

Friday – January 31, 2003
Saturday – February 1, 2003
Kellogg Center, Hendersonville, N.C.

City Council Annual Retreat

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

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Update on Fiscal Year 2002-03 Goals and Objectives – On each of the Council's goals for 2002-03, City Manager Westbrook explained the actions that have been taken to date.

Budget/Financial Forecasts

- Finance Director Bill Schaefer updated City Council on the available and minimum fund balance.

Budget Director Ben Durant updated City Council on the State budget. He then explained the major revenue categories, which consisted of property tax; sales tax; intergovernmental revenue; licenses and permits; charges for service; and investment earnings. He then reviewed the General Fund revenue projection summary. Budget issues for Council consideration include: health insurance expenses, two fire stations, property insurance, additional retirement benefits for firefighters, transportation signal feasibility improvements and 1% to 401k.

After City Council discussion, City Manager Westbrook was asked to give Council more information on the budget issues including cost estimates. He explained that the options would be the additional retirement benefits for firefighters and the 1% to the 401k. He explained that during the budget process he would be able to give Council the cost estimates.

Update on Comprehensive Plan

- Planning & Development Director Scott Shuford updated City Council on the City Plan 2025. After reviewing the background, he then explained the demographic changes.

Land use and transportation issues include (1) Asheville has tripled in land area over the past 50 years; (2) Asheville's density (persons per square mile) has decreased by 50% over the past 50 years; and (3) we have moved from an urban development pattern to a suburban development pattern. The costs associated with a suburban development pattern are that it's expensive to serve, has environmental problems and encounters convenience costs. A house that costs \$150,000 in Asheville can be purchased for \$116,000 in Greensboro according to a Coldwell Banker study.

He explained how mass transit requires 8-16 units per acre for efficient service, how Asheville's development pattern forces reliance on the automobile, that NC DOT projects that 80% of the traffic on the new I-26 Connector will be local traffic, and that there is a huge pressure on arterials and interstates. Current development patterns are not sustainable and we need to seek opportunities to recover an urban development pattern.

Land use ideas include (1) incorporate "green building" concepts; (2) preserve open space, historic resources; (3) promote affordable housing; (4) more urban villages; (5) higher density/greater zoning flexibility; and (6) coordinate land planning with Buncombe County.

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Transportation ideas include: (1) missed use development pattern; (2) transit; (3) synchronize traffic signals; (4) walkable and bikeable infrastructure; and (5) construct I-26 Connector consistent with community recommendations.

He then reviewed the economic trends in Asheville. Economic development ideas include (1) high tech workforce; (2) reserve industrial land; (3) better use of our educational institutions; (4) develop and improve standards for new economy: arts and crafts; low impact; (5) use quality of life to attract/retain business; (6) regional industrial development; (7) more innovation in "branding" – creating an image for Asheville; (8) create a "wired" community and affordable (high speed internet access) band with focusing on grass-roots e-business; and (9) support local businesses.

Air quality ideas include (1) high density, mixed use, walkable communities; (2) regional cooperation to reduce air pollution; (3) lobby for solutions to air quality problems; (4) develop, improve and enforce industry standards for air pollution; (5) promote

mass transit; (6) City fleet use alternative fuels; and (7) green building techniques.

Water quality ideas include: (1) City to continue to work with RiverLink to develop/implement master plan; (2) regional cooperation to reduce water pollution; (3) develop, improve and enforce industry standards for water pollution; (4) improved stormwater management regulations; and (5) green building techniques.

Mr. Shuford then explained smart growth. Long range planning includes transformation of commercial corridors; transit-supported density; walkable and bikeable; tax equity; strong neighborhoods; parks, open space and conservation areas; compatible, high quality infill development; strong Center City; flexible development regulations; improved intergovernmental coordination; effective City services; regional economy; development in character with community; compact urban form; clean air and water; skill-based entrepreneurial economy; green building tools and incentives; effective public participation; affordable housing; preservation of historic and natural resources; and connected, efficient and attractive streets.

Throughout the presentation, City Council discussed the importance of a comprehensive plan and the need for neighborhood and commercial involvement.

Update on Metropolitan Planning Organization/Transportation Management Area Issues

Metropolitan Planning Organization (MPO) Coordinator Dan Baechtold updated City Council on the federal mandate to expand the Metropolitan Planning Organization for transportation.

