

Worksession

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

Absent: None

CONSENT AGENDA:

Minority Business Program Annual Report

Summary: This is the Minority Business Program Annual Report for Fiscal Year 2003-04.

In May of 1998, City Council adopted the Asheville-Buncombe Minority Business Plan. The Plan was subsequently amended in November 1998, December 1999, December 2001, and October 2002, to clarify provisions of the Plan and to reduce the Minority Business Commission from thirteen members to eleven and September 2004 to make administrative changes and update statute information.

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 shall include, but not be 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; and percentage of goals achieved and goals waived.

The Annual Report for Fiscal Year 2003-04 has been reviewed by the Minority Business Commission and approved at its meeting on August 12, 2004.

Exchange of Property on Stratford Road

Summary: The consideration of a resolution authorizing the City Clerk to publish a notice regarding the exchange of excess right-of-way for a right-of-way easement across real property located on Stratford Road.

The City and Verdi Group LLC (Verdi) have negotiated an exchange of excess right-of-way for a right-of-way easement across real property located on Stratford Road.

The excess right-of-way property is along the east side of Stratford Road comprising 0.008 ± acre generally across the road from and between its intersections with Parkside Avenue and Pinewood Avenue.

The property owned by Verdi (PIN 9730.12-96-3375) is a 0.969 acre parcel zoned RS-4 Residential Single-Family Medium Density District located on Stratford Road contiguous with the right-of-way. As it is the parcel will only support three (3) houses. With the additional land from the excess right-of-way, the Verdi property will support development of four (4) houses. The right-of-way easement to be exchanged for the excess right-of-way will cover 0.131 acre and will provide a logical and consistent right-of-way boundary along the east side of Stratford Road extending ten (10) feet into the Verdi property for the full length of the street frontage.

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The positive aspects of the transaction are:

- The exchange will be a fair exchange of value for value.
- It will return property not needed for public use to the tax rolls.
- It will provide a more logical and consistent right-of-way boundary along Stratford Road.
- It will enable maximum infill development consistent with the Strategic Operating Plan.
- The 10-foot easement makes a future sidewalk more constructible.

Approval of the resolution will initiate the exchange of the properties through the process provided in N. C. G. S. 160A-

Planning & Development staff and the Traffic Engineer recommends adoption of the resolution authorizing the City Clerk to publish a notice regarding the exchange of excess right-of-way for a right-of-way easement across real property located on Stratford Road.

New Street Name – Jan Drive

Summary: The consideration of a resolution accepting the new proposed street name “Jan Drive.”

Southern Pride of WNC, owner of lots on Jan Drive off of Bellevue Road, has petitioned the City of Asheville to accept the street name “Jan Drive.”

The new street will begin at Bellevue Road and end at the cul-de-sac on Jan Drive.

City staff recommends adoption of the resolution accepting the new proposed street name “Jan Drive.”

Application for a Bicycle Planning Grant

Summary: The consideration of a resolution authorizing the City Manager to submit a proposal requesting \$24,000 in planning funds for the purpose of developing a \$40,000 comprehensive bicycle plan and to commit local match for Fiscal Year 2006 as needed.

This project supports the Asheville 1998 Greenway Master Plan and 2003 Update, the 2025 City Development Plan, and the 2004 Transportation Demand Management Program Work Plan. It also implements several tasks in City Council's Strategic Operations Plan in the areas of:

- Planning, Goal #2, Obj. A, Tasks 1 and 2 – to incorporate multi-modal uses of transportation options and to leverage outside funding to achieve multiple transportation goals where possible.
- Planning, Goal #2, Obj B, Tasks 1 and 2 – to determine opportunities for managing traffic demand and to explore public-private partnerships with major employers and education providers to increase the effectiveness of the transportation system.
- Sense of Place, Heritage & Arts, Goal #3, Obj. B, Task #1 – to construct infrastructure including bicycle facilities to accommodate growth downtown.
- Natural and Built Environment, Goal # 2, Obj. A, Tasks 1-4 – to implement the Wilma Dykeman Riverway Plan and the Completion of several Greenways. (Note that the Reed Creek Greenway, the Hominy Creek Greenway, and the Azalea Park Connector Greenway are all funded through the NCDOT Bicycle Program and that their staff is encouraging a bicycle plan proposal from the City.)
- Natural and Built Environment, Goal #2, Obj. B, Task 1 – to work with the State to fund greenway projects via the Transportation Improvement Plan.

