing and affordable housing will be strongly encouraged.

Ms. Ball then answered various questions from Council regarding the proposed parking garage.

Upon inquiry of Councilman Peterson, Ms. Ball said that when the matter comes back to Council, she would bring information showing usage of parking spaces based on the time of day.

It was the consensus of City Council to have staff proceed in soliciting public comment on the project. Following public comment, City Council will be asked to approve the final design concept.

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INFORMAL UPDATE ON CIVIC CENTER

Ms. Lilian Fischer and Mr. Crawford Murphy showed City Council sketches of the Civic Center improvements and the Civic Center Arena renovation and upfit. They submitted revised numbers, which consisted of the Civic Center improvements being done in two phases - Phase 1 totaling \$41,125,000 and Phase II totaling \$38,600,000. They were not interested in participating in the improvements at the Civic Center, only showing Council the possibility of upgrading the facility for \$41 million.

They then showed Council sketches of the Birdseye view toward the northeast performing arts center vision and development scheme and the interior study of the performing arts house. They presented Council with the following numbers for the proposed performing arts center. The facility itself totaled \$27,000,000 (non-profit) and the development totaled \$41,100,000 (for-profit) for a grand total of \$68,100,000.

Ms. Fischer introduced Mr. Pittman, Vice-President of Skanska, who would perform the role of general contractor. Mr. Pittman said they are very pleased about working with Mr. Murphy and this exciting concept.

Ms. Fisher said that they would be meeting in the next two days with a group who will be advising them on the feasibility of raising the \$27,000,000 locally from foundations, individuals, organizations, etc.

Mr. Murphy stated that the City's portion of the project would be the parking and infrastructure.

Ms. Fischer summarized by saying that they will be going to the private sector and they would like to have Council's concurrence that this is a viable option and would like to be encouraged to move forward.

MISCELLANEOUS

Discussion was initiated by Councilman Peterson regarding the Asheville-Buncombe Community Christian's Ministries' soup kitchen being in violation of the Unified Development Ordinance. Councilman Peterson said that he would bring the matter up

again at the formal meeting next week in order to instruct the Planning staff to begin investigating a minor amendment to the Unified Development Ordinance for flexibility in allowing soup kitchens in specific districts. He said that the Planning & Development Director may also be able to give Council some options for achieving this goal.

CLOSED SESSION

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At 4:50 p.m., Councilman Peterson moved to go into closed session in order to consult with an attorney employed by the City in order to preserve the attorney-client privilege between the City and its attorney. The parties to the lawsuit about which the Council expects to receive advice are: Carl and Janis Ricker, Asheville Board of Adjustment, Betty Donoho, County of Buncombe, and WNC Regional Air Pollution Control Agency. This motion was seconded by Vice-Mayor Bellamy and carried unanimously.

At 5:23 p.m., Councilman Ellis moved to come out of closed session. This motion was seconded by Vice-Mayor Bellamy and carried unanimously.

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ADJOURNMENT:

Mayor Worley adjourned the meeting at 5:23 p.m.

CITY CLERK

MAYOR