The Transportation Advisory Committee plans to adopt an expanded MPO boundary at their regularly scheduled meeting in February. The new MPO will include all of the municipalities in Buncombe, Henderson and Haywood Counties, as well as portions of unincorporated areas in each county. This change is part of an established federal process to redefine urban areas and MPO boundaries. Every ten years the MPO boundary must be redefined based on the results of the U.S. census. At their meeting on January 16th, will determine a recommended boundary and enter into a one-month comment period. At the time of the writing of this staff report, the draft boundary has not been determined. However, copies of the draft boundary will be available by the time of the City Council retreat.

The new MPO will consist of 17 local governments. After the new boundary is adopted, MPO staff and the TAC will work on adoption of a new Memorandum of Understanding (MOU) to be signed by all of the local governments. The MOU will establish the membership and voting procedures for the committees that make up the MPO. The TAC hopes to have a new MOU

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adopted by August of 2003. One of the major issues to be worked out in the MOU is the issue of weighted voting. Many of the larger MPOs across the state use weighted voting to give a larger voice to the jurisdictions that have the highest population. Currently, there is no such weighting in the voting procedures. Our current system gives one vote per representative on the TAC. The City of Asheville has two representatives on the TAC for a total of two votes. Under a weighted voting scenario, the City of Asheville representatives would receive increased voting power based on the City's proportion of the total population of the MPO.

The MPO process is a partnership between local and state government to make decisions about transportation planning in urbanized areas and to meet planning requirements established by the federal government. The MPO is responsible for development of a long-range transportation plan. From that plan, the MPO determines a list of priority transportation needs, known as the Priority Needs List. The list is then submitted to the NCDOT for their consideration as they develop the State Transportation Improvement Program (TIP). The MPO also adopts a local TIP that must match exactly with the State version. This dual approval process essentially gives the MPO veto power over state TIP decisions. This process of determining priority needs and developing a draft TIP must now be coordinated among 17 member governments. It will be critical to come up with a process that is fair to all of the local governments involved in the new MPO.

As a related issue to the MPO expansion, our area now has a Rural Planning Organization (RPO) for transportation. On January 15th the State of North Carolina chartered a new RPO in our area that includes Buncombe, Haywood, Madison, and Transylvania Counties. Henderson County declined to join the RPO. In Buncombe and Haywood the RPO, will be responsible for transportation planning outside of the MPO area. The MPO will work closely with the RPO to coordinate transportation planning in our region.

The role of the Asheville City Council in this process will be to provide feedback to the committees developing the boundary and the Memorandum of Understanding. The Asheville City Council currently has two members on the Transportation Advisory Committee: Brian Peterson and Holly Jones. The Asheville City staff currently has five members on the Technical

Coordinating Committee. These committees will adopt the draft boundary and will coordinate development of the MOU. The Asheville City Council will be asked to sign the new Memorandum of Understanding in the summer of 2003. The first drafts of the new MOU will be circulated in the spring of this year.

Red Light Cameras

- Police Chief Will Annarino discussed the need to install red light cameras at intersections as well as strategies for building General Assembly support. He explained how the intersection photo enforcement works. He also explained Charlotte's Safelight Program.

Advantages of the program would be to significantly reduce the number of traffic intersection crashes and injuries; police resources can be deployed to other areas of concern since cameras monitor the assigned intersections 24 hours a day; and if private vendors are used, no initial investment by Asheville taxpayers will be required.

Concerns include that it's an invasion of privacy, need more police involvement, money-making scheme, and that it will not change driving habits.

Police Chief Annarino explained the costs of the program.

In summary, photo enforcement is not a supplemental tool for law enforcement agencies; has proven successful in over 7 states and the District of Columbia, and cities such as Charlotte;

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19 cities in North Carolina have enabling legislation; does not tax the resources of criminal courts; provides additional revenue source for traffic calming initiatives; no start-up costs incurred by the City; proven track record in reducing the number of accidents at traffic intersections; and statewide legislation endorsed by the N.C. League of Municipalities and the NC Dept. of Transportation.

After a lengthy City Council discussion on the information presented, the following additional information was requested (1) a report on potential cut-through traffic; (2) information on why people run red lights; and (3) crash data at intersections.