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This proposal is supported by the Blue Ridge Bike Club and the Asheville Bicycle and Pedestrian Task Force, a volunteer group of citizens whose mission is “to educate the public about bicycle and pedestrian transportation, to advocate for the development and maintenance of safe, convenient and inter-connected facilities, and to promote the benefits of walking and bicycling for individual and community health.” The Task Force has assisted in the development of the proposal and is committed to assisting in the planning process.

The positives of this project are that it will:

- Better position the City to continue to pursue funding from the NCDOT Division of Bicycle and Pedestrian Transportation and through the Transportation Improvement Plan and Long Range Transportation Plan processes;
- Provide \$24,000 or sixty percent of the total cost toward a \$40,000 planning process and enable the City to bring in a bicycle planning specialist;
- Provide a process and opportunity to directly involve the Council, public and interested stakeholders in the development of goals, objectives, and tasks related to improving bicycling in Asheville; and
- Collate, clarify and direct information regarding local bicycle issues and initiatives into one document and series of maps that

support the 2025 Plan, Greenways Master Plan, and Strategic Operations Plan.

The negatives of this project are that it will:

- Require time from City staff to manage the contracting process and supervise the consultant; and
- Require a local match of \$16,000 beginning July 1, 2005. The Blue Ridge Bike Club has pledged support of \$1,000 toward this local match requirement, but the remaining \$15,000 will need to be committed for Fiscal Year 2006.

Staff recommends that City Council adopt the resolution authorizing the submittal of a proposal and the commitment of matching funds in the next fiscal year.

Adoption of Fiscal Year 2005-06 Budget Schedule

Summary: The consideration of a motion approving the Fiscal Year 2005/2006 budget schedule.

The proposed Fiscal Year 2005/2006 budget schedule identifies key dates for completion of all phases of the budget process leading to adoption. Several administrative steps in the budget process are already underway due to the need to get an early start as a result of the pending retirement of the City Manager.

Key phases of the budget process, which involve City Council, include the City Council Annual Retreat, presentation of the proposed budget to City Council, a public hearing and formal adoption. This year's schedule includes five scheduled budget worksessions, allowing City Council sufficient time for effective budget deliberations. Adoption of the Fiscal Year 2005/2006 budget is scheduled for June 28, 2005.

City staff recommends City Council to adopt the Fiscal Year 2005/2006 budget schedule.

Mayor Worley 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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10-YEAR PLAN TO END HOMELESSNESS

Mr. Jerome Jones, Chair of the Joint City/County Steering Committee, said that this is the consideration of a resolution approving the Plan "Looking Homeward: The 10-Year Plan to End Homelessness in Asheville and Buncombe County."

In May 2004 City Council and the Buncombe County Board of Commissioners appointed a joint advisory Task Force to prepare a 10-Year Plan to End Homelessness, with initial priority on the chronic homeless population.

The Task Force, has met six times and, with assistance from City and County staff and from Pisgah Legal Services, has produced the a report: "Looking Homeward".

He reviewed the Plan in that approximately 2,000 people experience homelessness in Asheville and Buncombe County at some time during the course of each year. Thousands more live doubled-up in the homes of family and friends, or they are at imminent risk of homelessness, living in substandard or overcrowded housing they cannot afford.

"Looking Homeward" is the culmination of a six-month planning effort by homeless service providers, government administration, housing developers, community leaders, and homeless people themselves. "Looking Homeward" is a long-range, comprehensive plan to help homeless people in our area return to healthy and stable lives in permanent housing. The Task Force's recommendations are evidence-based, and draw from the best practices of innovative programs and initiatives throughout the country.

"Looking Homeward" is intended to end long-term or "chronic" homelessness. This emphasis reflects a growing body of research demonstrating that members of this group are poorly served by existing efforts even though they use a disproportionate share of emergency services and resources. In Asheville and Buncombe County just 37 of approximately 300 chronic homeless people cost the community over \$800,000 each year; this figure does not reflect the costs of the other 260+ chronic homeless.

Research also shows that the chronic homeless population is best served by utilizing a Housing First/Housing Plus model. This approach focuses on moving people out of homelessness and into housing as quickly as possible. A participant does not have to be sober or be treated for a mental illness to receive the housing. Supportive services are provided in permanent housing,

not in emergency or transitional shelter. An Assertive Community Treatment Team (ACT Team) provides the service in a non-threatening, consumer-driven approach. Housing First/Housing Plus projects across the nation have been phenomenal results. After five years, as many as 90% of participants have remained in permanent housing.

Under the leadership of the United States Interagency Council on Homelessness, a national consensus has emerged that all levels of government must focus on improving efforts to house chronically homeless individuals and families. "Looking Homeward" is consistent with, and complementary to, the federal government's efforts in this area. Likewise, the State of North Carolina, through its Interagency Council on Coordinating Homeless Programs, is creating a plan that will coordinate state efforts with federal and local plans. Federal, state, and local plans must complement each other, because each level of government will play an integral part in implementation.

Other North Carolina and Southeastern localities developing plans include: Durham City/Durham County, Raleigh/Wake County, Winston-Salem, Gastonia, and Henderson/Vance County, North Carolina; Chattanooga and Memphis/Shelby County, Tennessee; Richmond,

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Portsmouth, and Norfolk, Virginia; and Atlanta, Albany, Athens/Clark County, and August, Georgia.

The scope of "Looking Forward" is not limited to chronic homelessness alone. When implemented, over the next decade, the policy recommendations will also result in a significant reduction of all types of homelessness, including among families, youth and single adults who experience episodic homelessness. Successful implementation will depend on funding availability at local, state and federal levels. Funding decisions are left to the elected officials who charged the committee with creating this plan.

"Looking Forward" will end chronic homelessness and reduce all types of homelessness over the next decade by investing our resources in a coordinated, sustained effort that addresses the underlying causes of homelessness. This effort will (1) reduce the number of people who become homeless; (2) increase the number of homeless people placed into permanent housing; (3) decrease the length and disruption of homeless episodes; and (4) provide community based service and supports that prevent homelessness before it happens and diminish opportunities for homelessness to recur.

These goals will be accomplished through a five-prong approach:

1. **Leading the Way: Designation of a lead entity** – the Affordable Housing Coalition is recommended as the organization that will oversee implementation of the plan.
2. **Developing the Infrastructure: Homeless Management Information System (HMIS)** – HMIS, will link all services, screen for program eligibility, and gather data needed to monitor progress of implementation.
3. **Closing the Front Door: Prevention** – Better coordination of financial assistance and discharge planning for people leaving public institutions.
4. **Opening the Back Door: Housing First** – Development and implementation of a community-wide Housing First program that will include permanent housing for all homeless.
5. **Keeping it Going: Housing Plus** – A new approach to providing services to ensure that homeless individuals and families placed in permanent housing can remain housed in the long-term.

Addressing the Strategic Operating Plan: This plan directly addresses Housing Opportunities Goal #2 in the City's Strategic Operating Plan: "A community without homelessness – create a coalition to develop and implement the 10-year plan to end chronic homelessness through public and private partnerships."

Advantages:

- Addresses a major goal of the City's Strategic Operating Plan, and also a key recommendation of the Downtown Social Issues Task Force
- Is based on strategies that have proven successful elsewhere and have been subjected to extensive study and peer review;
- Brings together mainstream providers, non-profits, and local government in a concerted effort to focus policy initiatives and resources on homelessness
- If successful, will drastically reduce the human and economic cost of homelessness in our area;

- Builds on initiatives that are already under way (HMIS and development of suitable housing units);
- Is consistent with state and federal initiatives for ending homelessness and will position the City and County to apply for funding for implementation
- Lack of such a plan will eventually threaten continued federal and state funding from programs such as HOME, CDBG, Emergency Shelter Grant, HOPWA, and Supportive Housing Grants.

Disadvantage:

- The Plan does not identify specific costs or sources of funds; staff expects that some new federal funds will become available for housing and supportive services, but local funding may also be needed, including re-prioritization of CDBG and HOME funds.