Update on Civic Center

- Mayor Worley reviewed with Council the background of the Civic Center Task Force. Early on in the process, it was decided by the Task Force to retain Hunter Interests, a consulting firm from Annapolis, Maryland. Over several years they produced several reports along with a final summary report. In summary, Hunter Interests concluded (1) strong recommendation that the arena function stay in downtown Asheville; (2) if arena and convention/conference components are phased, arena portion should be developed first; and (3) a new arena downtown is preferable to a renovated one but issue of funding is typically the key impediment. They added that, while there is a clear strong market for the Civic Center, it is not clear if sufficient support from the residents or hospitality industry to realize the necessary funding mechanisms.

After the Hunter Interests conclusions were made, the Tourism Development Authority commissioned The Highland Group of Atlanta, Georgia, to research potential demand for a convention/conference facility. They concluded: (1) Civic Center, as a multi-purpose facility, is obsolete; (2) adequate convention facilities presently exist; (3) Performing Arts should be downtown; and (4) incubate other potential users of Civic Center like crafts, heritage, and Asheville's culture.

The Task Force then began an extensive review of potential sites for an arena and out of 25-30 being considered, three possible sites were focused on: existing location, beside City Hall on the south side; and UNC-Asheville campus. Since the structural feasibility and limitations at the existing Civic Center were not known, the Task Force recommended, and City Council approved, the issuance of a Request for Proposals to determine whether the existing arena could be feasibly upgraded to a modern facility. Heery International was selected for this task.

Heery concluded: (1) original design of arena was more voluminous than normal and "state of the arts" improvements could be added; (2) arena was structurally sound and could support the substantial renovation; (3) the cost of renovating the Arena would be less than the cost of new construction; and (4) Thomas Wolfe Auditorium was not a good candidate for renovation and the performing arts function should be moved out of the Civic Center. Their recommendations were: (1) keep and extensively renovate the existing arena providing high quality seating for sporting events and greater revenue generating capabilities; (2) renovate the Thomas Wolfe Auditorium into a "Great Hall" for banquets, receptions, exhibition space and other multi-use functions; and (3) build a new Performing Arts Center.

In the fall of 2001, Heery was commissioned to develop a conceptual design, a program for renovating the arena, converting the Thomas Wolfe Auditorium and building a new performing arts center and a business plan. Their results were (1) comprehensive plan for Arena, Great Hall and Performing Arts Center encompassing a "campus" extending down to Lexington Avenue; (2) a total estimated cost of \$115 million, the largest component of which was the Performing Arts Center. Construction costs were estimated as follows: Arena - \$27.2 Million; Thomas Wolfe (conversion to Great Hall) - \$7.6 Million; and Performing Arts Center - \$34.7 million.

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As in the Hunter interest study, Heery concluded that funding would be a major issue. They identified revenue sources to include a prepared food and beverage tax and, potentially, an occupancy tax. They further divided the overall project into five smaller, yet individually complete projects. The funding mechanism and project(s) timeline, however, was left to the decision of City Council.

In July of 2003, City Council decided to delay until this retreat in order to (1) allow Council members the opportunity to study the reports in detail; (2) allow continued investigation of alternatives, including alternative sites and funding; and (3) allow development of other community initiatives. We know that (1) the Civic Center continues to age. Recent cosmetic improvements are nice but do not solve the programming deficiencies of a 29 year old building; (2) we are concerned about the cost and ability to pay for it; (3) desirable alternative sites are not available; and (4) there is an apparently viable movement to develop a Performing Arts Center at another location.

Important consideration for a decision include: financially sound, feasible within the context of community goals and needs, timing as it relates to our ability to secure a funding source, supportable by an informed community, and part of an overall regional economic strategy.

Mayor Worley proposed and explained each of the following: (1) seek a funding source from the legislative; (2) move forward with the Arena at the present location; (3) support community efforts to develop a Performing Arts Center at alternative locations; (4) seek alternative development of the Civic Center "campus" tied to a regional strategy; and (5) retain flexibility to adjust depending on subsequent community developments.

We can go no further without a funding source which will provide for actual design and construction drawings; and establishment of a budget and our financial limitations. The legislature is in "long session" which is traditionally the best time for a local bill to provide a funding source. Waiting now means at least a 2-year additional delay. The best funding source is a prepared food and beverage tax.

He requested Council (1) authorize a request to the legislature to approve a prepared food and beverage tax for the Civic Center; (2) approve (subject to funding) the engagement of an architectural firm to begin actual design and construction drawings of the Arena at the present site; and (3) commit to working with the community to develop the additional components and the methods of financing.