Staff recommends City Council adopt the resolution approving the Plan "Looking Homeward: The 10-Year Plan to End Homelessness in Asheville and Buncombe County."

Mr. Jones and Ms. Robin Merrell, from Pisgah Legal Services, responded to various questions/comments from Council, some being, but are not limited to: where are the Woodfin apartments; reasoning why funding is not being addressed in the Plan; has the program assessed what kind of issues (social, substance abuse, mental issues, etc.) the chronic homeless have; why is this Plan different when the chronic homeless have not responded to that sort of help over the years; is it true that Asheville seems to attract homeless people; if the chronic homeless are helped, will they be replaced with another network of other predators; are the 37 chronic homeless from Buncombe County or from Western North Carolina; what is the average length of stay for the chronic homeless; do other cities in Western North Carolina have a homeless program; does this Plan work in conjunction with the mental health plan with Buncombe County; what kind of support services will be available; are there any assurances that more ACT Teams will be created; is there a ballpark figure on the cost of the Plan and what type of funding will be sought for this Plan; and what percentage of the housing dollars will be targeted specifically for the 37 chronic.

Vice-Mayor Mumpower expressed several concerns regarding the Plan and said that he would meet with Mr. Jones to discuss his concerns further.

Mayor Worley asked that the record show that City Council has received this information and instructed the City Manager to place this item on the January 11, 2005, formal City Council agenda. It was also noted that questions that could not be answered would be addressed prior to the meeting on January 11, 2005.

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, 2004.

City Council retained an independent audit firm, Dixon Hughes Evans PLLC of Asheville, NC, to perform an audit of the City of Asheville for the fiscal year ended June 30, 2004, 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.)

Advantages:

- Complies with State Statutes regarding financial management.
- Increases public confidence in local government through independent review of financial management and reporting and by full and accurate disclosure of the City's financial transactions and fiscal-year-end status.

Disadvantages: None.

This recommendation contributes to the achievement of all of the goals of the City of Asheville Strategic Operating Plan through validation of good stewardship and sound financial management by the City that provides the foundation for progress in each of the Goals.

Ms. Deborah Hawkins, Senior Associate of Dixon Hughes, PLLC, gave Council a brief presentation of their findings. She said their report for the 2004 audit expresses an unqualified opinion (clean) on the fair representation of the basic financial statements in all material respects, in conformity with generally accepted accounting principles generally accepted in the United States of America. She summarized (1) the City's government-wide (primary government only) financial statements for the years ended June 30, 2004; (2) the fund balance in the General Fund; (3) the basic financial statements of property tax collections and collection rates; (4) General Fund revenues; and (5) General Fund expenditures.

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

APPROVAL OF THE SALE OF THE BROTHERTON SITE TO NEIGHBORHOOD HOUSING SERVICES

Community Development Director Charlotte Caplan said that this is the consideration a resolution approving the sale of City-owned property on Virginia and Brotherton Avenues to Neighborhood Housing Services (NHS) for a mixed-income housing development.

The City purchased a 7-acre site at the corner of Virginia and Brotherton Avenues from the Housing Authority in 2000 and contracted with a private developer to develop 32 units of mixed income condominium-type housing on the site, using Community Development Block Grant (CDBG) funds for the site improvements and private financing for the housing construction. The developer completed the site improvements but then withdrew in late 2003, having been unable to get construction financing for the housing development on terms he found acceptable.

In July 2004, staff issued a request for proposals for a new developer. Two responsive proposals were received and reviewed by a panel of outside experts and staff, appointed by the City Manager. This panel has recommended the proposal submitted by Neighborhood Housing Services of Asheville (NHS) in partnership with The Verdi Group. NHS proposes to purchase the improved site for \$454,701 (\$1,001 over appraised value) and construct 44 units of housing. The proposal combines the design and construction experience of the Verdi Group with NHS's experience in marketing to income-qualified buyers and its ability to obtain construction financing on favorable terms from its national affiliate: Neighborhood Housing Services of America.

The development is consistent with the City's Strategic Operating Plan (Housing Opportunities Goal #4) because it increases the supply of affordable housing through relatively dense infill on a vacant parcel and also provides mixed-income housing

The resolution authorizes the Mayor to enter into a contract for sale with NHS. NHS will then do its due diligence on the site and prepare construction plans. Council will have the opportunity of reviewing the plans in detail early next year, since NHS's proposal to increase the number of units requires modification of the Conditional Use Permit approved in 2003. The sale will not close until any required zoning process is completed.

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The sale will be governed by the terms of N. C. Gen. Stat. 160A-279 (private sale of property to entities carrying out a public purpose). This does not require a public hearing or upset bid process.

Advantages:

- Authorizing the sale enables the development of the property to move forward.
- A strong partnership has been formed by NHS to acquire the necessary financing, and design, construct, and market mixed-income housing on the site.
- Council will have final approval of the project when design is complete and before the sale closes.
- The proposal offers 24 units of affordable housing and 20 units of market rate housing with the benefits of good design, energy efficiency, and preservation of open space on the site.

Disadvantage:

- The NHS/Verdi group's plan will require a modification of the Conditional Use Permit, and is therefore not ready to move into construction immediately

Staff recommends approval of the resolution authorizing the Mayor to enter into a contract for sale with NHS.

Discussion surrounded the various questions/comments Ms. Caplan responded to from Council, some being, but are not limited to: are there still water pressure problems in the area; has any taxpayer money been lost from any source on this project; how does the management work with the partnership; was this reviewed by the Housing & Community Development Committee;

will sidewalks be required in the project; does NHS feel comfortable with the conditions already placed on them with the conditional use permit; what is a guesstimate of the total amount of money the City has invested on this site; what happened to the prior developer; will any intersection plans affect the site; will all units be affordable; was any other interest shown on this site; will they build energy efficiently; what did we get for our infrastructure improvements; and where in the process do we get confidence that NHS will get a construction loan.

Mayor Worley 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.

At 4:55 p.m., Mayor Worley announced a short break.

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HAYWOOD STREET PARKING GARAGE (FORMERLY THE BATTERY PARK PARKING GARAGE

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Development Plans

Amendment to Contract with Carl Walker for Design and

City Engineer Cathy Ball said that this is the consideration of a resolution authorizing the City Manager to amend the contract with Carl Walker, Inc., to include an additional \$187,000 for the revisions to the design/development drawings and the construction documents for the Haywood Street Parking Garage (formerly know as the Battery Park Parking Garage.)

In 2000, the City of Asheville went through a formal process to select Carl Walker, Inc. to design the Haywood Street Parking Garage in the Battery Park area. The original contract was for a parking structure on the existing surface lot of the BellSouth lot. The original cost of the project was \$510,000. Since that time several changes have been make in the scope of the work. These changes include:

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- The location of the site has moved, causing the design cost of the project to increase because of the geometry of the site; and,
- The Engineering fees of the Consultant have gone up annually since 2000;
- The Consultant was requested to complete design/development drawings for the private development component of the project.

All of the additional costs for the contract amendment will be recovered with bond proceeds. This amendment brings the total cost of the project to \$901,113.00. This change was approved by Council in February 2003.

The increase in costs associated with this amendment includes the following:

- Eliminating the lowest level of the parking garage and designing an additional level of parking to increase the height of the deck in order to retain approximately the same number of parking spaces in the deck. This change will reduce the cost of the construction of the parking garage significantly. (Approximately \$1.5 Million)
- Redesign the roundabout on Haywood Street to reduce the need for BellSouth to relocate their service lines. This change will result in a cost reduction of \$500,000 due to the elimination of the need to relocate BellSouth Utilities in this location.

This request would bring the total contract cost for the design of the project to \$1,088,113, which is approximately 9% of the total construction costs. Typical design costs for a project of this nature is 6 to 10% of the total construction costs.

Money for this increase is in the requested budget amendment included as an item on this agenda.

Considerations

- The design costs would increase by \$187,000.
- The overall construction cost would decrease by \$1,700,000.
- The number of parking spaces would remain at approximately 650.

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This will meet City Council's Strategic Plan in the focus area of "Sense of Place, Heritage and Arts. Goal #3: Downtown Development with improved gateways/corridors - Support and advocate for initiatives to encourage new downtown development including gateway/corridor improvements. Objective 2. Enhance and encourage new downtown development by establishing funding strategies to partner with or make downtown more attractive to private developers. Task: (1) Construct infrastructure

including parking, shuttle/trolley service, sidewalks, streetscapes, and bicycle facilities to accommodate growth downtown.