At the request of Councilman Peterson, Mayor Worley said that he would provide him with a copy of the Hunter Interests report and the Highland Group report.

Councilman Mumpower suggested a complete package be prepared and presented to the County in hopes of working with them on the parking component of the Performing Arts Center.

Discussion surrounding asking the legislature for a 1-cent or 2-cent food and beverage tax and/or the possibility of an occupancy tax. Vice-Mayor Bellamy felt that some portion of the tax should go into affordable housing.

Mayor Worley said that the City will wait until they get a definite proposal regarding the Performing Arts Center. However, it was the consensus of Council to conceptually support infrastructure and a portion of the parking.

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After further Council discussion, it was the consensus of Council to request 1-cent food and beverage tax, but to explore the option of requesting 2-cents. A request for some portion of that revenue going to affordable housing or possibly the parking deck will be researched.

Economic Development

Economic Development Director Mac Williams updated City Council on the City's efforts to produce economic development through job creation, educational opportunities and other initiatives.

He explained the objectives of moving forward on the following goals: build and enhance "quality of place"; City's role beyond regulatory process; continuous improvement of development process; new development tools for new strategies; foster small business/entrepreneur development; and marketing. One new development tool in particular was that he asked that "tax increment financing" be added to Council's legislative agenda.

He concluded by saying that economic development is a process. The vision is in the right place, we are doing the right things, and there is a need for commitment over time.

City Council discussed economic development in the City as a whole and the role of the City's Economic Development Division vs. the role of other agencies promoting economic development for Asheville.

Update on Infrastructure

- There was a discussion of the current condition of streets, sidewalks, waterlines and other infrastructure.

Update on Water Authority

Councilman Ellis briefed Council on the progress of the current Water Agreement negotiations.

At 4:50 p.m., Mayor Worley announced the meeting would continue the following morning, February 1, 2003, at 8:00 a.m.

Saturday, February 1, 2003

Joint Planning Agency and Other Legislative Issues

- Planning & Development Director Scott Shuford said that the agreement between the City and Buncombe County should be coming to Council in April of 2003.

City Attorney Bob Oast reviewed with Council a summary of legislation that would be of interest to cities from the 2002 Session.

After Council discussion, City Attorney Oast said that he would bring to Council the following items for the legislative agenda: (1) the red light cameras; (2) reducing the Housing Authority terms from 5 to 3 years; (3) non-better relocation costs; and (4) a food and beverage tax.

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Public Service Answering Point Update

- Police Chief Will Annarino explained in detail the advantages and disadvantages of the current 911 "ringdown" vs. the proposed 911 resolution of establishing the City of Asheville as the area's public service answering point for emergency communications within the City of Asheville.

Councilman Dunn felt that the City and County should have a combined communication system.

As a result of Council discussion, Councilman Peterson suggested transferring the two Buncombe County Emergency Medical Services (EMS) Units that are located in the City to the City of Asheville so that there will be hardly any hand-offs.

Councilman Mumpower was not convinced that the City has done everything it could to cement the relationship with Buncombe County. If the City and County can't reach an agreement on something as important as public safety, then how can we come together on other initiatives? He felt there were other options to pursue.

After further discussion, it was the consensus of City Council to invite EMS Director Jerry Vehaun and/or Buncombe County Manager Wanda Green to Council's March 4, 2003, worksession for a further discussion on this matter.

Council Goal Setting Process

- Regarding the Civic Center and after City Council discussion, it was the consensus of Council to talk with the legislators about the potential uses of a food and beverage tax; to add the 1-cent food and beverage tax to the legislative agenda; to move forward on the Arena (depending on funding); and regarding the Performing Arts Center, to conceptually support infrastructure and a portion of the parking.

After each member of City Council stated their goals and their reasons why their goals were important, City Council tentatively agreed upon the following Fiscal Year 2003-04 Goals:

- 1) Ease Unified Development Ordinance process for residential and commercial
- 2) Invest in infrastructure (include businesses/property owner) in neighborhoods and business corridor – improve process
- 3) Clean water/clean air – support riverway as it relates to transportation to include oxidation of buses
- 4) Affordable housing stock – cost of building houses – reduce as much as possible
- 5) Fund social security for firefighters

City Manager Westbrook assured Council that even though a goal did not make the top five that they all would be worked on.

Adjournment

- Mayor Worley adjourned the meeting at 12:00 Noon.

CITY CLERK

MAYOR