Staff requests that City Council authorize the City Manager to amend the contract with Carl Walker, Inc. to include an additional \$187,000 for the design of the Haywood Street Parking Garage in the Battery Park area.

Contract with Hanscomb, Faithful and Gould for Project Management Services

City Engineer Cathy Ball said that this is the consideration of a resolution authorizing the City Manager to sign a contract with Hanscomb, Faithful and Gould, in the amount not to exceed \$300,000, for project management services for the Haywood Street Parking Garage (formerly know as the Battery Park Parking Garage.)

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In 2003, staff requested proposals from qualified firms to perform project management services for the development of construction documents, costs estimates and construction oversight for the Haywood Street Parking Garage in the Battery Park area. Staff reviewed the proposals and determined that Hanscomb, Faithful and Gould was the most qualified firm.

The role for project management as an independent service is a key element to reducing overall cost while receiving a good quality structure. Hanscomb, Faithful and Gould would work directly for the City of Asheville and represent the best interest of the City. We currently have them on retainer on an hourly basis. They have already played a crucial role in reducing the costs of the project.

All of the additional costs for the contract amendment will be recovered with bond proceeds. Money for this increase is in the requested budget amendment included as an item on this agenda.

Considerations

- The project costs would increase by \$300,000.
- This cost could be offset by the savings recommend but the project manager because of their expertise.

This will meet City Council's Strategic Plan in the focus area of "Sense of Place, Heritage and Arts. Goal #3: Downtown Development with improved gateways/corridors - Support and advocate for initiatives to encourage new downtown development including gateway/corridor improvements. Objective 2. Enhance and encourage new downtown development by establishing funding strategies to partner with or make downtown more attractive to private developers. Task: (1) Construct infrastructure including parking, shuttle/trolley service, sidewalks, streetscapes, and bicycle facilities to accommodate growth downtown.

City staff requests that City Council authorize the City Manager to sign a contract with Hanscomb, Faithful and Gould in the amount not to exceed \$300,000 for project management services for the Haywood Street Parking Garage.

Budget Amendment for Haywood Street Parking Garage

City Engineer Cathy Ball said that this is the consideration of a budget amendment in the amount of \$ 9,000,000 (from \$11.9 Million to \$20.8 Million) for the Haywood Street Parking Garage (formerly know as the Battery Park Parking Garage.)

In the Capital Improvement Budget for Fiscal Year 1999-2000 \$11.9 Million was appropriated for the construction of a parking garage in the Battery Park area. Since that time there have been several changes in the scope of work of the project. During the course of this project, staff has met with Council Members several times to inform them of some of the significant changes in the project. These changes are outlined below:

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| # | Description | Increase | Decrease | Total (M) |
|----|--|-------------|----------|-----------|
| 1. | Location of parking garage changed from Bell-South Lot to behind the Battery Park Apartments – This increase was in construction costs due to the change in shape of the structure (rectangle to L-Shape) (2000) | \$500,000 | | \$12.3 |
| 2. | Number of parking spaces increased from 400 | \$3,000,000 | | \$15.3 |

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|----|--|-------------|-------------|---------------|
| | spaces to 650 spaces. The Citizen-Times originally agreed to participate in the garage. This increase is offset somewhat by the private-development component of the project. (2002) | | | |
| 3. | Building the site below ground due to height restrictions imposed by Battery Park Apartments. (See Item 6) (2003) | \$1,500,000 | | \$16.8 |
| 4. | Increase in Bell-South Utility costs to relocate major trunk lines. (See Item 6) (2003) | \$500,000 | | \$17.3 |
| 5. | Increase in design costs to include private development component of the project. (2003) | \$391,113 | | \$17.7 |
| 6. | Increase in design costs to reduce the cost of constructing the parking garage underground and revising the roundabout. (Decrease in construction costs.) (2004) | \$187,000 | \$2,000,000 | \$15.9 |
| 7. | Contract with Project Manager (2004) | \$350,000 | | \$16.3 |
| 8. | Increase in construction costs since 1999 | \$2,600,000 | | \$18.9 |
| 9. | Huge increase in the cost of steel. (2004) | \$1,800,000 | | \$20.8 |

Some of this cost can be offset by the development of the private development component of the project. This money cannot be specified until the City enters into an agreement for the private development component of the project. Therefore, the City must pay these costs upfront.

Staff recommends that the number of parking spaces remain at 650 to allow for some growth in monthly parking spaces, an increase in hourly parking spaces and the opportunity to provide parking for the private development adjacent to the parking garage.

Considerations

- The project costs would increase by \$9,000,000 some of which can be offset by the development of the private development component of the project.
- Eliminating parking spaces from the garage will not proportionally reduce the cost of the garage.

This will meet City Council's Strategic Plan in the focus area of "Sense of Place, Heritage and Arts. Goal #3: Downtown Development with improved gateways/corridors - Support and advocate for initiatives to encourage new downtown development including gateway/corridor improvements. Objective 2. Enhance and encourage new downtown development by establishing funding strategies to partner with or make downtown more attractive to private developers. Task: (1) Construct infrastructure including parking, shuttle/trolley service, sidewalks, streetscapes, and bicycle facilities to accommodate growth downtown.

City staff requests that City Council approve a budget amendment in the amount of \$9,000,000 (from \$11.9 Million to \$20.8 Million) for the Haywood Street Parking Garage (formerly know as the Battery Park Parking Garage.)

Discussion surrounded the various questions/comments from Council that Ms. Ball and Mr. Bill Schaefer, Finance Director, responded to, some being, but are not limited to: what is the dollar figure for each parking space and what was the figure when the project first started; various questions regarding financing of the deck; will the City be able to recoup any costs once the deck is built; what is the debt repayment schedule on the Rankin Avenue and Wall Street decks; what does the Parking Services Enterprise Fund consist of; what did the original \$11 Million budget in 2000 consist of; why is there a need in downtown Asheville for this large of a facility; will the money from the sale or lease of the outparcels go back to pay the debt service; how long will it be before the parking deck will be self-financing; what will be the on-going maintenance cost of the deck; if the City defaulted on the loan, what would be lost; what is the average across the county on the increase in steel; what would happen if the \$20 Million deck was not built and what type of monetary losses would the City incur; is this the appropriate location for this parking deck; are there ways we can review the engineering study and find ways to modify the plans to reduce the \$20 Million; have we tried to pre-sell the outparcels; why can't we build on top of the Rankin Avenue parking deck; how many spaces did we commit as part of the land acquisitions; the City needs to keep in mind that another parking deck (to be built by the Grove Park Inn) is in the future next to the City Hall Building; are there ways we can look at modifying the project to lower the \$20 Million cost; what type of cosmetic work will be done on the deck; does the Council have the flexibility of using the funds in the Parking Services Enterprise Fund; will increases to the price we charge for on-street parking and deck parking be reviewed in the near future; how was the 650 parking spaces arrived at; how much surface parking will be lost as a result of the new parking garage; what parking garages will be used

for monthly parkers and transient parkers; how many decks and how many parking spaces are in the Civic Center Parking Garage; and have other options to address the parking congestion been looked at.

Vice-Mayor Mumpower and Councilman Newman felt that a parking deck was needed, however, they expressed concern of how we can justify spending \$20 Million on it.

Mayor Worley 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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VACATE AND CLOSE THE ENTIRE DWELLING AT 1086 HENDERSONVILLE ROAD

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Housing Code Officer Jeff Baker said that this is the consideration of a resolution setting a public hearing on January 11, 2005, for the adoption of an ordinance to vacate and close the remaining dwelling units located in the dwelling at 1086 Hendersonville Road.

The dwelling at 1086 Hendersonville Road is a wooden structure containing nine separate dwelling units. After unsuccessfully attempting to work with the property owners to bring the dwelling into compliance with the Housing Code since December of 1998, City staff's efforts to bring about compliance intensified during the summer of 2004. In August of 2004, the property owners entered into a Memorandum of Understanding but failed to honor their commitment to bring the dwelling units into compliance with the Housing Code. As a final effort to obtain compliance, City staff asked City Council to adopt an ordinance ordering certain of the dwelling units to be vacated and closed, which Council adopted. Despite the ordinance directing the property owners to vacate and close certain of the dwelling units, the property owners continue to offer said dwelling units as well as the remaining dwelling units for rent.

A second hearing was held on October 15, 2004, whereby Elizabeth Tate, one of the property owners, made it clear that she had no intentions of voluntarily vacating and closing the

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dwelling. A Findings of Fact and Order was entered ordering the property owners to vacate and close the entire dwelling or otherwise bring the dwelling into compliance with the Housing Code by November 15, 2004. To date, the dwelling has not been brought into compliance with the Housing Code and neither has a housing certificate been issued.

After trying every possible approach to obtain the property owners' compliance with the Housing Code, such has failed. Meantime, the property owners continue to rent and receive rent for each of the unfit dwelling units, which is a violation of the City's Housing Code.

Mr. Baker noted that all the eviction signs have been removed from the units Council has previously authorized to be vacated and the three tenants have been notified that they will be evicted on December 20, 2004. He did note that the City and different housing agencies are working with the three tenants for replacement housing.

Staff recommends City Council adopt a resolution setting a public hearing on January 11, 2005, to consider an ordinance ordering the entire dwelling located at 1086 Hendersonville Road vacated and closed until brought into compliance with the City's Housing Code.

Mayor Worley 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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RESOLUTION NO. 04-250 - RESOLUTION AUTHORIZING THE MAYOR TO APPROVE A GRANT OFFER FROM THE FEDERAL AVIATION ADMINISTRATION

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City Manager Westbrook said that this is the consideration of a resolution authorizing the Mayor to approve a Grant Offer from the Federal Aviation Administration (FAA) in the amount of \$5,000. The grant offer must be accepted on or before December 10, 2004, therefore, he asked that Council waive their rules and take formal action at this meeting.

The FAA has offered a grant agreement to the Asheville Regional Airport. This grant, in the amount of \$5,000, is for the terminal roof repair, which was damaged by the recent hurricanes.

Staff recommends adoption of the resolution authorizing the Mayor to execute the grant agreement for Project No. 37-0005-E1-2005.

Councilwoman Bellamy moved to waive the rules and take formal action at this meeting. This motion was seconded by Councilwoman Jones and carried unanimously.

Councilwoman Bellamy moved to approve Resolution No. 04-250. This motion was seconded by Councilman Dunn and carried unanimously.

RESOLUTION BOOK NO. 28 – PAGE 432

FUNDING FOR HOPE VI FEASIBILITY STUDY

Mayor Worley said that Councilwoman Bellamy and himself heard a presentation at the Housing Authority to ask the City for \$18,000 plus expenses for a feasibility study to see if Asheville is eligible to obtain a Hope VI grant to do some redevelopment in conjunction with the Housing Authority in public housing projects.

Councilwoman Bellamy explained that other communities, who didn't do the study and research, did not receive a grant and felt that the study is necessary to determine if Asheville is eligible and has a chance to receive some funding.

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Mr. Harrison Shannon, President of the Harrison Shannon Group, explained the type of analysis he will provide and what type of information the final report will contain. He then responded to various questions from Council regarding the Hope VI Program and the type of services he will provide for the \$18,000.

Vice-Mayor Mumpower was concerned that the future is not clear regarding Hope VI funding and wondered if Asheville really has a realistic chance of tapping into the limited pool of money. He felt it would be more appropriate for a focus group discussion with City staff and reserve the City's limited money for another time when funding is more clear.

Mayor Worley 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.

CLOSED SESSION

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At 7:24 p.m., Councilwoman Bellamy moved to go into closed session for the following reasons: (1) 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: Morris Communications, Inc. d/b/a Fairway Outdoor Communications; Lamar OCI - South Corp.; and the City of Asheville. The statutory authorization is contained in G.S. 143-318.11(a)(3); and (2) 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. The statutory authorization is contained in G.S. 143-318.11(a)(5). This motion was seconded by Councilman Dunn and carried unanimously.

At 8:08 p.m., Vice-Mayor Mumpower moved go come out of closed session. This motion was made by Councilwoman Bellamy and carried unanimously.

ADJOURNMENT:

Mayor Worley adjourned the meeting at 8:08 p.m.

CITY CLERK

MAYOR